



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Agenda

ABAG Executive Board

President, David Rabbitt, Supervisor, County of Sonoma
Vice President, Vacant
Immediate Past President, Julie Pierce, Councilmember, City of Clayton

Thursday, January 17, 2019

7:00 PM

Board Room - 1st Floor

Association of Bay Area Governments Executive Board Meeting No. 436

The ABAG Executive Board may act on any item on the agenda.

The meeting is scheduled to begin at 7:00 p.m.

Agenda, roster, and webcast available at <http://abag.ca.gov/meetings>.

For information, contact Clerk of the Board at (415) 820-7913.

1. Call to Order / Pledge of Allegiance / Roll Call / Confirm Quorum

2. Public Comment

Information

3. Executive Board Announcements

Information

4. President's Report

- 4.a. [18-1155](#) Report on Ad Hoc Review Committee on MTC Executive Director Selection Meeting on December 12, 2018

Action: Information

Presenter: David Rabbitt

5. Executive Director's Report

- [18-1126](#) Executive Director's Report of January 2019

Action: Information

Presenter: Steve Heminger

6. Filling the Office of Vice President

[18-1156](#) Filling the Office of Vice President
Action: Action
Attachments: [Item 06 Memo Filling the Office of Vice President.pdf](#)

7. Consent Calendar

- 7.a. [18-1127](#) Approval of Executive Board Minutes of Meeting on November 15, 2018
Action: Approval
Presenter: Clerk of the Board
Attachments: [Item 07A Minutes 20181115 Draft.pdf](#)
- 7.b. [18-1128](#) Authorization to enter into Contract Amendment with Grounded Research and Consulting, LLC for Bay Area Regional Energy Network Process Evaluation Study in an amount not to exceed \$150,000 through December 2019
Action: Approval
Presenter: Jenny Berg
Attachments: [Item 07B BayREN Memo Grounded Research EMV Contract Amendment.pdf](#)
[Item 07B BayREN Summary Approval Grounded Research EMV.pdf](#)
- 7.c. [18-1129](#) Approval of Pre-qualified Panel of Consultants to Provide Cost-Effectiveness Study Services for the Bay Area Regional Energy Network
Action: Approval
Presenter: Jenny Berg
Attachments: [Item 07C BayREN Memo CE Bench.pdf](#)
[Item 07C BayREN Summary Approval CE Bench.pdf](#)
- 7.d. [18-1130](#) Authorization to Enter into Contract Agreement between SFEP and Environmental Science Associates for Environmental Design Services for Horizontal Levee at the City of Palo Alto Regional Water Quality Control Plant in an amount up to \$85,000 from on or about February 1, 2019 to December, 31, 2022
Action: Approval
Presenter: Caitlin Sweeney
Attachments: [Item 07D SFEP Memo Palo Alto RFQ.pdf](#)
[Item 07D SFEP Summary Approval Palo Alto RFQ.pdf](#)

- 7.e. [18-1131](#) Authorization to Amend Agreement between the Association of Bay Area Governments and State Department of Water Resources for Integrated Regional Water Management Round 3-Agreement #4600010883-to Extend the Grant Term through December 31, 2020 and to Reallocate SFEP Grant Administration Funds in the amount of \$702,500 to Projects 3 and 7 for Additional Work

Action: Approval

Presenter: Caitlin Sweeney

Attachments: [Item 07E SFEP Memo IRWM R3 Amendment.pdf](#)
[Item 07E SFEP Summary Approval IRWM3 Amendment.pdf](#)

- 7.f. [18-1133](#) Authorization to Increase Funding Agreement between San Francisco Estuary Partnership and Alameda County Flood Control and Water Conservation District for Environmental Science Services by \$115,000 to a new total of \$1,015,000 from February 13, 2019 to August 9, 2019

Action: Approval

Presenter: Caitlin Sweeney

Attachments: [Item 07F SFEP Memo Alameda CountyREV.pdf](#)
[Item 07F SFEP Summary Approval Alameda CountyREV.pdf](#)

- 7.g. [19-0045](#) Authorization to Enter into Contract Agreement between SFEP and The Regents of the University of California for Sea Grant Fellow Services in an amount up to \$75,000 from on or about January 28, 2019 to January 28, 2020

Action: Approval

Presenter: Caitlin Sweeney

Attachments: [Item 07G SFEP Memo Sea Grant Fellow Service.pdf](#)
[Item 07G SFEP Summary Approval Sea Grant Fellow 2019.pdf](#)

