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	4	GOLDFARB & LIPMAN LLP	
	5	1300 Clay Street, Eleventh Floor City Center Plaza	
	6	Telephone: (510) 836-6336	[Exempt from Filing Fee (Gov. Code § 6103)]
	7	Facsimile: (510) 836-1035	
	8	Attorneys for Plaintiff THE TOWN OF LOS GATOS	
	9	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
	10	FOR THE COUNTY	OF SANTA CLARA
	11		C N
	12	THE TOWN OF LOS GATOS, a California municipal corporation	Case No.:
	13	Plaintiff,	PLAINTIFF THE TOWN OF LOS
	14	v.	GATOS'S COMPLAINT FOR DECLARATORY RELIEF
	15	ARYA PROPERTIES, LLC, LOS GATOS	
	16	BOULEVARD PROPERTIES, LLC, and DOES 1-100, inclusive,	
	17	Defendant.	
	18		
Goldfarb &	19		
lipman LLP	20	Plaintiff The Town of Los Gatos (the Tow	wn), a California municipal corporation, alleges:
1300 Clay Street	21	General B	ackground
Eleventh Floor	22	1. This declaratory relief action invo	olves the interpretation of a statute enacted as
Oakland	23	part of California's Senate Bill 330 (SB 330), als	so known as the "Housing Crisis Act of 2019"
California	24	(Government Code Sections 65941.1, 65943 and	66300^{1}). The Town seeks a declaration of its
94612	25	rights and duties with respect to the processing o	f applications for housing development projects.
510 836-6336	26	With this action, the Town is requesting judicial	guidance on the correct interpretation of Section
510 836-1035 FAX	27		
	28	¹ All unlabeled statutory references are to the Go	wernment Code.

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65941.1, so that it may process applications for development projects in full accordance with its
legal rights and obligations, and so affected developers may have similar clarity as to their, and
the Town's, rights and duties. While the Town believes that, to retain extraordinary vesting
rights granted by the Housing Crisis Act, developers should complete their applications within
the reasonable period of time granted by the Legislature, Defendants claim that they may retain
these vesting rights indefinitely while continuing to submit incomplete applications, and building
no housing.

2. Crucially, the Town has a strong record of housing accomplishments. For the
Town's 2015 through 2023 Housing Element, the Town was assigned a Regional Housing Needs
Allocation (RHNA)—its fair share of the regional housing need—of 619 units. As of December
2022, the Town had added 683 new units to its housing stock, approximately 110 percent of its
fair share. In 2023 and 2024, the Town approved entitlements for 181 units and issued building
permits for 100 units. Thus far in 2025, the Town has approved two large projects totaling 340
units. These are significant developments for a community of just 33,000 people.

15 3. The Town has also gone beyond state requirements to encourage the development 16 of affordable housing. It amended its Accessory Dwelling Unit (ADU) Ordinance to incentivize 17 the development of ADUs (smaller, secondary units on a parcel, sometimes called "granny 18 flats") affordable to lower-income households. The Town's ADU Ordinance includes a 10-19 percent increase in the allowable floor area for a new ADU. Likewise, to encourage development 20 of smaller, more affordable housing units, the Town has adopted an ordinance allowing an 21 additional 10-percent floor area ratio (i.e., the ratio of interior floor space to the area of a lot) for 22 use by dwelling units developed under SB 9 (Sections 65852.21 and 66411.17), another recent 23 housing law intended to lower housing costs by allowing four homes on single-family lots.

4. While the Town exceeded its fair share of housing units assigned from 2015 to
2023, it recognized the need to develop more units affordable to lower- and moderate-income
households. Even before the Town adopted its current 2023 – 2031 Housing Element, the Town
adopted a Racial, Social, and Environmental Justice Element, which established goals and
policies intended to make healthy, affordable housing more readily available to all the Town's

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COMPLAINT FOR DECLARATORY RELIEF

1 residents.

2 5. The Town's adopted 2023 through 2031 Housing Element was required to 3 accommodate a RHNA of 1,993 housing units, approximately triple the number of units required 4 of its previous Housing Element. Nonetheless, the adopted Housing Element, certified as 5 complying with State law by the Department of Housing and Community Development (HCD), 6 accommodates 2,411 units, nearly 25 percent more than required. The Town also undertook an 7 extensive rezoning program, accommodating 1,955 units, to increase densities to 40 units per 8 acre on suitable sites.

