



CITY OF RANCHO SANTA MARGARITA

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April 9, 2021

The Honorable Senator Caballero
State Capitol Building, Room 5052
Sacramento, CA 95814

RE: SB 6 (Caballero) Neighborhood Homes Act

Dear Senator Caballero,

The City of Rancho Santa Margarita writes to express our strong opposition to SB 6, which would establish housing as an allowable use on any parcel zoned for office or retail uses that is not adjacent to an industrial use. While we understand the goals regarding housing construction, this legislation directly erodes local control and decision-making, which are the hallmarks of a democratic political system.

Assuredly, Rancho Santa Margarita is a Master Planned Community with a wide mix of residential types geared toward a variety of income levels, and it was purposefully designed to create a balance of recreation, institutional, commercial and business park uses. In fact, its balanced approach was the focus of a 20/20 television program highlighting the benefits of responsible urban planning. Currently, there are 17,766 homes and just under 49,000 residents in Rancho Santa Margarita, which, in accordance with the original Master Planned Community, is precisely what the original plan called for over two decades ago.

SB 6 establishes housing as an allowable use on any parcel zoned for office or retail uses and prescribes housing densities without respect to the underlying general plan or zoning, requiring the City to allow developments of a height and density which are inconsistent with the community's master plan. Further, SB 6 makes such housing eligible for streamlined ministerial approval under certain circumstances, removing valuable public review and input processes for the surrounding community.

In addition to the removal of local land use authority, SB 6 threatens the ability for cities to collect sales tax due to the unplanned conversion of commercial properties to residential uses. While this may make sense in some situations, it should be at the direction and discretion of the local agency as they work to meet the local housing need through established policies and procedures. The loss of commercial sites and the associated sales tax revenue has the potential to severely impact the City's budget. For reference, the City of Rancho Santa Margarita receives three cents on the dollar in property tax, this is far below the average that cities throughout the State receive for property tax. Further, the City relies on its well-established commercial centers to

Mayor L. Anthony Beall	Mayor Pro Tempore Anne D. Figueroa	Council Member Carol A. Gamble	Council Member Jerry Holloway	Council Member Bradley J. McGirr	City Manager Jennifer M. Cervantez
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generate the funding to provide essential services such as public safety. Therefore, the conversion of commercial property to residential uses would impact revenues in two ways, by reducing the available sales tax base, and by producing insufficient property tax revenues to support the service needs of the new residential development.

The City of Rancho Santa Margarita recognizes the current housing needs for all income levels but, for the reasons listed above, must respectfully oppose SB 6 (Caballero) as well as any other bill which would result in the undermining of local land use authority. Thank you for your consideration of our position.

Sincerely,



L. Anthony Beall
Mayor

cc:

Senator Pat Bates

Assembly Member Laurie Davies

Tony Cardenas, League of California Cities Regional Public Affairs Manager (via email)

League of California Cities (Via email: cityletters@cacities.org.)

enclosure