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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2019 - 2020 Regular Session

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### **SB 1299 (Portantino) - Housing development: incentives: rezoning of idle retail sites**

**Version:** April 1, 2020

**Urgency:** No

**Hearing Date:** June 18, 2020

**Policy Vote:** HOUSING 10 - 0

**Mandate:** No

**Consultant:** Mark McKenzie

**Bill Summary:** SB 1299 would establish a program administered by the Department of Housing and Community Development (HCD), upon appropriation of funding by the Legislature, to provide grants to cities and counties that rezone idle or underutilized big box retailer or commercial shopping center properties and instead provide for the development of workforce housing, as specified.

### **\*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\***

**The following information is revised to reflect amendments  
adopted by the committee on June 18, 2020**

#### **Fiscal Impact:**

- HCD administrative costs of up to \$1.2 million annually (up to 6 PY of staff time) following the appropriation of funding for the program in a future fiscal year. There would be one-time costs to develop and adopt guidelines, and ongoing administrative costs to provide technical assistance to developers and local governments, develop Notices of Funding Availability (NOFAs), review applications, and process funding agreements. Actual costs for ongoing administration of the program would depend upon the amount of funding available and the number of applications submitted by local jurisdictions for review by HCD. (General Fund)
- Unknown annual cost pressures, likely in the tens of millions annually, in future fiscal years to provide funding for the grant program. Since the bill requires grants to be awarded for seven consecutive years, the cost pressures could grow annually in order to fund the second through seventh year of grant funds and to award new grants in future years, depending on how the program is structured. (General Fund)

#### **Author Amendments:** The author's amendments would do the following:

- Simplify the guideline adoption process by specifying that any guidelines or terms adopted by HCD to implement the program would not be subject to the requirements of the Administrative Procedures Act.
- Add Senators Beall and Galgiani as co-authors.

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