9 6. Since the adoption of its 2023 through 2031 Housing Element, the Town has 10 approved a 155-unit, townhome-style condominium project and a residential care facility with 11 185 independent living units, in addition to the 193 units being reviewed at the time of Housing 12 Element adoption. Excluding the projects at issue here, the Town is processing eleven housing 13 development applications, with a combined total of 1,243 units. All of these proposed housing 14 development projects include units affordable to lower- or moderate-income households. Thus, 15 only two years into the current eight-year Housing Element period, and excluding the projects at 16 issue, the Town has already approved, or is reviewing, applications for 1,776 units, nearly 90 17 percent of its RHNA goal of 1,993 units.

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Parties, Jurisdiction, and Venue

19 7. The Town is a municipal corporation organized and existing under the general 20 laws of the State of California.

1300 Clay Street 21 8. The Town is informed and believes that Defendant ARYA PROPERTIES, LLC. Eleventh Floor 22 (Arya) is a limited liability company, organized, existing and operating under the laws of the Oakland 23 State of California. The Town is informed and believes that Arya maintains its principal place of Californic 24 business at 16400 Lark Avenue, Suite 400, Los Gatos, California.

25 9. The Town is informed and believes that Defendant LOS GATOS BOULEVARD 26 PROPERTIES, LLC (Los Gatos Boulevard Properties) is a limited liability company, organized, 510 836-1035 FAX 27 existing, and operating under the laws of the State of California. The Town is informed and

1 believes that Los Gatos Boulevard Properties, like Arya, maintains its principal place of business 2 at 16400 Lark Avenue, Suite 400, Los Gatos, California.

3 10. The Town is informed and believes that the principal owner, chief executive 4 officer, and agent for service of process for Arya and for Los Gatos Boulevard Properties is one 5 and the same person.

6 11. The Town is ignorant of the true names and capacities of those sued herein as 7 DOES 1 through 100 and therefore sues those Defendants by such fictitious names. The Town 8 will amend this Complaint to allege their true names and capacities if and when they are 9 ascertained. The Town designates all other unknown persons or entities claiming any interest in 10 the subject of this litigation as DOE defendants. The Town is informed and believes that each of 11 the Defendants named as DOES 1 through 100 should be bound by the declarations sought 12 herein.

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14 12. With this action the Town seeks a judicial declaration of its obligations under 15 state law on how long "preliminary applications" for housing development projects are effective. 16 A "preliminary application" under the Housing Crisis Act of 2019 allows a housing developer to 17 submit certain specified information about a proposed housing project to a local agency in an 18 abbreviated application, before applying for project approval. (Section 65941.1.) The primary 19 effect of the preliminary application is that the proposed project becomes "vested" as to the local 20 agency's development standards, fees, and zoning rules that apply to the project when a complete 21 preliminary application is submitted, with limited exceptions. (Section 65589.5(o).) Changes in 22 those rules that might make the project more expensive or difficult are not permitted while the 23 preliminary application is effective.

24 The preliminary application allows developers to "vest" housing projects very 13. 25 early in the planning process, when only conceptual plans have been prepared. The local 26 agency's rules in effect when a complete preliminary application is submitted remain applicable 27 throughout the development review, even if local ordinances change later. Once a preliminary 28 application is submitted with all required components, the developer gains "vested rights" to

