



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 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. For the PABs to be tax-exempt, TEFRA requires the applicable elected representative to endorse PABs after a public hearing.

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, current law does not provide enforcement mechanisms to ensure local governments provide TEFRA approvals for PABs in a timely manner. Failure to provide TEFRA host approval forces affordable housing developers who have already been awarded PABs by CDLAC to transfer issuances to different bond issuers who can receive state elected representative TEFRA 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 detrimental 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. Public officials, advisory bodies, and the subdivision applicant may still appeal a parcel map.

SB 677 also provides more flexibility for the state to partner with a broader set of qualified tax-exempt PAB issuers to provide TEFRA approvals, limiting

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

delays, cost increases, or project abandonment associated with forced transfer of issuances.

- AARP
- Eden Housing

Specifically, SB 677 provides that the State Treasurer can enter the state into a Joint Powers Authority for federal tax-related purposes, including providing federally required bond issuance approvals for affordable housing projects that have been awarded tax-exempt private activity bonds.

The bill addresses the state's acute housing shortage by reducing project delays and helping affordable housing developers protect project financing.

SUPPORT

- Housing Action Coalition (Sponsor)
- California YIMBY (Sponsor)
- California Council for Affordable Housing (Sponsor)
- Mission Housing Development Corporation (Sponsor)
- San Diego Mayor Todd Gloria
- Yimby Action
- Inner City Law Center
- Council of Infill Builders
- Elysian Housing
- East Bay Yimby
- Grow the Richmond
- Midpen Housing Corporation
- Monterey Peninsula Yimby
- Mountain View Yimby
- Napa-Solano for Everyone
- Northern Neighbors SF
- Peninsula for Everyone
- San Francisco Yimby
- San Jose Yimby
- San Mateo Forward
- Santa Cruz Yimby
- Santa Rosa Yimby
- South Bay Yimby
- Ventura County Yimby
- Yes! In Redwood City
- Yimby Los Angeles
- Yimby SLO
- Cypress Equity Investments
- Abundant Housing LA
- Circulate San Diego
- SPUR
- Leading Age California

FOR MORE INFORMATION

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