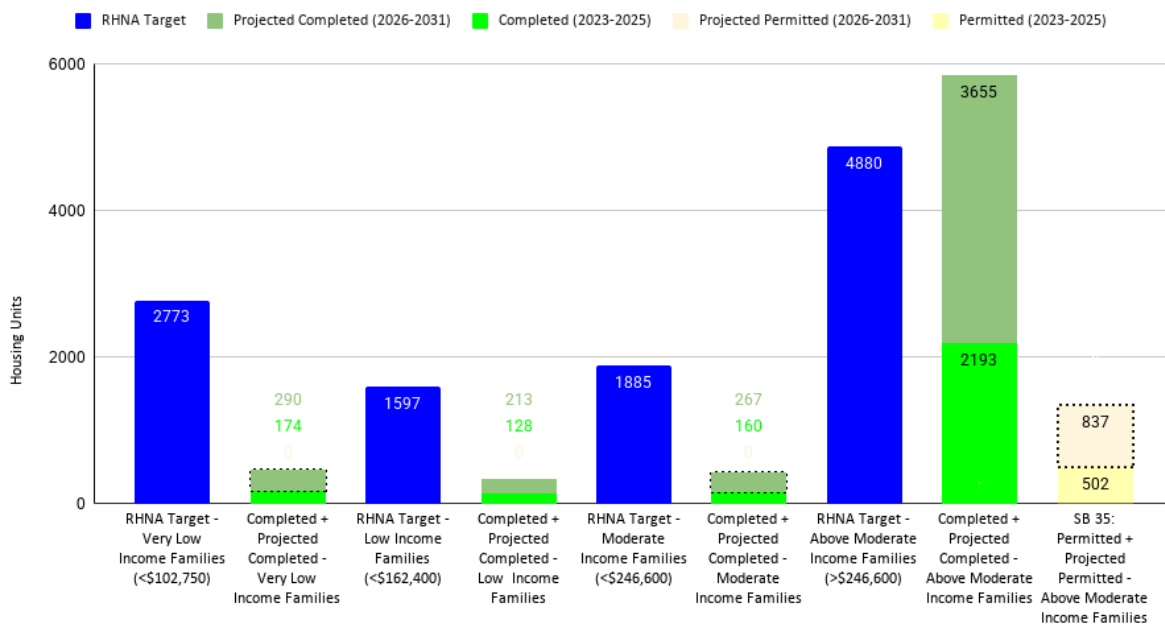


Is your city “building” enough housing? In most of CA, the answer is “no”. What happens next? State laws will soon strip legal rights from all voters in SCC (and most of CA).

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Mountain View's Progress Meeting Its RHNA (Regional Housing Needs Allocation) Targets for 2023-2031, as of June 30 2026 (source: HCD Housing Element Implementation and APR Dashboard)



How is your city faring with its plans to meet state mandated goals for the 2023-2031 housing element cycle? Do you know? The news is not good, especially for **affordable housing**. Which we were told was the point of all the new laws, wasn't it? The legal consequences will be worse. Let's look at Mountain View (MV), where I live, as an example to understand key details about how CA's housing laws actually work. MV is an especially interesting example because we were the first city in Santa Clara County (SCC) to [earn a “prohousing” designation](#) from CA's Housing and Community Development Department (HCD). Nevertheless, we are not on track to meet our housing goals, and so will suffer the same consequences as other cities.

On July 5 the [SF Chronicle](#) reported: “Recently released data from [HCD] shows that **most Bay Area cities are not on pace** to permit the number of homes the state says they should by January 2031.”

““At this point in the planning cycle, if cities are not already on track to meet their housing goals, they're really going to be hard pressed to turn that around in the next five years,” said David Garcia, deputy director of policy at UC Berkeley’s Turner Center for Housing Innovation.”

[Calmatters](#) weighed in as well: “**Almost nowhere in California is building enough**, according to the state.” According to [HCD data](#), not a single city in SCC is on track to meet all of their housing goals. The legal consequences will come at about the same time that the next housing element cycle begins (along with a fresh set of mandates handed down by the state).