	1	develop the project according to the standards and fees that were in place at the time of
	2	submission. This is an extraordinary benefit for minimal effort, eliminating a substantial portion
	3	of the risk and uncertainty inherent in land use entitlement.
	4	14. The Housing Crisis Act also requires that a project proponent must complete an
	5	application and move a project forward, or else lose vesting. To maintain the vesting conferred
	6	by the preliminary application, the development proponent must submit an application for
	7	approval of the housing development project under the Permit Streamlining Act (PSA) (Sections
	8	65940 et seq., 65941, and 65943). The deadline for submitting the project application is 180
	9	calendar days after submitting a preliminary application that contains all of the statutorily-
	10	required information. (Section 65941.1(e)(1).) That section states:
	11	(e)(1) Within 180 calendar days after submitting a preliminary application
	12	with all of the information required by subdivision (a) to a city, county, or city and county, the development proponent shall submit an application for
	13	a development project that includes all of the information required to process the development application consistent with Sections 65940, 65941,
	14	and 65941.5.
	15	15. At issue in this declaratory relief action is the correct interpretation of Section
	16	65941.1(e)(2), ² which states:
	17	(e)(2) If the public agency determines that the application for the (50.42 km)
	18	development project is not complete pursuant to Section 65943 [the Permit Streamlining Act], the development proponent shall submit the specific
Goldfarb &	19	information needed to complete the application within 90 days of receiving the agency's written identification of the necessary information. If the
Lipman LLP	20	development proponent does not submit this information within the 90-
1300 Clay Street	21	day period, then the preliminary application shall expire and have no further force or effect. (Emphases added.)
Eleventh Floor	22	16. The Town, along with many other local agencies throughout the State, contend
Oakland	23	that, after the 180-day period to submit a complete application expires, this provision refers
California	24	plainly to <u>a single</u> 90-day review period (<u>the</u> 90-day period) within which a project applicant
94612	25	must complete a preliminary application to maintain vesting. This provides an applicant with at
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	28	² Formerly numbered Section 65941.1(d)(2); the pertinent section was renumbered effective January 1, 2025 when subdivision (b), related to fee estimates, was added to Section 65941.1.

least 270 days total to merely submit plans that include all items required by the local agency's
 application form before a preliminary application expires.

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The Town is informed and believes, however, that the defendants contend that a preliminary application remains in effect so long as applicants re-submit an application found incomplete within 90 days after receiving a list of incomplete items—no matter how long the overall process takes, how little change is made in the plans, or how many notices of incompletion the Town provides—allowing successive and unending 90-day periods after each incompleteness determination. Defendants have filed administrative appeals asserting this view.

18. The Town contends that allowing successive 90-day periods is not supported by 10 the plain language of the statute, the context of the statute within the Housing Crisis Act and in 11 relation to the PSA and HAA, nor by the legislative history, nor by the policy purposes of the 12 Housing Crisis Act. Defendants' interpretation would allow an applicant to receive the benefits 13 of vesting forever, without producing the housing that is the goal of these statutes, by filing a 14 preliminary application and then submitting a development application within 180 days that 15 omits required information. The applicant could then resubmit within 90 days after each 16 successive incompleteness determination—all the while maintaining vesting indefinitely, 17 burdening the community with developments to be considered based on outdated rules and fees 18 that no longer recover the Town's costs to serve the development.

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19 19. Defendants' interpretation finds no support in the statute or in the public policy 20 behind the Housing Crisis Act, which was primarily intended to create certainty in the 21 application process and allow project applicants to receive local agency approval with clarity 22 about the rules to be followed, so that housing could be built more quickly, while also preserving 23 local land use authority. Defendant's interpretation would allow the housing application process 24 to drag on indefinitely, and reward applicants who merely want to maintain vested rights, with 25 no intent to construct sorely needed housing. This encourages dilatory conduct by real estate 26 speculators, not prompt housing construction.

27 20. Not only would Defendants' interpretation thwart the State's frequently
28 articulated goal and policy of producing housing quickly, but it also would conflict with SB

