



Contra Costa Centre Transit Village
1350 Treat Blvd., Suite 140
Walnut Creek, CA 94597

April 25, 2017

The Honorable Ignacio Velazquez, Mayor
and Members of the City Council
City of Hollister
975 Fifth St.
Hollister, CA 95023

Re: Residential Growth Management Plan

Dear Mayor Velazquez and Members of the City Council:

The Building Industry Association of the Bay Area (BIA) strongly urges the City Council of the City of Hollister ("City") not to adopt an interim ordinance /moratorium on new housing in any other form that may be under consideration. Moratoria in general raise profound public policy implications because of their drastic consequences. Moratoria prohibiting the approval of vitally needed housing in California warrant even greater care and circumspection. That is why the Legislature has preempted the field with respect to moratoria, imposing stringent procedural and substantive restrictions on local governments' (including charter cities') ability to adopt them. Moratoria impacting multifamily housing—as the City may be considering—are subject to an even more exacting set of limitations.

BIA is a non-profit association comprising over 300 members involved in developing and building housing. BIA's members are builders, developers, subcontractors, design professionals, and related entities. BIA's members build and develop sustainable communities that produce critically needed housing of all types throughout the Bay Area. BIA advocates in favor of housing opportunities for all Bay Area residents, and opposes efforts to restrict or disadvantage particular types of housing and the opportunities they provide for the needs, hopes and aspirations of the Bay Area's very diverse set of individuals, households, and families (both "traditional" and "nontraditional"). BIA also educates the public and elected officials about the Bay Area's unprecedented housing supply crisis caused principally by the Bay Area local governments' voracious appetite for new jobs combined with an equally puissant aversion to approve the housing needed to accommodate them (see <http://www.housing4allbayarea.com/>)

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California's high housing cost and lack of housing supply compromise the ability to access opportunity (jobs, health, stability) for families and individuals, including working families. Homeownership rates are the lowest since the 1940s and the State has not met its projected need for housing in the last 15 years. Housing supply needs are of vital importance and the highest priority. Along with the City Manager we urge the Council to consider carefully the implication that these types of ordinances can have on the City.

Whatever legitimate municipal concerns the City believes may be addressed or mitigated by adopting a growth management plan or a moratorium can and should be resolved by working cooperatively with affected stakeholders and the community. A former U.S. Supreme Court Justice once opined on the unintended consequences and collateral damage associated with "launch[ing] a missile to a kill a mouse." BIA hopes the City will heed that admonishment for the sake of its own municipal interests, if nothing else.

With regard to the imposition of a growth cap on residential development, it bears consideration that the City has grossly underperformed a residential growth rate of 2.25% during the last 15 years, leaving a tremendous gap in Hollister's demand for new housing. From 2001 to 2008 the City experienced virtually no growth, and only in the last two years has housing rebounded to a moderate level of activity. If the City had experienced 2.25% growth over this time frame, over 3,900 units would have been built instead of the 800 that actually were produced.

If the Council despite the many good reasons not to undertake a growth cap or moratorium on new residential building in 2018 decides to move ahead anyway, fair and adequate efforts should be made to grandfather in not only existing tentative maps or other entitlement permits, but also any project that has submitted an application by January 1, 2018. Deliberation may also be given to exempting projects that can demonstrate site control, i.e. under contract, in escrow, etc. by January 1.

New housing is crucial life blood to the community, bringing new families, jobs, and tax dollars. BIA urges the City not to adopt the proposed growth cap/moratorium and to work with the stakeholder community in a cooperative and productive manner to resolve any legitimate issues surrounding pending housing development in Hollister.

Yours very truly,

Dennis Martin
BIA Bay Area
Government Affairs

Attachments: City of Hollister Certificate of Occupancy Issue 2001-2016;