**** SPOILER ALERT ****

When housing goals are not met, a state law called SB 35 (which sunset in 2026, but was extended via [SB 423](#) until 2036) determines the penalties that will be inflicted.

“Under SB 35, as amended, cities that are on track to meet their RHNA housing production goals at all income levels will retain full local control over how they approve housing. When cities do not meet their housing obligations, approval of qualified housing projects will be streamlined until cities do meet their goals.” [SB 35 Fact Sheet](#)

What do you get when you combine SB 35 with the fact that “almost nowhere in California is building enough”? “Streamlined approval” will soon dominate CA. **Local control will almost entirely disappear**. HCD data shows that streamlined approval is on track to be imposed on every city in SCC (other than Morgan Hill and Gilroy) for projects that **previously would have required conditional use permits**, as long as they include **10% affordable housing** (a trivial amount compared to state mandated goals), and meet other requirements.

“Streamlined approval” means “residents have no legal right to object”. Since no city in SCC is on track to meet their goals, **SB 35 will soon strip legal rights from all voters in SCC (and most of CA)**. That’s pretty extensive. Why are these rights taken away? Read the logic of Senator Scott Wiener (D-SF), author of SB 35 (and rising star in state politics):

“When local communities refuse to create enough housing—instead punting housing creation to other communities—then the State needs to ensure that all communities are equitably contributing to regional housing needs ... Allowing local communities to ignore their responsibility to create housing has led to a housing disaster—triggering huge economic, environmental, and social problems.” [SB 35 Fact Sheet](#)

Do you see? Wiener puts blame for the housing crisis entirely on local communities. When housing goals are not met, Wiener assumes that a city and its residents are refusing to create housing. This is a **false assumption** (more below). For example, HCD data shows that **MV has built more housing** since 2023 than every other city in SCC other than San Jose and Santa Clara. Implying that MV is not “equitably contributing to regional housing needs” is flat-out wrong. Furthermore, MV residents **want affordable housing**. MV requires market rate developers to [set aside at least 15% of units](#) for low- and moderate-income households. When

MV doesn't meet its housing goal - for high income families (!) - [SB 423](#) will force that number down to 10%. **SB 423 will actually decrease the amount of affordable housing required in MV!**

Here is how CA's housing laws work today. Right here, in the (good ol') U.S. of A.

1) "Goals" are demanded by state politicians (voters have little meaningful input over them, and the CA state auditor "[determined that HCD does not ensure that its needs assessments are accurate and adequately supported.](#)")

2) If the goals are not met, **no investigation of any kind is conducted** to determine why they were not met. Instead, "local communities" are blamed, without benefit of trial. Another word for this practice is "scapegoating".

3) The punishment is "streamlined approval" (**/stripping rights from voters**) for projects that are almost entirely expensive, market rate units (**/completely unaffordable** to most families).

But that's not all. Again,

"When cities do not meet their housing obligations, approval of qualified housing projects will be streamlined **until cities do meet their goals.**" [SB 35 Fact Sheet](#)

"Streamlined approval" will remain in effect for almost every city in CA until the (excessive?) housing goals set by state politicians in the 2023-2031 housing cycle are met. It will begin during the next cycle, 2032-2040. If it takes four years to achieve the old goals, that will leave only four years for the city to achieve the next (excessive?) goals handed down for the next cycle (increasing the chances the new goals won't be achieved either). **This will be the future for most cities in CA in about five years.**

Do you see? Our **housing laws allow state politicians to strip legal rights from voters** by simply setting **overly aggressive housing "goals"**. Fun fact: the [housing goals in the 2023-2031 housing element cycle were dramatically higher](#) than in the previous one. "The [ABAG Administrative Committee] denied all appeals, with the exception of the appeal submitted by the County of Contra Costa."