	1	330's legislative history. This legislative history supports the Town's position that, once the 180-	
	2	day submittal period expires, Section 65941.1(e)(2) establishes a single 90-day period within	
	3	which to supply any missing information. For example, the Author's Statement for the bill states:	
	4	The bill then requires the city to give project proponents a single list of all	
	5	incomplete elements of the full application, and sets a new requirement that the project proponent respond with the additional information within 90	
	6	days . (Assembly Committee on Local Government, Committee Background Request at AP2-51; emphasis added.)	
	7	A true and correct copy of the Author's Statement is attached as Exhibit A to this Complaint.	
	8	21. Notably, SB 330's vesting provisions conferred an extraordinary benefit upon	
	9	project proponents, by providing for vested rights with a minimum amount of effort. Before the	
	10	enactment of SB 330, vested rights required much more: either a development agreement, which	
	11	requires approval of an ordinance subject to referendum (Sections 65864 et seq.); completion of	
	12	a vesting tentative map (Section 66498.5); or substantial construction in reliance on an approved	
	13	building permit. (Avco Community Developers Inc. v. South Coastal Reg'l. Comm'n. (1976) 17	
	14	Cal.3d 785.) All of these required detailed plans and significant effort. SB 330 gave the same	
	15	vested rights by requiring submission of only a conceptual application and minimal information	
	16	about a proposed project—which could differ significantly from the eventual project application.	
	17	Defendants' interpretation is unreasonable because it allows developers to maintain vesting	
	18	indefinitely simply by resubmitting minor changes, with a constant resetting of the deadline, with	
Goldfarb &	19	no time limit whatsoever as to when vesting expires.	
Lipman LLP	20	22. In arguing for an unlimited number of 90-day periods under Section	
1300 Clay Street	21	65941.1(e)(2), Defendants rely on that section's reference to Section 65943 of the Permit	
Eleventh Floor	22	Streamlining Act. That section states:	
Oakland	23	Not later than 30 calendar days after any public agency has received an	
California	24	application for a development project, the agency shall determine in writing whether the application is complete and shall immediately transmit the	
94612	25	determination to the applicant for the development project. If the application is determined to be incomplete, the lead agency shall provide	
510 836-6336	26	the applicant with an exhaustive list of items that were not complete. That	
510 836-1035 FAX	27	list shall be limited to those items actually required on the lead agency's submittal requirement checklist. In any subsequent review of the application	
	28	determined to be incomplete, the local agency shall not request the applicant to provide any new information that was not stated in the initial list of items	

COMPLAINT FOR DECLARATORY RELIEF

	1	that were not complete. If the written determination is not made within 30
	2	days after receipt of the application, and the application includes a statement that it is an application for a development permit, the application shall be
	3	deemed complete for purposes of this chapter. Upon receipt of any resubmittal of the application, a new 30-day period shall begin, during
	4	which the public agency shall determine the completeness of the application. (Emphasis added.)
	5	application. (Emphasis added.)
	6	23. Section 65943, unlike Section 65941.1, expressly states that resubmittals begin a
	7	new 30-day review period under the Permit Streamlining Act—not the Housing Crisis Act. If the
	8	Legislature had intended the 90-day period in Section 65941.1(e)(2) to reset on each
	9	resubmission in the latter statute, it could have easily included similar language. Yet it chose not
	10	to do so. Further, Section 65941.1 (e)(2)'s reference to Section 65943 is only with regard to an
	11	agency's incompleteness determination, not with regard to resubmittals.
	12	24. The Town is aware that HCD has taken the position that the 90-day period
	13	referred to in Section 65941.1(e)(2) restarts with each subsequent resubmittal by an applicant.
	14	The Town respectfully disagrees. Further, and crucially, this question of statutory interpretation
	15	is a matter for the courts to resolve, not HCD. HCD's interpretation of the housing statutes is not
	16	binding on a court. (Fonseca v. City of Gilroy (2007) 148 Cal.App.4th 1174, 1192-1193;
	17	Martinez v. City of Clovis (2023) 90 Cal.App.5th 193, 243.)
	18	25. In response to arguments by the Arya and Luxe developers that Section 65941.1's
Goldfarb &	19	90-day period resets following each resubmittal indefinitely, the Town sought the analysis of
Lipman LLP	20	outside counsel. After a thorough analysis of the statute's text, the statute's context, legislative
1300 Clay Street	21	history, and relevant public policy, outside counsel's conclusion was that the 90-day period in
Eleventh Floor	22	Section 65941.1(e)(2) does not reset after each resubmission indefinitely.
Oakland	23	The Arya Builder's Remedy Project
California	24	26. Arya submitted a preliminary application on November 14, 2023, for a project to
94612	25	be located at 15300 and 15330 Los Gatos Boulevard, Los Gatos. Arya contends that when it
510 836-6336	26	submitted the preliminary application, the Town had not yet adopted a Housing Element that
510 836-1035 FAX	27	substantially complied with state law. Arya argues that it is therefore entitled to take advantage
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		n I

of the "Builder's Remedy," i.e., proceed with a project that does not comply with the Town's
 General Plan and zoning ordinances.

