

ARLETA NEIGHBORHOOD COUNCIL
COMMUNITY IMPACT STATEMENT

March 5, 2020

Nury Martinez, City Councilmember
City of Los Angeles Council District 6
9300 Laurel Canyon Blvd, 2nd Floor
Sun Valley, CA 91331

RE: **Assembly Bill 725**

Dear Councilmember Martinez:

The Arleta Neighborhood Council hereby opposes Assembly Bill 725. AB 725 seeks to amend Section 65583.2 of the Government Code, relating to land use, to supposedly address affordable housing for the middle class at the expense of single-family zoned neighborhoods. In the City of Los Angeles, land use and zoning that allows for housing intensities that go outside, above, and beyond Low Residential land use with R1 zoning are already designated for such with existing duplexes, triplexes, and other forms of multi-family housing. Outside of land use and zoning for industrial, commercial, open space, agricultural, desert lands, multi-family residential, and public facilities the only remaining land use to encroach, assail, and make incursions upon is that of low residential with zoning for single-family home neighborhoods.

On October 24, 2019, in a joint correspondence from the City of Los Angeles' Housing Community Investment Department, Department of City Planning, and Office of the Chief Legislative Analyst it was indicated that under the latest Regional Housing Needs Assessment (RHNA) proposed process by the Southern California Association of Governments (SCAG), *if adopted*, the City of Los Angeles would "be obligated to change zoning and land use designations in order to have enough suitable sites to meet increased RHNA allocation."¹ Even the analysis of AB 725 by the Assembly's Committee on Local Government on January 15, 2020, indicates that while most housing construction is that of single-family homes—according to the bill's author—as a result, the majority of land use is designated for single-family homes in cities and counties, therefore, "not enough land is designated for multi-family housing under local zoning."²

To be exact on land use in the City of Los Angeles—*it is already fully developed*, therefore, there is no longer an inventory of land suitable for residential development when it is already occupied by renters, homeowners, industries, public facilities, commercial activities, open space, and other. According to AB 725 only 20% of the housing production it seeks (e.g. duplexes, fourplexes, garden apartments, town homes, as long as they are more than 2 units) would be deemed "affordable." The remaining 80% would likely not be affordable.³

Regarding sites zoned for nonresidential use that can be re-developed for residential use, this can be at odds with what a general plan has in its inventory should certain land uses not be exercised for what they were intended. For example, the preservation of land use with an existing industrial designation must be adhered to even if the parcels themselves are not in use as the City cannot afford to lose such properties to residential development since it is extremely difficult for a municipality to recover such land for industrial purposes *and future employment* in the future. Should manufacturing make a return to the City of Los Angeles there would need to be industrial land use in receipt of those opportunities.

¹ http://clkrep.lacity.org/onlinedocs/2019/19-0773_misc_10-25-2019.pdf

² http://ctweb.capitoltrack.com/Bills/19Bills/asm/ab_0701-0750/ab_725_cfa_330009_asm_comm.html

³ <https://signaltribunenewspaper.com/47102/news/sb50-california-housing-senate-bill-50-doesnt-make-it-in-california-senate/>

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Moreover, AB 725 proposes to amend Section 2 of the Government Code, Section 65583.2 paragraph (B) regarding water, sewer, or dry utilities to read:

Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

One observation here, water infrastructure costs are borne by ratepayers for capacity increases in reservoirs and there is a likelihood that quotas on water would have to be imposed on all ratepayers to pay for an increased water demand. This would be a tax in disguise upon all property owners if implemented by the State of California.

Lastly, the California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. This bill would provide that no reimbursement is required by this act for a specified reason.⁴ Should this proposed bill become law the State will not reimburse certain costs to local agencies such as the City of Los Angeles or the Los Angeles Unified School District. This matter is exemplified by LAUSD's lack of support for the recently failed state measure known as Proposition 13 of 2020 (defeated by voters on March 3, 2020) which would have prevented the school district from collecting millions in dollars from all types of developments. The school district "collected an average [of] \$92 million annually over the last three years...with the highest fees charged for new housing."⁵ It makes no financial sense for the State to pay \$740 million per year for the next 35 years for the \$15 billion bond it seeks when it can allocate some of the \$21 billion surplus money to make some of the required school repairs throughout the state without imposing further debt upon its taxpayers. However, Proposition 13 of 2020 illustrated the State's indifference to that option. Construction costs, along with impact fees, are incredibly high but at the moment there is no legislation that requires jurisdictions to assess fees on a per-square-foot basis to allow for developers an option to build smaller and less pricier units instead of the now frequent tall and expensive luxury residential unit towers. AB 1924 (Grayson) aims to change that while AB 3144 (Grayson) seeks to provide state funding to reimburse local governments also on the matter should AB 725 become law.⁶

Given these circumstances that illustrate another attack on single-family zoned neighborhoods and home-owning families that pay taxes, and Arleta consisting of nearly 80 percent single-family zoned neighborhoods, the Arleta Neighborhood Council formally opposes AB 725.

CIC APPROVED

March 5, 2020

3 Yea 0 No 2 Absent 0 Abstain

⁴ http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB725

⁵ <https://www.latimes.com/>

⁶ <https://www.latimes.com/opinion/story/2020-02-28/>