EXAMINE THE CHART

The blue columns show the housing goals that have been assigned to MV for families in four different income categories: very low, low, moderate, and above moderate. These goals are more formally called "[Regional Housing Needs Allocation \(RHNA\)](#)" targets, and are assigned to each city in SCC via a combination of HCD and ABAG (Association of Bay Area Governments). The other data on the chart comes from the "[HCD Housing Element Implementation and APR Dashboard](#)".

To the right of each blue column is a column that shows both 1) the number of housing units that have been completed over the past three years for that income category, and 2) the projected

number of housing units that will be completed in the next five years (assuming the rate of production remains the same).

Notice: the only category where the second column (Completed + Projected Completed) is taller than the RHNA target is the last one, for families with very high incomes. State laws are doing a good job at increasing the supply of housing for these families. Politicians often refer to them as **“future residents”**.

Notice: the second column is much shorter than the RHNA target for everyone else (these are families of four who earn less than \$246,600 a year in SCC; see [2026 State Income Limits](#) for the income levels of other families). State politicians claim that “increased supply” is the key to lowering housing prices. Since supply is not increasing in any kind of meaningful way for these families, logic dictates that the cost of housing will remain high for them.

Despite the lack of affordable housing being built, MV earned a **“prohousing”** designation from HCD: “This designation recognizes jurisdictions that are leading the way to facilitate the development of housing across income levels, such as reducing barriers to housing, streamlining the development process, implementing effective zoning and land use policies, and funding affordable housing.” Across income levels? Funding affordable housing? HCD’s own data shows that the RHNA “needs” of low-income and middle class families - defined by the state itself! - are simply not being met. **One must wonder what the designation “prohousing” actually means.**

WHAT HAPPENS WHEN HOUSING “GOALS” ARE NOT MET?

The most fascinating data is in the last column: “SB 35: Permitted + Projected Permitted - Above Moderate Income Families”. The devil is in the details. Please take your time to review, as the **legal rights of all voters in CA** to fight against **“streamlined approval” of unaffordable housing projects** are at stake.

“SB 35’s key provision is its linkage to the Regional Housing Needs Assessment (RHNA ...) that California metropolitan areas must update every eight years ... Cities are expected to meet these goals during the next 8-year RHNA “cycle” ... cities nevertheless often block new homes outright, or put up insurmountable barriers to their development ... SB 35 offers a partial “fix” for this problem by allowing homebuilders to pursue a streamlined approval process in cities that have fallen behind their RHNA-allocated housing production targets.” - [CA YIMBY](#)

Like Scott Wiener, CA YIMBY (the legislative sponsor of SB 423) **puts blame on local communities** when housing goals are not met. Blaming existing residents (/**“NIMBYs”**) for the housing crisis is a foundational belief of the entire YIMBY movement.

HCD spokesperson Jennifer Hanson explains that **other factors play an important role** in the creation of housing.

“There are many reasons that developers may or may not choose to build in a particular location. Some are in the power of local and state governments, like zoning and building codes, permitting timelines and fees. But many are not, said Hanson. [“Whether a project moves forward depends on interest rates, construction and land costs, access to capital, insurance and expected rents or sale prices.”](#) she said.”

MV Community Development Director Christian Murdock echoes Hanson’s views. His comments show the critical role that developers play in achieving housing goals. Cities don’t build housing, developers do. And they only do so when they can make sufficient profit. SB 35 completely ignores this reality. SB 35 holds cities accountable for **decisions and actions made by developers**.

“Developers have submitted plans to build more than 10,000 homes in Mountain View, but only a small fraction of those have broken ground, as financial headwinds are making it difficult to start construction ... “I think the numbers are bearing out that it’s just really difficult to get the financing lined up to transition to the construction phase,” [Murdock] said ... According to Murdock, developers have reported that **persistently high interest rates and construction costs** are making it difficult for projects to pencil out. [“We very much wish that we were making more proportionate progress towards our \(state target\),”](#) Murdock said. [“There’s just limited ability for us to do that if the projects aren’t forthcoming.”](#)

Furthermore, [“Silicon Valley tech layoffs in 2026 already nearing 2025 total”](#). “The layoffs are on pace to be the worst in the tech industry since 2023, a particularly bad year of workforce reductions following the Covid-19 pandemic. That year, 14,501 jobs – roughly double the number in the first of 2026 – were cut, according to [Joint Venture Silicon Valley’s] analysis.”