3 27. The Builder's Remedy may be available to a developer to excuse compliance with
4 local plans and zoning if, when a "preliminary application" is filed, a city has not adopted a
5 Housing Element in substantial compliance with state law. (Section 65589.5(d)(5).)

6 28. The Arya Builder's Remedy application is for a project that greatly exceeds
7 existing height limits, density, and other zoning standards for the property. Arya has proposed a
8 project containing 175 units on 1.9 acres. The density of the proposed project exceeds 91 units
9 per acre, on a site that is zoned at a density of 20 units per acre. The proposed height of the
10 project exceeds 116 feet, on a site with a 35-foot height limit. The proposed project is nine stores
11 high and is surrounded by one-story buildings and a single two-story building.

12 29. Arya did not submit its application for project approval until May 10, 2024, 178 13 days after submitting the preliminary application, or just under Section 65941.1(e)(1)'s 180-day 14 deadline.³ The Town responded with a letter dated June 5, 2024, determining the application to 15 be incomplete under Section 65943. Arya submitted new plans to the Town on September 2, 16 2024—89 days later. The Town then issued a later incompleteness letter on September 25, 2024. 17 The Arya resubmitted the application on November 27, 2024–63 days later. On December 23, 18 2024, the Town provided Arya with a determination of incompleteness, followed by a letter 19 dated January 30, 2025, from the Town's Community Development Director, notifying the 20 applicant of the right to appeal the incompleteness determination. Arya has elected not to appeal 21 the January 30, 2025 incompleteness letter. On February 7, 2025, the applicant submitted an 22 appeal of the Town's communication of its position that the preliminary application had expired 23 because Arya's application remained incomplete after a second resubmittal.

24 30. The Town contends that under Section 65941.1(e), the preliminary application has
25 expired because more than 180 days have elapsed since Arya's submittal of the formal

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 $^{^{3}}$ The 180 days elapsed on a Sunday: May 12, 2024; Arya submitted the formal application the Thursday before the expiration date.

	1	development application on May 10, 2024, and the application submitted on November 27, 2024
	2	was not complete. The Town is informed and believes that Arya contends otherwise and
	3	contends that it is still entitled to the vesting conferred by the November 14, 2023 submittal of
	4	the preliminary application 16 months ago.
	5	31. Because the parties have a good faith dispute over the interpretation of Section
	6	65941.1(e)(2), and whether Arya's preliminary application has expired and has no force and
	7	effect, the Town has suggested to Arya that the parties submit the issue to the court for resolution
	8	via this action for declaratory relief. The Town has offered to continue processing Arya's
	9	application, while reserving its rights to take the position that Arya's preliminary application has
	10	expired, depending upon the outcome of this action.
	11	The Luxe Builder's Remedy Project
	12	32. Los Gatos Boulevard Properties submitted a preliminary application on
	13	September 13, 2023, for a Builder's Remedy project to be located at 14849 Los Gatos
	14	Boulevard, Los Gatos, known as "the Luxe Builder's Remedy Project." Los Gatos Boulevard
	15	Properties contends that, when it submitted the preliminary application, the Town had not yet
	16	adopted a Housing Element that substantially complied with state law. Los Gatos Boulevard
	17	Properties contends that it is therefore entitled to take advantage of the "Builder's Remedy," i.e.,
	18	proceed with a project that does not comply with the Town's General Plan and/or zoning
Goldfarb &	19	ordinances.
lipman LLP	20	33. The Luxe Builder's Remedy application is for a project that greatly exceeds
1300 Clay Street	21	existing height limits, density, and other zoning standards for the property. The applicant has
Eleventh Floor	22	proposed 120 units on less than an acre. The proposed density is 133 units per acre, on a site that
Oakland	23	is zoned at a density of 20 units per acre. The proposed height of the project is 148 feet, six
California	24	inches, including rooftop mechanical equipment shielding. Surrounding buildings range in height
94612	25	from 12 to 16 feet. The proposed project also includes approximately 21,000 square feet of
510 836-6336	26	commercial area.
510 836-1035 FAX	27	34. Los Gatos Boulevard Properties did not submit its application for project approval
	28	until March 8, 2024 — 177 days later, barely within Section 65941.1(e)(1)'s 180-day deadline.

