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The Honorable David Min
Chair, Senate Committee on Natural Resources and Water
1021 O Street, Room 3220
Sacramento, CA 95814

**RE: AB 2560 (Alvarez) Coastal Zone
Notice of OPPOSITION**

Dear Senator Min:

The undersigned local elected officials strongly believe we have an affordable housing crisis in our state and that our cities should be part of the solution. However, many of the pieces of legislation we are seeing out of Sacramento, purportedly working toward solving this crisis, are not only not working, they are backfiring. AB 2560 is a good example of this problem.

With each new project in our largely built-out coastal cities, we lose older, naturally occurring affordable homes (NOAH). We can provide you with numerous examples of small and large projects where we lose 200 NOAH and gain 30 deed-restricted affordable homes; lose 10 NOAH and gain two deed-restricted. Most importantly, we are losing the very residents you say you're trying to help: working class folks, people of color, seniors, college students and young professionals. With each new project our populations are becoming less diverse and wealthier.

As you know, California voters approved the creation of the Coastal Zone by a statewide initiative in 1972. The legislature codified the voters' will with the Coastal Act of 1976. Overriding the voter-initiated Coastal Act with AB 2560's density bonus rules would be an extremely unpopular policy and would not help provide more affordable housing on the coast. It will produce more \$2 to \$3 million townhomes and \$5,000 to \$6,000 per month one-bedroom apartments. And, in our experience, many of these are second homes and remain vacant for most of the year. If we're not losing residents due to the demolition of their NOAH homes, we're losing them to market rate "rent-flation" driven by these new luxury units.

Density bonus law already applies to the Coastal Zone with waivers and incentives complying with Coastal Act protections. AB 2560 would allow waivers and incentives that would currently not comply with the Coastal Act and would exacerbate the impact of development on environmental resources, and increase the investment needed for expanded resilient infrastructure upgrades. Most coastal cities already have inclusionary policies that are equal to or greater than the "ask" for density bonus status. Add to that AB 2560 which would allow for a density bonus of 100 percent, doubling the height above a zoning-compliant base project, and yielding just 15 percent very-low-income housing units, and 15 percent moderate-income housing units.¹

Therefore the waivers and incentives the developer would receive through density bonus can be said to be unwarranted because the inclusionary units are already required by most cities. The "ask" under AB 2560 would not result in any more affordable units than already required, but would open the door to luxury condo and apartment buildings that are twice as tall and with fewer deeply affordable units than required by our existing policies.

¹ For example, under our existing inclusionary standards, let's say a developer could build two buildings with 100 units each, both at our maximum height limit. This would create a total of 30 deeply affordable units. Under AB 2560, the developer could build one 200-unit building that is double our height limit, with the same total of 30 affordable units. However, only 15 of the units would be deeply affordable.

In addition, the up-zoning allowed under AB 2560 could lead to twice as many apartments on a given piece of land, causing a doubling of rental income and a dramatic increase in the price of land. AB 2560 will add further pressure to the upward spiral of land values in the Coastal Zone, which is already a big problem, one that has led to gentrification and the loss of lower income community members being priced out of housing in their own historic communities.

As local elected officials we deal every single day with the affordable housing crisis in our state. We know that if we work together with our state and federal partners we can solve this problem. With all due respect, we must oppose AB 2560. As written, the bill is a step in the wrong direction.

We look forward to working with you and the rest of the statewide elected officials in Sacramento to craft legislation that can solve our affordable housing crisis.

Sincerely,

Lesa Heebner,
Mayor, Solana Beach *

(* Coastal zone city)

Susan Candell
Councilmember, former Mayor, Lafayette

Laura McCorkindale
Councilmember, former Mayor, Hidden Hills

Margaret Clark
Mayor Pro Tem, former Mayor, Rosemead

John Mirisch
Councilmember, former Mayor, Beverly Hills

Lynette Lee Eng
Councilmember, former Mayor, Los Altos

Esther Sanchez,
Mayor, Oceanside *

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Peggy Huang
Councilmember, former Mayor, Yorba Linda