Please note: RHNA targets don’t refer to the amount of housing actually built, they refer to the required number of **permits** that must be issued for each income category. Permits. The last column shows that MV will likely issue about 1339 permits for above moderate housing by 2031, which is far less than what the state requires (4,880 permits). MV is not alone. HCD data shows that almost every city in SCC is not issuing enough permits for above moderate families. Only Gilroy and Morgan Hill are on track to meet these goals. However they will not meet other RHNA targets, and so their residents will be subject to other penalties under SB 35.

If you look closely, [SB 423](#) metes out the severest penalties to cities who don’t issue their so-called “fair share” of permits for housing targeted at families with the highest incomes. Those penalties maximize construction of expensive, market rate housing (which is strange for a law that is marketed to voters as a solution to the **affordable housing crisis**). 10% affordable units means **90% unaffordable units**.

“This bill: requires that, in jurisdictions not meeting their **housing targets for above moderate-households**, projects eligible for SB 35 streamlining must contain at least 10% of the units affordable to very low-income households (i.e., 50% of the area median income (AMI) or below), as specified.”

MV is a “prohousing” city. MV has built more housing since 2023 than every other city in SCC other than San Jose and Santa Clara. In about five years, we will be forced by law to **reduce** the amount of **affordable** housing required from market rate developers until we have issued permits for 4,880 units for high income families (!), all because “persistently high interest rates and construction costs are making it difficult for projects to pencil out.” And voters in MV will have no legal right to object.

In a famous fairy tale, an emperor had no clothes, but everyone pretended otherwise. State politicians have passed laws supposedly designed to lower the cost of housing, thanks to heavy lobbying from CA YIMBY (which is funded by dark money). HCD data shows that **these laws are clearly not accomplishing that goal**. When one looks closely, one can see why: the laws treat the RHNA “needs” of high income families as more important than the “needs” of low- and moderate-income families. Whether by design, or simply an accident, our **housing laws allow state politicians to strip legal rights from voters**, in America, simply by setting overly aggressive housing “goals”.

SB 423 needs to be changed or struck down within the next five years, **before legal rights from all voters in SCC and most of CA** to have input over what happens in their own communities is stripped away. Not because they are blocking new homes outright, or putting up insurmountable barriers to development, but because “high interest rates and construction costs are making it difficult for projects to pencil out.”

IMPORTANT QUESTIONS

Q1 Is it fair to strip rights from voters when residents are not the reason why housing goals are not achieved? Why does SB 35 assume that “local communities” are blocking supply, instead of collecting evidence to learn the truth?

Q2 Is it **ever fair to strip rights from voters**? In America?

Q3 Isn't the goal of these housing laws supposed to be to **lower the cost of housing**?

* Why does state law treat the RHNA “needs” of high income families as more important than the “needs” of low- and moderate-income families?.

* Why is such a small amount of affordable housing (10%) required from developers when a city fails to meet the RHNA target for high income families?

SOURCES

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APPENDIX A

Housing has a certain timeline:

- * It begins with projects “submitted” to a city for approval.
- * A subset of submissions will be approved by the City Council, and become “entitled”.
- * A subset of entitled projects advances to the next step: “permitted”. The owners have sought necessary city permits, and received them.
- * Finally, a subset of these projects are actually built. Their status becomes “completed”.

Data for MV on the [HCD Housing Element Implementation and APR Dashboard](#) under the current Housing Element is summarized below. To find results for another city:

- 1) Navigate to Page 3 of 18 in the Dashboard at the bottom of the page
- 2) Use pulldown menu to select County, I chose Santa Clara County
- 3) Use pulldown menu to select Jurisdiction, I chose Mountain View
- 4) Use pulldown menu to select Year, I chose 2023,2024,2025

