Work plan 25-26

Santa Monica is currently at the center of a broader debate over how California should increase housing production while preserving existing affordable housing and protecting renters from displacement.

Recent housing proposals have highlighted competing views about the best way to achieve additional housing growth. One proposal would have reduced allowable building heights along commercial boulevards in exchange for waiving certain affordable housing requirements. Supporters argued that the approach could encourage ownership housing and lower-scale development, while critics contended that eliminating affordable housing obligations would reduce the production of affordable units, undermine existing housing programs, and ultimately worsen affordability. Concerns were also raised that reducing development potential along commercial corridors could conflict with long-standing planning strategies that direct growth away from established residential neighborhoods and toward areas better suited for increased density.

At the state level, similar concerns have been raised regarding SB 79, legislation intended to increase housing density near major transit stops. Opponents do not generally dispute the need for additional housing or the goal of encouraging transit-oriented development. Rather, they argue that the bill, as drafted, could unintentionally accelerate redevelopment of existing multifamily housing, particularly rent-controlled properties located near transit corridors. Because the bill would permit significantly greater densities than current zoning in many neighborhoods, opponents believe it would increase financial incentives to demolish existing apartment buildings and replace them with larger projects. They contend that this could result in the displacement of substantial numbers of tenants, including seniors, long-term residents, and lower- and middle-income households.

A central argument is that older rent-controlled housing constitutes much of the city's naturally occurring affordable housing stock. While state law requires replacement of certain affordable units when redevelopment occurs, critics argue that replacement requirements do not adequately preserve housing affordable to middle-income households. They maintain that replacing older housing with newly constructed units, which command substantially higher rents, could gradually make the city less accessible to working and middle-income residents.

Opponents further note that the city has already produced significant amounts of housing and has thousands of additional units either approved or pending approval. They argue that much of this growth has been concentrated along commercial corridors, downtown districts, and other non-residential sites, allowing housing production to occur without widespread demolition of existing residential neighborhoods. According to this view, the city has demonstrated that substantial housing growth can occur while minimizing displacement and preserving existing communities.

As an alternative, critics advocate focusing future development incentives on commercial, industrial, underutilized, and other non-residential properties, particularly those located near major transit corridors. They argue that building on vacant or non-residential sites creates a greater net increase in housing supply because no existing homes are lost. They also contend that such an approach can increase both market-rate and affordable housing production while avoiding tenant displacement and preserving naturally affordable housing.

At its core, the debate is not over whether more housing should be built, but over where that housing should be located and how to balance new development with preservation of existing affordable housing. One side emphasizes maximizing density and housing production near transit, while the

other argues that housing goals can be achieved more effectively by directing growth to commercial and underutilized sites, thereby protecting existing renters and preserving the affordability and diversity of established neighborhoods.

- Waiving affordable housing requirements could significantly reduce the production of affordable housing.
- The proposal could undermine Santa Monica's long-standing affordable housing program.
- Lowering density along commercial corridors would be inconsistent with prior city policies that directed growth to boulevards in order to protect residential neighborhoods.
- Reduced housing production could worsen affordability and displacement pressures.
- Potential fair housing concerns were raised regarding efforts to reduce housing opportunities in high-opportunity areas.
- Preferred: maintaining housing density along commercial corridors while supporting additional housing opportunities downtown.

- **Risk of Tenant Displacement**
- SB 79 would create strong financial incentives for developers to redevelop existing rent-controlled apartment buildings in neighborhoods near Expo Line stations, particularly Pico and Mid-City.
- the proposed density increases could be four to five times current zoning limits, substantially increasing redevelopment pressure on existing multifamily housing. this could displace hundreds or even thousands of tenants, including seniors, lower-income residents, and long-term renters.
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- **Loss of "Naturally" Affordable Housing**
- Santa Monica's pre-1979 rent-controlled housing stock represents the city's primary source of naturally occurring affordable housing for middle-income households.
- while state law requires replacement of certain affordable units, redevelopment would replace many existing moderately affordable apartments with significantly more expensive new construction. As a result, Santa Monica could become increasingly inaccessible to middle
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- **Santa Monica Housing**
- Santa Monica has already exceeded many of its state housing production targets. data shows that the city has produced substantial market-rate and affordable housing, has thousands of approved units in the development pipeline, and has concentrated growth along commercial corridors and downtown areas rather than through demolition of existing residential neighborhoods.
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- **Focus on Non-Residential Sites**
- SB 79 should exclude existing residential properties and focus development incentives on commercial, industrial, and other non-residential sites.
- Housing policies should balance new development with preservation of existing affordable housing and protection of current residents.
- SB 79, unless amended, could accelerate redevelopment of rent-controlled housing and displace existing tenants, despite sharing the state's goal of increasing housing near transit, minimizing displacement, and directing new growth toward areas that do not require demolition of existing housing.