



**CITY OF NEWPORT BEACH**

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May 21, 2021

The Honorable Nancy Skinner  
California State Senate  
State Capitol, Room 5094  
Sacramento, CA 95814

**RE: SB 8 (Skinner) – Notice of Opposition**  
SB-8 Housing Crisis Act of 2019.

Dear Senator Skinner,

The City Newport Beach is writing to respectfully oppose SB 8. The bill prematurely extends the sunset clause of the Housing Crisis Act of 2019 (SB 330) by an additional five years, to 2030. It would make other changes that further undermine local control and restrict property owner's opportunities to develop housing projects compliant with City regulations.

**Wait and See.** SB 330 is under two years old. Accounting for COVID-19-related impacts over the past year, it is too early to evaluate necessary changes to enhance SB 330's effectiveness, let alone extend its sunset to 2030. The result of other recent housing laws, such as accessory dwelling units, is similarly unknown. What is certain is that cities are struggling to keep up with the significant and constant changes in housing law. Why not allow SB 330 and these other housing bills to run their course over the next few years, then adjust SB 330 and extend as needed?

**Developer Fees.** The bottom line of cities up and down California is that they have been hit hard by the pandemic. SB 330 limits the ability to assess updated developer fees for projects that have submitted a Preliminary Application. SB 8

would extend the limitations and ability for cities to recoup costs from development, exacerbating the dire financial straits many now face. Developer fees not only provide essential infrastructure and public services such as schools, parks, roads, and utilities, but are part of economic recovery efforts. Under recent housing laws, developers newly benefit from attractive incentives like density bonus and environmental exemption. SB 8 would allow developers to produce larger projects without paying their fair share to maintain the high quality of life and level of service all residents deserve.

**Expansion of Housing Development Project.** The bill adds single-family homes to the types of housing developments protected under the Housing Accountability Act (HAA). The HAA is intended to prevent local governments from applying constraints like changes in development standards and lower density that reduce the viability of a development. It is unclear why this protection is needed in the case of a single unit development. Traditionally, individual single-unit projects do not increase density and housing affordability that HAA promotes. More concerning is that the expanded definition would grant single-family residences vesting rights for preapplications under SB 330. Under the preapplication, personal single-family projects could have the identical review privileges of a multi-family development that could actually help cities to meet their housing needs.

**Nonconforming Densities.** In practice, SB 330 has regularly frustrated redevelopment efforts in the City. It has imposed unrealistic standards for properties that are nonconforming due to density. The City's nonconforming code restricts such uses to repair and maintenance only. This code is a mechanism to align the use of the site with the existing compliant uses of the zoning to establish neighborhood compatibility and harmony. SB 330 makes it nearly impossible for the many older residential sites in the City to redevelop because of the requirement to maintain density. To demonstrate, a property owner with a nonconforming triplex on a two-unit residential zoned lot can neither build back three units under the municipal code nor put back two Code-compliant units under SB 330. Sometimes the old age of a structure presents a safety issue that cannot be corrected under SB 330 without a discretionary entitlement. When developing a new project that maintains density at nonconforming sites, most cases require general plan, code, and local coastal program amendments with no guarantee of approval. The cost, time, and risk associated with these amendments cause frequent abandonment of projects that adhere fully to the municipal code, but that SB 330 disallows. Seen this way, the bill in practice has generally (and unfortunately) had the opposite effect of facilitating housing development in the City. Any revision or clarification to SB 330 must make accommodations for nonconforming densities, safety, and special instances where it is simply not possible to maintain density. If not, disproportionate impacts to property owners will continue until 2030 under the proposed bill.

For these reasons, the City of Newport Beach opposes SB 8.

Sincerely,



Brad Avery  
Mayor  
Newport Beach

cc. Senator David Min  
Assemblywoman Cottie Petrie-Norris  
Newport Beach City Council  
Grace Leung, City Manager  
League of California Cities (Via email: [cityletters@cacities.org](mailto:cityletters@cacities.org))