



March 10, 2023

The Honorable Scott Wiener  
California State Senate  
1021 O Street, Suite 8620  
Sacramento, CA 95814

**Re: Support for Senate Bill 423 – Land use: Streamlined housing approvals: multifamily housing developments**

Dear Senator Wiener,

On behalf of Resources for Community Development (RCD), we write in support of Senate Bill (SB) 423. This bill would remove the sunset of SB 35 (Wiener, 2017) and make the law permanent, thus providing streamlined, ministerial approval of projects in cities that have not met their Regional Housing Needs Assessment (RHNA) goals or adopted a compliant housing element.

RCD is a nonprofit organization dedicated to creating and preserving affordable housing for people with the fewest options. RCD houses over 5,250 low-income residents in 2,550 units in 63 developments throughout the Bay Area, with 375 more units under construction.

SB 35 has been truly transformative for non-profit affordable housing developers like RCD. To date, RCD has used the streamlined ministerial approval process enabled by SB 35 to entitle seven affordable housing developments, totaling nearly 700 affordable units. Our SB 35 projects are, on average, approved in less than half the time of equivalent projects that must undergo a traditional design review. This fast entitlement timeline in turn creates a series of cascading benefits in the development process: it facilitates site acquisition, accelerates financing, and reduces costs. In short, SB 35 helps non-profit developers build more units at a faster pace, to help meet California's enormous need for affordable housing.


Indeed, effective tools for facilitating affordable housing production, like SB 35, are critical to maintain because California is still within the depths of a housing crisis that disproportionately impacts the state's lowest-income residents. California households in the bottom quarter of the income distribution – the poorest 25% of households – report spending four times the share of their income (67%, on average) that households in the top quarter of the income distribution do (16%, on average). California ranks 16th highest among all states when measuring poverty rates. However, when the high cost of housing is taken into account, California jumps up to first place. Over 20% of California residents live beneath the California Budget Center's supplemental poverty measure.

Across the state, SB 35 addressed the needs of rent-burdened low-income households by facilitating the development of new affordable units. Although data surrounding SB 35 is imperfect, the Turner Center has reported that through the end of 2021, over 18,000 units have been proposed under SB 35, with 13,000 or nearly three-fourths being affordable to those in the very low- or low-income categories.

Equally important, this Act will help our state's construction workforce rise and thrive. Construction workers will be protected by the requirement to pay prevailing wages on projects with over 10 units. On projects with 50 units or more, contractors must offer apprentices employment and pay for health care for construction workers and their dependents. This creates an economic base and new opportunities for construction workers and provides our state with the highly skilled workforce it needs to build our future.

It is critical that affordable housing developers retain access to the streamlined ministerial approval process enabled by SB 35, as proposed in SB 423. Thank you for your leadership in developing effective solutions to the housing crisis, and for all these reasons, we support this bill.

Sincerely,

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Dan Sawislak  
Executive Director  
Resources for Community Development