

April 1, 2025

The Honorable Senator Grayson
California State Senate
1021 O Street, Suite 7250
Sacramento, CA 95814

RE: SB 328 (Grayson) – Hazardous waste generator permits: housing development projects - SUPPORT

Dear Senator Grayson:

MidPen Housing is pleased to write to you in support of your bill SB 328, which will cap the Hazardous Waste Generator Fee charged by the Department of Toxic Substance Control (DTSC) for certain housing, non-profit and park and open space projects. Additionally, the bill will place timelines on DTSC to respond to post-entitlement permits.

MidPen Housing is one of the nation's leading nonprofit developers, owners, and managers of high-quality, affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed 139 communities and over 10,000 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

In 2021, the legislature passed SB 158, a budget trailer bill that restructured the DTSC to improve the Department's performance and fix structural deficits in its budget. The bill made changes to the fee that housing developers pay when they remediate contaminated soil from a development site, moving from a tiered model with fixed caps to a price-per-ton fee with no upper limit. These changes to the Hazardous Waste Generator Fee have significantly increased the cost of remediating contaminated soil for housing projects as a site is prepared for development.

These changes have had a disproportionate impact on infill housing developments, which are more likely to be located on "contaminated" urban sites. Common type of urban contamination include former dry cleaners, gas stations, or areas impacted by natural disasters. The highly variable Hazardous Waste Generator Fee can drive these projects to infeasibility by dramatically and unpredictably increasing costs in the middle of a project.

SB 328 would help reduce the cost of development by establishing a cap on the Hazardous Waste Generator Fee. The Fee would be capped at \$100,00 for infill, non-profit, and park and open space projects, and \$250,000 for master development projects. The cap would only apply to projects that did not create the contamination; the bill only applies to projects who are taking contaminated land and converting to a beneficial public use. Additionally, the bill would place 30 and 60 day timelines on DTSC for responding to post-entitlement permits, ensuring that developers can communicate with and receive feedback from DTSC in a timely manner.

We are pleased to support SB 328 as it will provide a fair and balanced approach to funding DTSC's remediation efforts while still allowing critically needed housing and open space projects to move forward.

Thank you for your consideration and please feel free to contact Nevada V. Merriman, Vice President of Policy & Advocacy, at 650-477-6195 or nmerriman@midpen-housing.org

Best Regards,



Matthew O. Franklin
President and CEO

CC: Nevada V. Merriman, Vice President of Policy & Advocacy, MidPen Housing