



Senator Scott Wiener, 11th Senate District

Senate Bill 677 – Parcel Map Appeals and TEFRA

SUMMARY

SB 677 streamlines and accelerates housing production by prohibiting specified parcel map appeals and discouraging local governments from delaying financing for projects that have been awarded tax-exempt bonds.

BACKGROUND/EXISTING LAW

Current housing law establishes various streamlined approval processes and timelines to prevent frivolous housing delay through delayed review, inaction, or appeal. For example, SB 35 (Wiener, 2017) establishes a streamlined ministerial approval process for certain housing development projects, eliminating discretionary entitlement hearings. AB 1114 (Haney, 2023) eliminates appeals for issued postentitlement permits. The Housing Accountability Act (HAA) limits the conditions under which local governments can disapprove a housing development project and defines disapproval of a housing development project to include failure to adhere to postentitlement permit review timelines.

The subdivision map act (SMA) establishes requirements on local government subdivision approvals. Through the SMA, local governments issue and approve tentative and then final maps, or parcel maps. Depending on the size and complexity of a subdivision, local governments may attach conditions to the map requiring the dedication of property in a subdivision for streets, utilities, drainage, and other public improvements. Sometimes, local governments approve smaller subdivisions through a one-step parcel map process.

The California Debt Limit Allocation Committee (CDLAC) awards the state's tax-exempt private activity bond (PAB) capacity. CDLAC allocates the vast majority of PABs to affordable multifamily rental housing projects under the Qualified Residential Rental Project Program (QRRP).

The federal Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) places procedural requirements on tax-exempt PABs. TEFRA requires the applicable elected representative to endorse PABs following a public hearing. Tax-exempt PABs can only be issued if the PABs are endorsed pursuant to TEFRA.

PROBLEM

Existing law protects postentitlement permits, but not parcel maps/subdivisions, from frivolous appeals. Recently, several affordable housing projects in San Francisco's Mission and Bernal heights neighborhoods were delayed when the project sites' parcel maps were appealed.¹ The reasons cited in these appeals were unrelated to the parcel map, and the appeals were denied. Delays from such appeals risk project financing timelines for market rate and affordable housing alike. Delays can be particularly onerous on grant-funded projects or projects with expiring tax-exempt financing mechanisms. Even a relatively short map appeal delay can force a project to wait until a future year's tax-exempt financing application cycle.

Similarly, while the HAA discourages various housing permit delays, it does not discourage TEFRA-related delays. Failure to provide TEFRA host approval – enabled by a lack of HAA protection – forces affordable housing developers who have already been awarded PABs by CDLAC to identify alternative means of approval. This can be a time-consuming process that increases project costs and risks the project missing key financing windows. Affordable housing projects across the state have encountered such inaction-related delays.

SOLUTION

SB 677 prohibits interested persons from appealing a parcel map for housing development projects on project sites in urban areas. The parcel must be set to be served by a public water and sewer system.

¹ [SF Parcel Map Appeals News Article](#)

Public officials, advisory bodies, and the subdivision applicant may still appeal a parcel map. SB 677 amends the HAA to provide that failure to endorse PABs for a housing development project pursuant to TEFRA constitutes a disapproval of the housing development project. The bill's provisions will address the state's acute housing shortage by reducing project delays and helping affordable housing developers protect their project financing.

SUPPORT

Housing Action Coalition (Sponsor)
California YIMBY (Sponsor)

FOR MORE INFORMATION

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