



MAYOR STEVEN SCHARF
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July 16, 2020

The Honorable Anna Caballero
State Senator, 12th District
State Capitol, Room 5052
Sacramento, CA 95814

RE: SB 1385 (Caballero) – OPPOSE

Dear Senator Caballero,

On behalf of the City of Cupertino, I am writing to express our opposition to SB 1385, your measure that would enact the “Neighborhood Homes Act,” which establishes a housing development project as an authorized use on a neighborhood lot, defined as a lot zoned for office or retail commercial use under a local agency’s zoning code or general plan.

Specifically, SB 1385 would allow a housing development project consisting entirely of residential units or a mix of commercial, retail, office, or residential units if the project complies with the following:

- The density for the housing development must meet or exceed the applicable density deemed appropriate to accommodate housing for lower income households under housing element law. If more than one zoning designation in the city or county meets this requirement, the zoning standards that apply to a neighborhood lot are the same zoning standards that apply to the closest parcel that allows for residential use at that density. If the existing zoning on the parcel allows denser residential use, the local zoning applies.
- The housing development is subject to local zoning, parking, design, and other ordinances, and must comply with any design review or other procedural requirements imposed by the local government, applicable to a housing development in the zone identified above.

SB 1385 allows a local jurisdiction to exempt a lot zoned for commercial retail or office use from the bill if the local agency concurrently reallocates the lost residential density to other lots, so that there is no net loss in residential production capacity, but only if the local agency finds that the construction cost of the reallocated housing units will not be greater than the construction cost of housing units built on the neighborhood lot.

While in some instances it may make sense to repurpose underutilized retail or commercial areas for housing, this should not be a decision that is made on a streamlined, ministerial basis. The

loss of retail and commercial spaces can have a significant fiscal impact on a city, particularly those that do not have a broad base of retailers. Locally elected officials, and members of the community, should have the opportunity to weigh in on such decisions, so that the full extent of the local impacts can be considered.

It is for these reasons that the City of Cupertino has taken an oppose position on SB 1385.

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