



**MAYOR STEVEN SCHARF**  
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June 2, 2020

The Honorable Anthony Portantino  
State Senator, 25<sup>th</sup> District  
State Capitol, Room 3086  
Sacramento, CA 95814

**RE: SB 1299 (Portantino) – SUPPORT**

Dear Senator Portantino,

On behalf of the City of Cupertino, I am writing to express our Support position on SB 1209, your measure that would require the Department of Housing and Community Development (HCD) to administer a grant program to provide funding to local governments that rezone idle sites used for large commercial shopping centers to instead allow the development of workforce housing.

Specifically, SB 1299 would require that HCD administers a grant program for local governments that rezone idle big box commercial shopping centers so that the local government would be eligible to receive funding in the amount of the sales and use tax revenue that was generated by the idle site over the previous seven years. In order to be eligible for this grant program, a local government would need to rezone one or more idle sites used for big box retailers or commercial shopping centers to allow workforce housing as a use by right, approve and issue a certificate of occupancy for a workforce housing development on the rezoned site, and then apply to HCD for an allocation of grant funds.

This bill will encourage local governments to partner with developers to build housing on sites that are less than 20% occupied and reward the local government with a sales tax rebate when these projects are rezoned, completed, and issued a certificate of occupancy. This bill will help mitigate any financial loss that a local jurisdiction may experience from rezoning a commercial site, as well as generate much needed housing for those earning 80% - 120% of the area median income. The bill also allows local jurisdictions the option of deciding whether they would like to participate in the program, and puts forth the parameters that local governments, and developers, must meet in order to be eligible. This structure provides local governments with the discretion to advance projects that are appropriate for their own community and work cooperatively with project developers to deliver on much needed housing.

It is for these reasons, that the City of Cupertino is pleased to support SB 1299.

Sincerely,

A handwritten signature in blue ink that reads "Steven M. Scharf". The signature is written in a cursive style with a blue ink color.

Steven Scharf  
Mayor  
City of Cupertino

cc: Senator Jim Beall  
Assemblymember Evan Low  
Assemblymember Marc Berman