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April 11, 2018

The Honorable Eloise Gómez Reyes
Assembly Member, District 47
State Capitol, Room 2175
Sacramento, CA 95814

RE: Assembly Bill 2447: CEQA – HOUSING KILLER

Dear Assembly Member Reyes,

On behalf of the California Building Industry Association, we regret to inform you that our organization has identified your bill, Assembly Bill 2447, as a Housing Killer for its potentially devastating impact on the home building industry.

AB 2447 proposes a massive expansion of the California Environmental Quality Act (CEQA) by inserting “Not-In-My-Back-Yard” (NIMBY) and non-environmental issues into a statute that was intended to cover environmental analysis and mitigation. The bill usurps local government land use authority by adopting a blanket prohibition on the approval of housing projects that violate its new statutory provisions, even when all feasible mitigation has been adopted. The CEQA statute requires disclosure and mitigation, but leaves local governments to determine project approvals once all feasible mitigation has been incorporated. AB 2447 is a considerable departure from the original intent of CEQA and virtually compels the denial of housing projects in those areas that need it the most.

We echo the concerns outlined previously in the letter of opposition submitted on behalf of a wide coalition (attached) and would like to further add our rationale for placing AB 2447 on our Housing Killer list. At the beginning of the year, CBIA sent a letter to the legislature enumerating the criteria used to judge bills. With regard to AB 2447, we found the following:

Will the bill constrain housing production and supply? Yes. AB 2447 will create yet another tool for anti-housing advocates to use in their quest to stall or block the production of more housing.

Will it increase the cost to build houses? Yes. By expanding CEQA, this bill will invited additional CEQA lawsuits against housing projects will be costly for the home builder.

Will it make housing even more expensive for Californians? Yes. By increasing the cost to build homes, this bill will cause home prices to continue their upward trajectory.

Will it make any of the processes associated with homebuilding such as the entitlement, approval, or permitting processes more complicated, difficult, and lengthy? Yes. This bill further complicates the CEQA process. Many agree that CEQA lawsuits are a cost barrier to the production of housing. Instead of reforming CEQA in a positive way, this bill makes it worse and encourages further abuses of the process.

Does it discourage homeownership? Yes. By causing a spike in housing prices, this bill discourages homeownership. According to the National Association of Home Builders, in California, for every \$1,000 increase in the price of a home, 15,000 families are priced out of the market.

Will it encourage unnecessary lawsuits aimed at new home construction? Yes. AB 2447 invites heightened litigation. Opponents of housing will be inclined to use this expansion of the CEQA process to file lawsuits as a way to trigger project rejections.

Because of the harmful impact this bill would have on the home building industry, we are compelled to classify AB 2447 as a Housing Killer. Thank you for your attention to this matter. We are hopeful that you will continue to work with us to address our concerns and ensure that your bill does not make it even more difficult to build homes in California.

Sincerely,

Erin M. Guerrero

Erin M. Guerrero
Vice President, Legislative Affairs

cc: Members, Assembly Natural Resources Committee
Lawrence Lingbloom – Chief Consultant, Assembly Natural Resources Committee
John Kennedy – Consultant, Assembly Republican Caucus



April 11, 2018

TO: Members, Assembly Committee on Natural Resources

FROM: Adam J. Regele, California Chamber of Commerce *AJR*
 American Council of Engineering Companies, California
 California Construction and Industrial Materials Association
 California Apartment Association
 California Association of Realtors
 California Building Industry Association
 California Farm Bureau Federation
 California Independent Petroleum Association
 West Coast Lumber & Building Material Association
 Western Independent Refiners Association
 Western Mining Alliance
 Western Plant Health Association
 Western States Petroleum Association
 Wine Institute

SUBJECT: **AB 2447 (REYES) CALIFORNIA ENVIRONMENTAL QUALITY ACT: LAND USE:
 ENVIRONMENTAL JUSTICE
 HEARING SCHEDULED – APRIL 16, 2018
 OPPOSE - AS AMENDED APRIL 10, 2018**

The California Chamber of Commerce and the organizations listed above respectfully **OPPOSE AB 2447 (Reyes)**, as amended on April 10, 2018. This bill would preclude lead agencies from certifying an environmental impact report (EIR) or adopting a negative declaration under the California Environmental Quality Act (CEQA) unless the lead agency finds that approving or carrying out the project “does not constitute intentional discrimination, or result in a discriminatory effect” as to classes of persons identified under California’s Fair Employment and Housing Act.

Incorporating such a subjective finding into CEQA—a law which by its very nature was intended to address identifiable and tangible environmental impacts associated with proposed land use projects—would create an impossible determination for lead agencies to make. It would force lead agencies to prepare EIRs for projects that otherwise be more appropriately analyzed under a negative declaration in order to avoid defending costly litigation brought under the fair argument standard of review applied to negative declarations. CEQA’s already expansive patchwork of requirements will be further complicated by this new requirement and will result in a plethora of CEQA litigation abuses and substantial compliance costs and delays.

