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April 15, 2019

The Honorable Jerry Hill, Chair  
Senate Labor, Public Employment and Retirement Committee  
1020 N Street, Room 545  
Sacramento, CA 95814

**RE: Senate Bill 533 (Monning) – HOUSING KILLER OPPOSE**

Dear Chairman Hill:

The California Building Industry Association (CBIA), represents approximately 3,000 homebuilders and land developers who collectively produce approximately 80% of the new homes built in California. According to many experts, California needs approximately 3.5 million more homes in order to meet its existing population needs. The lack of affordability and availability have truly reached crisis proportions.

We have identified SB 533 as a **Housing-Killer** because of the bad precedent it would establish and the added costs the bill will impose on the production of homes in California. The bill, for the first time, mandates that a project is a “public works”, not because it meets the criteria of a public works project (see, Labor Code Section 1720), but simply because of its geographic location. The bill creates a framework for expanding prevailing wage obligations to private residential construction projects with the unprecedented notion that the state will enforce regardless of actual jurisdiction.

SB 533 also mandates that the determination of “public works” be applied retroactively in this geographic location after more than a decade of construction work. This means that any contractor involved in construction in this region would be subject to brand new bankrupting fines, penalties and liquidated damages for decades old work, with no ability to remedy the situation.

The precedential nature of targeting a geographic area and expanding statutory public works obligations to private residential construction projects without jurisdiction is sufficient to identify SB 533 as a **Housing Killer**. The retroactive nature of the bill adds gasoline to the already out of control housing crisis fire.

SB 533 is a **Housing-Killer** and we respectfully request a **NO** vote on SB 533.

The Honorable Jerry Hill  
RE: Senate Bill 533 (Monning)  
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Please contact me at (916) 340-3338 if you have any questions about our position.

Sincerely,

A handwritten signature in black ink, appearing to read "m. gunning", with a long horizontal flourish extending to the right.

Michael A. Gunning  
Senior Vice President of Legislative Affairs

cc: Senator William Monning  
Members, Senate Labor, Public Employment and Retirement Committee  
Committee Consultants