



CITY OF MERCED

April 25, 2025

The Honorable Scott Wiener
California State Senate
1021 O Street, Room 8620
Sacramento, CA 95814

RE: Senate Bill 677 (Wiener) – Housing Development: Streamlined Approvals – OPPOSE (As Amended April 9, 2025)

Dear Senator Wiener:

On behalf of the City of Merced, I write to respectfully express our strong opposition to Senate Bill 677, which proposes significant amendments to SB 9 (Atkins, 2021) and SB 35 (Wiener, 2017). While we share the state's goal of increasing housing supply, SB 677 severely limits local land use authority, undermines Merced's ability to manage responsible development, and jeopardizes the delivery of vital public services.

SB 677 eliminates critical local planning tools by expanding ministerial approvals to developments that bypass owner-occupancy requirements, proportional lot sizes, and adjacency limitations. It increases the maximum unit size from 800 to 1,750 square feet, while restricting the City's ability to apply setbacks beyond what is allowed under state building codes. These changes diminish the City's capacity to ensure compatible infill development, particularly in older residential neighborhoods where infrastructure constraints already present challenges.

Equally concerning is the bill's prohibition on requiring affordable housing deed restrictions for SB 9 projects, effectively preempting Merced's ability to apply local inclusionary housing ordinances. As a city actively working to expand affordable housing opportunities for low- and moderate-income residents, this provision threatens to erode the progress we have made toward equitable housing solutions. Additionally, exempting units under 1,750 square feet from development impact fees—without offsetting state assistance—would significantly reduce the City's ability to fund necessary improvements to roads, water systems, sewer infrastructure, parks, and emergency services. In Merced, where budgets are carefully balanced to support a growing population, this would lead to an untenable shift in costs to existing residents.

SB 677 also opens the door to intensified subdivision activity in multifamily and mixed-use zones by eliminating key limitations on adjacent lot splits and expanding the applicability of SB 9 beyond single-family parcels. This change threatens the character and planning integrity of Merced's established neighborhoods and commercial corridors. Further, the bill imposes additional procedural burdens on local governments by mandating HCD review of local ordinances and requiring accelerated responses to agency findings, creating compliance risks and legal uncertainty for jurisdictions already struggling to meet state-imposed housing mandates.

For these reasons, the City of Merced strongly opposes SB 677. We urge you to reconsider this measure and instead support legislation that promotes housing production in partnership with local governments, rather than through preemption. We welcome continued dialogue with your office and other stakeholders to identify



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balanced, practical solutions that respect both statewide housing goals and the distinct planning needs of cities like Merced.

If you should have any questions, please contact Sharon Gonsalves at California Public Policy Group at (916) 974-9270.

Sincerely,

Mayor,
City of Merced

cc: Members and Staff of the Senate Committee on Housing
The Honorable Anna Caballero, Senator, 14th District