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UNFINISHED BUSINESS

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Bill No: SB 390  
Author: Becker (D), et al.  
Amended: 8/20/25 in Assembly  
Vote: 21

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SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 5/7/25  
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE FLOOR: 39-0, 5/27/25  
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener  
NO VOTE RECORDED: Reyes

ASSEMBLY FLOOR: 74-1, 8/28/25 - See last page for vote

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**SUBJECT:** Community facilities district: inclusion or annexation of territory:  
County of San Mateo

**SOURCE:** City of South San Francisco

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**DIGEST:** This bill allows Mello-Roos Community Facilities Districts in the regional shoreline of the County of San Mateo to include properties with specified easements without landowner consent.

*Assembly Amendments of 8/20/25 add coauthors.*

**ANALYSIS:**

Existing law:

- 1) Allows, under the Mello-Roos Community Facilities Act, counties, cities, special districts, and school districts to levy special taxes (parcel taxes) to

finance a wide variety of public works, such as parks, recreation centers, schools, libraries, child care facilities, and utility infrastructure.

- 2) Allows a Mello-Roos Community Facilities District (CFD) to issue bonds against these special taxes to finance the public works projects with 2/3-voter approval.
- 3) Provides that if there are fewer than 12 registered voters in the territory of the CFD, the affected landowners vote.
- 4) Prohibits including in a CFD territory that is subject to open space, conservation, or agricultural use easements unless the landowner of the parcel consents.

This bill provides that the consent of a landowner owning territory that is dedicated or restricted to agricultural, open-space, or conservation uses is not required in order to include land within a CFD, if the territory:

- a) Is located within the regional shoreline of the County of San Mateo; and
- b) Has existing entitlements for, or is already developed with, development of commercial, residential, or industrial uses.

## **Background**

*South San Francisco.* The City of South San Francisco, located within the County of San Mateo, fronts the San Francisco Bay. South San Francisco incorporated in 1908 following a dispute within the City of San Bruno over the failure to approve development of a smelter. South San Francisco became known as the “industrial city” as other industrial development located there. Today, South San Francisco is better known for its biotechnology firms: the biotechnology giant Genentech opened in 1976 and today is the city’s largest employer.

Because of its location on the Bay, the shoreline within South San Francisco is subject to the jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC), which the Legislature created in 1965 to regulate development in and around the San Francisco Bay to protect the Bay’s health and ensure public access. BCDC regulates activities in the Bay, in some connected wetlands and waterways, in the Bay’s salt ponds, and in a 100-foot wide strip of land surrounding the Bay (the shoreline band).

State law authorizes BCDC to issue permits for certain actions, including to make any substantial change in use of any water, land or structure in its jurisdiction.

Accordingly, development activities—which can range from residential and commercial endeavors to piers and ports—in the shoreline band require a permit from BCDC.

To ensure public access, BCDC often requires easements on properties or dedication of land to public uses as a condition of development.

*South San Francisco development plans.* South San Francisco expects to experience rapid growth in employees and residents in its “Eastern Neighborhoods” area near the shoreline: growing from 35,000 employees in 2019 to 45,000 in 2024, with a projected increase to over 100,000 employees and 10,000 residents by 2040. Two significant developments include the existing Genentech campus, which is regulated by a Master Plan that includes additional development capacity, and Oyster Point, which is a planned mixed-use development of 50 acres along the waterfront. Oyster Point has received the necessary entitlements to begin construction and has completed the first phase of its development, with four phases remaining to be completed.

To support this growth, South San Francisco needs to improve its transportation infrastructure, including to rehabilitate roadways, develop transit corridors, make pedestrian improvements, and establish bikeways and trails. To fund these activities, South San Francisco wants to establish a CFD. However, there are over 100 property owners in the proposed CFD, and many of the properties have granted easements to BCDC as a result of BCDC permitting requirements. As a result, Mello-Roos requires the consent of those property owners to include their parcels in the CFD. South San Francisco is concerned that this requirement will allow property owners to opt out of paying the taxes that support the CFD, even though they would benefit from the transportation improvements that it would fund. It wants the Legislature to create an exception to the consent requirement in the Mello-Roos Act.

## **Comments**

*Purpose of this bill.* According to the author, “SB 390 is a targeted bill to fix a loophole affecting infrastructure financing in South San Francisco. Under current law, parcels with conservation easements, even if fully developed, are exempt from being included in a Community Facilities District (CFD) without landowner consent. This has blocked the City from equitably funding critical shoreline infrastructure. SB 390 allows these parcels to be included in a CFD when clear public benefit criteria are met—ensuring all benefiting properties contribute fairly to projects like flood protection and public access, while preserving conservation goals.”

*Splitting this bill.* Under the Mello-Roos Act, if there are fewer than 12 registered voters that live within the territory of a CFD, landowners in the area cast the vote to levy a special tax. Because CFDs apportion votes on the basis of acreage, larger landowners have a bigger say (and pay more of the tax). They can use this to prevail over smaller landowners—except if those landowners have open space or conservation easements on their properties. SB 390 creates an exception to this requirement for properties that have entitled or existing development on them, on the logic that (1) these properties are not actually agricultural or open space, and (2) the proposed transportation improvements will benefit these properties, so their owners should pay their fair share of the infrastructure costs. SB 390 doesn't remove the vote requirement to impose the tax, but it does take away a tool that landowners might use to resist paying the tax, for better or worse.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:** (Verified 8/28/25)

City of South San Francisco (source)

**OPPOSITION:** (Verified 8/28/25)

None received

**ASSEMBLY FLOOR:** 74-1, 8/28/25

**AYES:** Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

**NOES:** DeMaio

**NO VOTE RECORDED:** Alvarez, Berman, Ta, Valencia

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119  
8/28/25 16:50:03

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