

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 19, 2007
POSITION: Oppose

BILL NUMBER: SB 2
AUTHOR: G. Cedillo

BILL SUMMARY: Local Planning: Development By Right

This bill would expand provisions of the State Housing Element Law to require cities and counties to identify housing sites for emergency shelters and special needs facilities to accommodate the city or county’s share of the state’s homeless population. If the city or county could not identify adequate sites to accommodate persons in need of emergency shelter or special needs facilities, their housing element would be required to identify actions to be taken to make available adequate sites “by right.”

FISCAL SUMMARY

By increasing the scope of the housing element, this bill appears to impose a reimbursable state mandate with unknown, but potentially significant, costs to develop technical assistance materials and train all local governments how to adequately update their housing elements.

This bill would generate one-time costs to the Department of Housing and Community Development of \$145,000.

COMMENTS

Finance recommends an oppose position for the following reasons:

- By increasing the scope of the housing element, this bill appears to impose a reimbursable state-mandate with unknown, but potentially significant, costs.
- Given that the homeless population and the related subpopulation with special needs are difficult to count, it would be infeasible for many cities and counties to accurately identify their housing need for these groups. If the requirement to provide sites for shelters and facilities was based on counts of where homeless persons currently are found, this would permanently burden those cities that provide services or are otherwise attracting a larger share of homeless persons and would immunize those cities and counties that have few homeless persons because they currently provide no services or otherwise shift their homeless population to neighboring jurisdictions.
- It may not be feasible to implement approval “by right” of emergency shelters and special needs facilities when local governments fail to identify adequate sites. By right zoning is feasible when local impacts can be addressed through standardized provisions. By contrast, the siting of emergency shelters and special needs facilities generally involves complex issues about compatibility with the surrounding area and appropriate special conditions.

Analyst/Principal (0740) K. Amann	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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ANALYSIS

A. Programmatic Analysis

Existing law requires each city and county to develop a general plan, which serves as the basis for local zoning and development standards. The general plan includes a housing element, which must include an assessment of housing needs, and an inventory of constraints and resources relevant to housing production. The housing element must include an analysis of needs for transitional housing, including developments with on-site services. The law requires each city and county to identify adequate sites with appropriate zoning to meet the housing needs of all segments of the community. To the extent a community has not identified adequate sites, it must adopt a program to rezone land to accommodate the housing needs of all income groups. Rezoned sites must allow for the development of housing as "use by right," which means that the local government may not require further discretionary review or approval.

This bill would expand provisions of the State Housing Element Law to require cities and counties to identify housing sites for emergency shelters and special needs facilities to accommodate the city or county's share of the state's homeless population. If the city or county could not identify adequate sites to accommodate persons in need of emergency shelter or special needs facilities, their housing element would be required to identify actions to be taken to make available adequate sites "by right." A special needs facility is defined to include any of the following if licensed and serving seven or more people: community care facility, residential facility, social rehabilitation facility, community treatment facility, transitional shelter care facility, transitional housing placement facility, residential care facility, or residential care facility for the elderly.

Discussion: According to the author's office, there are an estimated 360,000 homeless individuals and families in California. However, by its nature, the homeless population is difficult to count. We recognize the intent of this bill is to hold cities and counties accountable for providing their "share" of the homeless population with access to services, including special needs facilities, emergency shelters, and transitional housing. Currently, the shortage of services in cities and counties across the state has led to the concentration of services in inner cities and poor communities, like the skid row area in downtown Los Angeles. In some instances, jurisdictions with inadequate services have been found transporting homeless persons to other jurisdictions. In other instances, homeless persons are forced to leave jurisdictions that lack services in search of those that do. This bill would address both direct and indirect transporting, by requiring all cities and counties to include transitional housing, special needs facilities, and emergency shelters in their housing element.

Even if homeless populations were easy to count, we note concern that there may be little incentive for cities and counties to accurately identify their housing need with regard to these populations. Many localities lack adequate shelter and services for the homeless because they frequently generate community opposition. It seems unlikely that, without a means for accurately measuring homeless and special needs populations, and thereby a means to verify the accuracy of a city or county's housing need, this bill would overcome community opposition and actually spread the costs of sheltering the homeless more widely.

Additionally, it may not be feasible to implement approval "by right" of emergency shelters and special needs facilities when local governments fail to identify adequate sites. By right zoning is feasible when local impacts can be addressed through standardized provisions. By contrast, siting of emergency shelters and special needs facilities generally involves complex issues about compatibility with the surrounding area and appropriate special conditions.

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Related Bills:

SB 1322 (Cedillo) from last year was essentially identical to this bill. The veto message indicated that the bill would deny impacted groups from having input on proposed developments and would lead to an increase in litigation brought against cities and counties that would deplete local government resources, rather than helping improve the availability of special needs housing.

Chapter 891, Statutes of 2006 requires local governments to analyze and consider the needs of extremely low-income households, defined as less than or equal to 30 percent of median income, when developing their land inventory and in any program to provide adequate sites when developing the local housing element.

B. Fiscal Analysis

This bill would generate one-time costs of \$145,000 for the Department of Housing and Community Development to develop technical assistance materials and train all local governments how to adequately update their housing elements.

Section 6 of Article XIII B of the California Constitution provides that the state shall reimburse local governments when it mandates a new program or higher level of service, subject to limited exceptions which would not apply here. By increasing the scope of the housing element, this bill appears to impose a reimbursable state-mandate with unknown, but potentially significant costs.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP	2006-2007		2007-2008		2008-2009		Fund
	RV	98	FC	FC	FC	FC	FC	FC	Code
2240/HCD	SO	No	C	\$0	C	\$73	C	\$145	0001