	1	The Town responded with a letter dated April 3, 2024, determining the application to be
	2	incomplete under Section 65943. Los Gatos Boulevard Properties responded to the Town's April
	3	3, 2024, incompleteness letter on July 2, 2024—90 days later. The Town then issued a later
	4	incompleteness letter dated July 24, 2024. Los Gatos Boulevard Properties resubmitted the
	5	application on October 21, 2024—89 days later. On November 20, 2024, the Town provided the
	6	Los Gatos Boulevard Properties with a third incompleteness determination. On January 30, 2025,
	7	the Town's Community Development Director issued a letter notifying the applicant of the right
	8	to appeal the incompleteness determination. Luxe has elected not to appeal the January 30, 2025
	9	incompleteness letter. On February 7, 2025, the applicant submitted an appeal of the Town's
	10	communication of its position that the preliminary application had expired because Arya's
	11	application remained incomplete after a second resubmittal.
	12	35. The Town contends that the preliminary application has expired under Section
	13	65941.1(e) because more than 180 days have elapsed since Los Gatos Boulevard Properties'
	14	submittal of the formal development application on March 8, 2024 and the application submitted
	15	on October 21, 2024 was not found to be complete. Los Gatos Boulevard Properties still has not
	16	provided the Town with all information about its project required under Section 65941.1. The
	17	Town is informed and believes that Los Gatos Boulevard Properties contends otherwise and
	18	contends that it is still entitled to the vesting conferred by the September 12, 2023 submittal of
Goldfarb &	19	the preliminary application over 18 months ago.
Lipman LLP	20	36. Because the parties have a good faith dispute over the interpretation of Section
1300 Clay Street	21	65941.1(e)(2), and whether Los Gatos Boulevard Properties' preliminary application has expired
Eleventh Floor	22	and has no force and effect, the Town has suggested to Los Gatos Boulevard Properties that the
Oakland	23	parties submit the issue to the court for resolution via this action for declaratory relief. The Town
California	24	has offered to continue processing the Luxe Builder's Remedy application, while reserving its
94612	25	rights to take the position that the Luxe preliminary application has expired, depending on the
510 836-6336	26	outcome of this action.
510 836-1035 FAX	27	///
	28	///

	1	Cause of Action for Declaratory Relief
	2	(By the Town against all Defendants)
	3	37. The Town realleges and incorporates by reference the allegations contained in
	4	paragraphs 1 through 36, above.
	5	38. An actual controversy has arisen between the Town on the one hand and
	6	Defendants on the other, in which the Town contends that Government Code Section
	7	65941.1(e)'s reference to a 90-day period to submit a complete preliminary application refers to
	8	a single 90-day period, following expiration of the 180-day period to submit a complete
	9	application, to maintain vesting. The Town is informed and believes that Defendants contend
	10	that the preliminary application remains in effect so long as the applicants re-submit an
	11	application within 90 days after receiving a list of incomplete items—no matter how long this
	12	repeated process takes, how little change is made in the plans, or how many times the Town
	13	concludes the preliminary applications are incomplete—allowing successive and unending 90-
	14	day periods to submit revised preliminary applications, all the while maintaining the vesting
	15	effect of the original submission of the preliminary application.
	16	39. The Town is entitled to a judicial declaration to establish the respective rights and
	17	duties of the parties with respect to the preliminary applications for the Arya and Luxe Builder's
	18	Remedy project applications, and whether those preliminary applications have expired. The
Goldfarb &	19	Town contends that the preliminary applications for the Arya and Luxe Builder's Remedy
Lipman LLP	20	applications have expired and that the applicants are no longer vested as to the Town's
1300 Clay Street	21	ordinances, policies, and standards in effect at the time the preliminary applications for the
Eleventh Floor	22	projects were submitted. The Town is informed and believes that Defendants contend otherwise.
Oakland	23	A judicial resolution of this controversy is necessary and appropriate because the Town has no
California	24	adequate remedy at law to resolve the controversy described herein.
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	28	///
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	1	Prayer for Relief	
	2	Wherefore, the Town prays for judgment as follows:	
	3	1. For a judicial declaration that Government Code Section 65941.1(e)'s reference to	
	4	"the 90-day period" within which to submit specific information needed to complete	
	5	a preliminary application refers to a single 90-day period;	
	6	2. For a judicial declaration that the preliminary applications for the Arya and Luxe	
	7	Builder's Remedy applications have expired and that the applicants are no longer	
	8	vested as to the Town's ordinances, policies, and standards in effect when they first	
	9	submitted preliminary applications for their projects;	
	10	3. For costs of suit; and	
	11	4. For such other and further relief as the Court deems just and proper.	
	12		
	13	DATED: March 28, 2025 GOLDFARB & LIPMAN LLP	
	14	By Dolm Br Dr	
	15	DOLORES BASTIAN DALTON	
	16	Attorneys for Plaintiff THE TOWN OF LOS GATOS	
	17		
	18		
Goldfarb &	19		
Lipman LLP	20		
1300 Clay Street	21		
Eleventh Floor	22		
Oakland	23		
California	24		
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EXHIBIT A



ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT Cecilia M. Aguiar-Curry, Chair

COMMITTEE BACKGROUND REQUEST

MEASURE: SB 330 AUTHOR: Senator Nancy Skinner CONTACT: Katerina Robinson PHONE: (916) 651-4009

PLEASE ANSWER THE FOLLOWING QUESTIONS:

• Who is the <u>sponsor</u> of this bill? We need a letter on letterhead from the sponsor, identifying them as such.

Author bill

• What does existing law say?

Existing law allows local governments to approve or deny housing developments brought before them, and to set design standards for housing construction, but requires local governments to approve projects that satisfy their underlying general plan and zoning as long as those projects do not conflict with health and safety (Housing Accountability Act). The individuals in a city may also vote to constrain the property rights of other members of the city by restricting the power of the local government to make land use decisions – this is generally achieved through voterimposed "slow growth" or "no growth" measures like housing moratoriums, population caps, limits on permits the city is allowed to issue, or requirements that upzoning or development outside urban growth boundaries be approved by a vote of the people.

Existing law further requires local governments to accept applications for housing projects from developers, deem those applications complete or incomplete, and once deemed complete, approve or deny the project within 180 days for regular projects and 90 days for affordable projects (Permit Streamlining Act). In cases where CEQA applies, the Permit Streamlining Act timelines for approval or denial of a project do not go into effect until after the conclusion of CEQA (Eller Media v. Community Redevelopment Agency, 2003 and Schellinger Brothers v. City of Sebastopol, 2009).

What does the bill do?

SB 330 amends the Permit Streamlining Act to further streamline the permitting of new housing in California, and ensure fair and transparent project fees, zoning, and historic site designation. First, SB 330 creates an "initial application" which, when completed and submitted to the local government, would ensure that the rules in place at the time of the initial application's submittal are applied to the development project. This is crucial to speeding up housing production because it ensures that the rules under which the project was designed are not changed mid-stream to invalidate the project or render the project unfinancable. SB 330 then requires a developer to submit a full application (required under existing law) within 180 days after submitting an initial application. The bill then requires the city to give project proponents a single list of all incomplete elements of the full application, and sets a new requirement that the project proponent respond with the additional information within 90 days. The city then deems the application complete and triggers the Permit Streamlining Act timeline to approve or deny projects. SB 330 shortens these timelines from 180 days down to 90 days for regular projects and from 90 to 60 days for affordable housing projects. A developer must then break ground within 2.5 years of pulling permits, or the locking of the rules at the time of initial application is void. (Chart attached to this backgrounder shows this permit process visually)

SB 330 additionally seeks to address anti-growth measures implemented in cities with the worst housing shortages by suspending them for a period of five years. This includes lifting housing moratoriums, population caps, and caps on the number of housing permits a city will put out annually, and preventing downzoning unless a local government simultaneously upzones to achieve "no net loss" in zoning. The bill also lifts, for five years, any voter-imposed requirement that a local government obtain a vote of the people or a supermajority vote of a government body to exercise its land use authority. SB 330 also reduces mandatory parking minimums for housing projects in these same cities, which can add significant cost to a project. Adding one above-ground parking spot costs \$27,000, just for construction, while an underground space runs around \$35,000, according to 2014 estimates by UCLA planning professor Donald Shoup, author of "The High Cost of Free Parking."

