



Contra Costa Centre Transit Village  
1350 Treat Blvd., Suite 140  
Walnut Creek, CA 94597

October 21, 2019

The Honorable Ignacio Velazquez, Mayor  
and Members of the City Council  
City of Hollister  
975 Fifth St.  
Hollister, CA 95023  
**TRANSMITTED VIA EMAIL**

**Re: Agenda Item E.1 Growth Management Program Ordinance**

Dear Mayor Velazquez and Members of the Hollister City Council:

The Building Industry Association of the Bay Area (BIA) strongly urges the Hollister City Council to reconsider adoption of the Growth Management Program Ordinance (GMO) and correct grievous misinformation provided by Council Members at the October 7, 2019 City Council meeting regarding the adoption of the GMO.

BIA encourages the City of Hollister repeal Hollister Municipal Code Chapter 16.64, Growth Management Program, and discontinue any more effort to enact a housing growth limit or housing moratoria and direct Staff to return to the City Council with a complete analysis and report of the legality of the GMO under SB 330 and changes to land use processing that the City of Hollister must initiate to comply with SB 330.

**SB 330 Housing Crisis Act of 2019 Prohibiting Housing Growth Limits, Moratoria Signed into Law**

SB 330, the Housing Crisis Act of 2019, was signed into law by Governor Newsome on October 9, 2019. Effective January 1, 2020, SB 330 prohibits a jurisdiction from enacting any housing allocation caps, housing moratoria, population limits, or similar restrictions on housing development projects. This ban on housing growth caps, moratoria, or population limits is effective until January 1, 2025. The City of Hollister will not be grandfathered or exempt from the bill's provisions.

SB 330 also tightens the protections for development projects under the Housing Accountability Act and the Permit Streamlining Act by limiting a jurisdiction's ability to change development standards and zoning applicable to a project once a preliminary application, as defined in the statute, is submitted by the project applicant. SB 330 also preventing jurisdictions from

increasing exactions or fees during a project's application and development period, limits the number of project hearings that may be required, and prohibits General Plan changes or "downzoning" of housing sites during the project application period.

Enforcement penalties are harsh; the act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least \$10,000 per housing unit in the housing development project on the date the application was deemed complete.

According to California Senate Legislative Bill Analysis, SB 330 prohibits an affected city or county, with respect to land where housing is an allowable use, from enacting a development policy, standard, or condition that would have any of the following effects:

ii. Imposing a moratorium or similar restriction or limitation on housing development, including mixed-use development, within all or a portion of the jurisdiction, other than to specifically protect against an imminent threat to health and safety. An affected city or county cannot enforce a moratorium until HCD approves it.

iii. Imposing or enforcing design review standards established after January 1, 2018, if the standards are not objective.

iv. Limiting the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected city or county.

**v. Capping the number of housing units that can be approved or constructed either annually or for some other period of time.**

vi. Limiting the population of the affected city or county.

Incorrect statements by Hollister City Council Members during the GMO discussion at the October 7, 2019 City Council hearing relating to the substance and jurisdiction of SB 330 were not corrected or remedied by the City Manager, City Attorney, or any other Staff member at the hearing.

- A Council Member claimed that SB 330 would not apply to the City's GMO because the City's GMO exempted affordable housing projects and the new State law only applied to affordable housing projects. This statement is incorrect because SB 330 applies to all housing development projects (affordable and market rate). According to California Senate Legislative Bill Analysis:

SB 330 prohibits an affected city or county, with respect to land where housing is an allowable use, from enacting a development policy, standard, or condition that would cap the number of housing units that can be approved or constructed either annually or for some other period of time.

- Additionally, another Council Member claimed that SB 330 would not apply to the City of Hollister, nor San Benito County, because the law would not apply to "agricultural areas" and would only apply to urban areas like Berkeley. This claim is also incorrect. SB 330 will apply to the City of Hollister because the City is an urban center and does not have a voter approved growth limit:

1. The prohibition against housing growth limits apply to the “affected county or affected city” if the “affected city” has a population greater than 5,000. According to latest population figures, Hollister population is 39,749;
2. The prohibition against housing growth limits apply to the “affected county or affected city” if that city/county does not have a growth limit enacted prior to January 1, 2005.

The California Department of Housing and Community Development (HCD), as the City is well aware, has been watchful of City efforts to stop or limit growth in the past and adoption of a new housing development cap may send a message to HCD that Hollister is not willing to comply with the Housing Accountability Act and other housing law. However, the City still depends on the State for housing related funding that may be affected by enactment of the GMO.

A case in point, the October 21, 2019 agenda includes a resolution to direct Staff to apply to HCD for SB2 grants with the purpose to update appropriate zoning code ordinances, establish pre-approved accessory dwelling unit plans, and update the City of Hollister website. Does the City Council expect that HCD would approve a grant to the City if the City enacts a housing development growth ordinance that conflicts with State Law?

BIA emphasizes that Governor Newsome has signed SB 330, which prohibits the enactment of housing growth limits by Cities and other jurisdictions. Already the City of Morgan Hill is reacting to SB 330 by undertaking procedures to suspend both the Measure S population control and the Residential Development Control System that restricts on an annual basis the number of housing units that may be approved.

Instead, BIA encourages the City Council to turn attention to a much more positive and important endeavor, the adoption of a General Plan update that will coincide with and support the next Housing Element and RHNA cycle.

The Housing Crisis Act of 2019 (SB 330) recognizes and responds to the severe shortage of housing all across the State of California, and that every City is responsible to approve new housing development projects to help alleviate the shortage. New housing is crucial life blood to the community, bringing new families, jobs, economic development, and tax dollars. We at BIA remain ready to work with Staff and Council Members to assist in any way we are able. Please feel free to contact me at [dmartin@biabayarea.org](mailto:dmartin@biabayarea.org).

Yours very truly,

Dennis Martin  
BIA Bay Area  
Government Affairs

cc: Bill Avera, City Manager  
Brian Swanson, Director Development Services  
Jason Epperson, City Attorney

Encl: City of Morgan Hill 2019 Housing Legislation Update