Sen. Scott Wiener is back trying to boost California housing production again, after his <u>SB</u> <u>50</u> legislation to upzone for apartments around transit <u>died</u> in the State Senate in January. This time, he's proposing a "lighter touch" approach, salvaging an SB 50 provision that would end single-family zoning across the state.

<u>Senate Bill 902</u> would authorize minimum residential zoning of duplexes in unincorporated county areas or cities under 10,000 residents. Triplexes would be the minimum density for cities between 10,000 and 50,000 residents, while fourplexes would be allowed for cities of 50,000 or more.

Furthermore, while local standards on height, setbacks, and fees, etc. would remain in place, any approval for these multiplexes would be "by right," meaning environmental review would not apply under the California Environmental Quality Act (CEQA) and permits would not be discretionary. In addition, the bill would not apply to parcels with renters any time in the last seven years, historic structures, or high-fire zones.

But wait, there's more — and this time with a more explicit transit and environmental hook.

SB 902 would also allow local governments the option of rezoning any parcel (including for commercial uses) for up to 10 units in density, provided the parcel is located in a "transit-rich area, a jobs-rich area, or an urban infill site." The definition of transit-rich means within one-half mile of any rail station or major bus stop, and urban infill site essentially means a previously developed spot surrounded by existing uses on at least 3 or 4 sides. "Jobs-rich" would need to be defined by the state's planning and housing agencies. Like the multiplex provision, all permitting for these 10-unit parcels would be by-right and therefore not subject to CEQA.

This 10-unit opt-in provision holds the most promise to boost transit ridership and reduce vehicle miles traveled (aka "traffic"), the reason the state is <u>falling behind</u> on transportation emissions. By allowing an opt-in for greater density, SB 902 provides off-the-shelf tools for local governments that actually want to see more housing near transit and jobs.

That said, the problem in California is that too many transit-rich, high-income local communities want nothing to do with more density. So many of the most critical transit-rich communities (San Francisco Bay Area suburbs and Westside Los Angeles cities like Beverly Hills) likely won't budge on this tool. Their property-rich residents are just fine with their neighborhoods as they are.

The upside for the environment of the multiplex provision is that accommodating more

residents in existing residential neighborhoods could also boost transit, if those new multiplexes are near rail stations and bus stops. And if those new residents drive, at least they would presumably have a shorter commute than if they lived in new exurban sprawl communities (the primary affordable housing alternative, short of leaving the state altogether).

The potential downside is that many of these multiplexes might be in far-flung subdivisions, meaning the new residents will have longer commutes than if SB 50 had passed and they could have lived in an apartment near transit. But the SB 50 opportunity, and all the mandatory affordable housing that would have come with it, is now passed.

As for the politics on SB 902, it seems likely it will be similar to SB 50. Wealthy suburbanites that sank SB 50 will be back *en masse* to oppose SB 902. Labor may not like the by-right provision (they use CEQA to force project labor agreements on developers) but may appreciate the construction jobs.

The political wildcard will be equity and affordable housing groups, which helped sink SB 50. Will they care about suburban upzoning? Some of these affected areas will have low-income tenants. While as mentioned the bill doesn't allow redevelopment with renters present anytime in the last seven years, many tenant advocates may not care. Some are even hostile to market-rate development of any type, hoping instead for a government takeover of housing production. So it will be critical to see what positions they take on SB 902, as their opposition to SB 50 provided important political cover for wealthy opponents.

In addition, will environmental groups step up to support the measure? Most were MIA on SB 50, with the exception of NRDC, ClimateResolve and a few others. Some were even opposed, cowed by some of the tenant group opposition or beholden to NIMBY constituents. So SB 902 gives them a fresh opportunity to finally develop a coherent position on this most pressing environmental issue.

Ultimately, if Sen. Wiener can at least limit tenant group opposition, along with the wealthy NIMBYs who may be more scandalized by the prospect of an apartment building than a triplex, he may have a chance to get the bill passed. And ultimately, it will require the governor, who campaigned on 3.5 million new housing units but has instead seen <u>backwards</u> <u>progress</u>, to step up and get more involved in the political process.

Either way, if the bill has legs, we'll likely see many changes as it winds its way through the process of political compromise. I'll be following them closely.

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