



CITY OF NEWPORT BEACH

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September 24, 2019

Mayor

Diane Brooks Dixon

Mayor Pro Tem

Will O'Neill

Council Members

Brad Avery

Joy Brenner

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Jeff Herdman

Kevin Muldoon

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

**RE: SB 330 (Skinner) Housing Crisis Act of 2019
Request for Veto**

Dear Governor Newsom,

The City of Newport Beach urges your veto on, or at least a modification to, SB 330 (Skinner). Of particular concern is proposed section 66300(d)(1), which would prohibit redevelopment of nonconforming properties in the City.

While it is critically important to spur the production of homes, especially homes affordable to low-income households, SB 330 is not the appropriate answer.

Specifically, the City of Newport Beach opposes the following provisions in SB 330:

- **Prohibits Redevelopment of Nonconforming Properties** – As drafted, Section 66300(d)(1) prohibits the demolition of any residential units unless all the units are replaced on the same project site. Although the City understands the desire to discourage the net loss of housing on a city-wide basis, the proposed new legislation would prohibit a loss of units on a site-specific basis. It is common in Newport Beach for older nonconforming duplex and triplex properties that do not meet current zoning, building and life safety requirements to be demolished and replaced with new single-family development. Furthermore, many of these nonconforming multi-family lots cannot be redeveloped to the same density due to changes in development standards. The City recognizes the loss of these units and has created new housing opportunity sites elsewhere in the City, which has resulted in a net increase of over 1200 new units constructed in the City during this current planning period.
- **Creates A New Type Of Housing Project Application** – SB 330 creates a "preliminary" housing project application, which upon submittal, limits the number of public hearings, freezes nearly all project related fees, and starts the approval timeline before an application is deemed complete.

- **Freezes Impact Fees For Up To 2 1/2 Years** – SB 330 would lock in place nearly all fees imposed on a housing project once a developer submits a “preliminary” application. Developers would have up to 2 1/2 years to begin construction and not be subject to any new fee, even an affordable housing fee.
- **Essentially Bans Project Specific Fees** – SB 330 would prohibit a city from imposing any fee, except CEQA related fees, after the submittal of a “preliminary” application. This would essentially ban project specific fees because these fees cannot be determined until a city fully analyzes the project. It is important to note that all project impact fees are extensively regulated by state law and the constitution. Cities can only charge a fee to cover the cost of providing the service for which the fee is applied. It is illegal for cities to charge project fees and use the funds for other purposes.

The City of Newport Beach strongly questions the effectiveness of restricting essential housing related fees, particularly when SB 330 does not require any of the cost savings associated with these limitations to be passed on to the renter or purchaser of the housing unit.

For these reasons, the City of Newport Beach urges your veto on SB 330.

Sincerely,



Diane B. Dixon
Mayor

cc: The Honorable Nancy Skinner
The Governor’s Office (via email: leg.unit@gov.ca.gov)
Senator John M. W. Moolach
Assemblywoman Cottie Petrie-Norris
Newport Beach City Council
Grace Leung, City Manager
California Strategies, LLC
League of California Cities (Via email: cityletters@cacities.org)