



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

March 2, 2023

The Honorable Dave Cortese
Member, California State Senate
1021 O Street, Room 6630
Sacramento, CA 95814

**RE: Senate Bill 406 – Support
As Introduced February 9, 2023**

Dear Senator Cortese:

On behalf of the Rural County Representatives of California (RCRC), we are pleased to support your Senate Bill 406, regarding the California Environmental Quality Act (CEQA). RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

Senate Bill 406 exempts from CEQA actions taken by a local agency to provide financial assistance or insurance for the development or construction of low- and moderate-income housing.

California continues to struggle with a severe housing supply and affordability crisis. Current law exempts from CEQA actions taken by the California Department of Housing and Community Development and California Housing Finance Authority to provide financial assistance or insurance for construction of low- and moderate-income housing. There are numerous local finance authorities that provide similar financial assistance (including Golden State Finance Authority [an RCRC affiliate organization] and the California Statewide Communities Development Authority); however, these local agencies are not protected by that CEQA exemption. SB 406 merely extends this existing CEQA exemption to similar local agencies that provide vital assistance to meet state and local housing needs.

In an environment where a wide variety of organizations seek to exploit CEQA to delay or defeat much needed local housing projects for NIMBY or competitive interests, SB 406 closes an important loophole to protect local actions to finance housing projects from CEQA litigation abuse. SB 406 avoids Catch-22 situations where an opponent may

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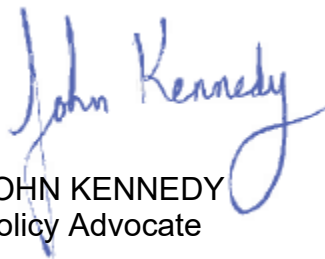
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be unable to challenge the housing project itself because it is exempt from CEQA, but it can try to challenge the local agency's underlying decision to provide financing as failing to comply with CEQA when it approved project financing.

More work must be done to refine and retool CEQA to ensure it meets its core objectives of informing the public and mitigating environmental impacts while preventing the exploitation and litigation abuse that is becoming all too common. Until then, SB 406 is an important measure that will expedite creation of low- and moderate-income housing by helping to avoid unnecessary, duplicative, and costly environmental reviews and potentially lengthy litigation delays.

For the above reasons, RCRC is pleased to support your SB 406. If you should have any questions, please do not hesitate to contact me at jkennedy@rcrcnet.org.

Sincerely,



JOHN KENNEDY
Policy Advocate

cc: The Honorable Benjamin Allen, Chair, Senate Environmental Quality Committee
The Honorable Brian Dahle, Member of the California State Senate
The Honorable Lena Gonzalez, Member of the California State Senate
The Honorable Melissa Hurtado, Member of the California State Senate
The Honorable Caroline Menjivar, Member of the California State Senate
The Honorable Janet Nguyen, Member of the California State Senate
The Honorable Nancy Skinner, Member of the California State Senate
Evan Goldberg, Senate Environmental Quality Committee
Scott Seekatz, Consultant, Senate Republican Caucus