Lastly, SB 330 includes anti-displacement measures to insure that low-income housing is not lost to new development and that tenants are rehoused at the developer's expense while their units are being rebuilt.

• <u>Author's Statement</u> on need for the bill. [The analysis may quote the author's statement directly].

California is experiencing an extreme housing shortage. We now rank 49th in the number of housing units per capita and are home to 33 of the 50 US cities with the highest rents. SB 330 is designed to address our housing crisis by asking local governments to hold off on actions that would decrease or delay housing and to process permits for housing that is already allowed under their existing rules, but to do it faster and not change the rules once the housing application is submitted. By requiring timely processing of permits and relaxing a limited set of rules, SB 330 employs the same approach that cities have used to help recover from fires or other disasters. Lastly, to help keep tenants and low-income families in their homes, SB 330 also includes anti-displacement measures.

 Are you planning any amendments? If so, please briefly explain the substance of the amendments and provide a copy of what is being taken to Legislative Counsel to the Committee office. PLEASE NOTE THE DEADLINES FOR AMENDMENTS LISTED BELOW.

• Which stakeholders groups have you talked to about this bill?

American Planning Association Association of CA Water Agencies (ACWA) Bay Area Council BRIDGE Housing State Building and Construction Trades Council of CA CA Association of Local Building Officials (CALBO) CA Association of Sanitation Agencies (CASA) CA Chamber of Commerce (CalChamber) CA Housing Consortium CA Rural Legal Assistance Foundation (CARLAF) CA State Association of Counties (CSAC) City of San Jose City of San Francisco City of Healdsburg City of Encinitas City of Los Angeles CBIA CA Association of Realtors CA Apartment Association Facebook Greenbelt Alliance The League of Cities Non-Profit Housing Association of Northern CA PICO Planning and Conservation League Rural County Representatives of CA Terner Center for Housing Innovation, UC Berkeley TMG Partners (Denise Pinkston) Western Center on Law and Poverty

(probably more - but these groups have given the most substantive feedback)

• Who is in support? Who is in opposition? Do you expect other supporters or opponents to weigh in that have not submitted a letter yet? PLEASE NOTE DEADLINES FOR SUPPORT AND OPPOSITION LETTERS BELOW.

Full list of support and opposition I've received at this time attached.

• How much time do you think will be necessary to consider this bill in the committee?

30 minutes

COMMITTEE DEADLINES. Please be aware of the following deadlines:

COMMITTEE BACKGROUND REQUEST. The Committee background should be returned <u>no later than five (5) legislative days after delivery to the author's office</u> (*Committee Rule 1*). Please submit an electronic copy of the background sheet, along with any additional materials, to Debbie Michel, the consultant assigned to the bill, as well as Dixie Petty, the Committee Secretary; and, William Weber, Republican Caucus consultant. <u>The committee must be in receipt of this information before we can set the bill</u>.

AMENDMENTS. Author's amendments are due 12 calendar days prior to the hearing by 5:00 p.m. (signed original plus 4 copies), <u>along with a copy of the "In-Context</u> <u>Amendments</u>." Once the bill has been set, please confirm with staff what the exact deadlines are for that particular hearing date.

LETTERS. All support and opposition letters are due to the Committee <u>no later</u> than <u>5:00 pm of the Thursday preceding the week of the hearing in order to be listed in the</u> <u>committee analysis</u>. To improve accuracy and reduce paper waste, we are requesting that all position letters be submitted electronically through the California Legislature Advocates Portal (<u>https://calegislation.lc.ca.gov/Advocates/</u>). It is your responsibility to ensure that the Committee has all letters by the Thursday deadline.

RETURN TO:

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT ROOM 157, 1020 N STREET (LOB) PHONE: 319-3958 ATTENTION: DIXIE PETTY FAX: 319-3959