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March 12, 2021

The Honorable Toni Atkins
State President Pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

RE: SB 7 (Atkins) – OPPOSE UNLESS AMENDED

Dear Pro Tem Atkins,

On behalf of the City of Cupertino, I am writing to respectfully express our oppose unless amended position on SB 7, your measure that would extend the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 (the Act) for four years, until 2026. Additionally, the measure makes housing projects that meet certain requirements, including affordable housing requirements, eligible for certification under the Act.

SB 7 adds a new category of projects that could qualify for certification under the Act - affordable housing projects. To qualify, the project must, among other things, be located on an infill site, be consistent with a sustainable communities strategy or alternative planning strategy, have at least 15% of the project be dedicated to affordable housing, and must result in a minimum investment of \$15 million in California. In comparison, under current law residential projects currently are subject to LEED Gold, do not have a minimum affordable housing requirement, and are required to result in \$100 million investment in California.

The City's concern with SB 7 is that lowering the minimum investment level to \$15 million may not be the appropriate amount, particularly in areas of the State that have high land values. In Cupertino, a \$15 million investment could result in a development with as few as 15 units. The City requests that you consider amending the bill to provide a sliding investment scale based on regional economic conditions, so that these projects create a meaningful amount of affordable housing.

In order for housing projects to utilize the lower investment threshold, projects should address the housing shortage in a community. As such, we would request that amendments be taken to indicate that a project will not create more jobs than it does housing, thereby negatively

impacting a community's jobs/housing balance. If the purpose of a project is to create jobs, and secondarily create affordable housing, then it should be evaluated on the criteria that are currently set forth in the Act.

Additionally, in cities that have minimum affordability requirements, like Cupertino, this bill does not require a housing development to contain any affordable housing beyond what would otherwise be required under local ordinances. We would request that you amend SB 7 to require a housing development to create additional affordable housing, beyond what is required locally, to be eligible for expedited judicial review of CEQA.

Lastly, the City believes that for projects to take advantage of the streamlined judicial review of CEQA, they should provide a significant environmental benefit. Therefore, the City would recommend that any project submitted pursuant to the Act should be certified as LEED Platinum. These projects should strive to attain the highest level of public good possible, both economically and environmentally.

While we appreciate the intent of SB 7, we feel that the current provisions of the bill do not match the goals for the bill. It is for these reasons that the City of Cupertino has taken an Oppose Unless Amended position on SB 7.

Sincerely,



Darcy Paul
Mayor
City of Cupertino

cc: Senator Dave Cortese
Assemblymember Evan Low
Assemblymember Marc Berman