8. ABAG Administrative Committee Report

- [18-1134](#) Report on Administrative Committee Meetings of December 14, 2018 and January 11, 2019

Action: Approval

Presenter: David Rabbitt

9. ABAG Legislation Committee Report

- [18-1135](#) Report on Legislation Committee Meeting of January 17, 2019

Action: Approval

Presenter: Scott Haggerty

10. ABAG Finance Committee Report

[18-1136](#) Report on Finance Committee Meeting of January 17, 2019

Action: Approval

Presenter: Karen Mitchoff

11. ABAG Regional Planning Committee Report

[18-1137](#) Report on Regional Planning Committee Special Meeting of January 10, 2019

Action: Approval

Presenter: Julie Combs

12. CASA Compact Authorization to Sign

[18-1138](#) CASA Compact Authorization to Sign

A request for the Executive Board to authorize the President to sign the CASA Compact.

Action: Approval

Presenter: Steve Heminger

Attachments: [Item 12 Memo CASA Compact 20190110.pdf](#)
[Item 12 Attachment CASA Compact 010419.pdf](#)
[Item 12 Presentation CASA Local Gov Template and Regional Growth 2019011](#)
[Item 12 Comment CASA Combined 20190117.pdf](#)

13. Adjournment / Next Meeting

The next regular meeting of the ABAG Executive Board is on March 21, 2019.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者, 請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知, 以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1155 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 12/19/2018 **In control:** ABAG Executive Board

On agenda: 1/17/2019 **Final action:**

Title: Report on Ad Hoc Review Committee on MTC Executive Director Selection Meeting on December 12, 2018

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Report on Ad Hoc Review Committee on MTC Executive Director Selection Meeting on December 12, 2018
David Rabbitt
Information



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1126 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Executive Director's Report of January 2019
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Executive Director's Report of January 2019
Steve Heminger
Information



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1156 **Version:** 1 **Name:**

Type: Report **Status:** Executive Board Approval

File created: 12/19/2018 **In control:** ABAG Executive Board

On agenda: 1/17/2019 **Final action:**

Title: Filling the Office of Vice President

Sponsors:

Indexes:

Code sections:

Attachments: [Item 06 Memo Filling the Office of Vice President.pdf](#)

Date	Ver.	Action By	Action	Result
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Filling the Office of Vice President
Action

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2019
To: ABAG Executive Board
From: Executive Director
Subject: **Filling the Office of Vice President**

Executive Summary

With Greg Scharff's leaving the ABAG Executive Board, there is vacancy in the Office of Vice President. According to the ABAG Bylaws:

Article IX.C. The President and Vice President shall be either a councilmember of a Member city or a supervisor of a Member county of the Association, or a General Assembly delegate or alternate or Executive Board representative or alternate representative from the City and County of San Francisco if that jurisdiction is an Association member.

Article IX.D. (5). In the event of a vacancy in the office of Vice President due to the Vice President's permanently serving as President, vacating the office as required by Article IX.C., or for any other reason, the Executive Board shall fill the office of Vice President by appointment for the unexpired portion of the Vice President's term. In the event of a simultaneous vacancy in the offices of President and Vice President due to their vacating the respective offices as required by Article IX.C., or any other reason, the Executive Board shall fill both offices by appointment for the unexpired portion of the respective terms. In either event, the procedures of Article IX.I shall govern the process of filling said vacant office.

Article IX.I. The Executive Board shall fill the office of Vice President or President pursuant to Article IX.D., at the first meeting of the Executive Board held after the occurrence of the event which causes the office(s) to be vacated. The meeting shall be chaired by the President, or if said office is vacant, by the Immediate Past President. Nominations for the vacant office(s) may be made from the floor. All nominations require a second. The office(s) may be filled only if a nominee receives a majority vote of the members of the Executive Board constituting the quorum for that meeting. If no nominee receives a majority vote on the first ballot, the two nominees receiving the highest number of votes shall be voted upon again until one of them receives a majority vote. If the selection process results in a tie, or no nominee receives a majority vote after three rounds of balloting, the acting Chairperson of the Executive Board may, at his or her discretion, decide the matter by lot between the two nominees then remaining."

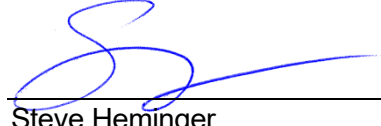
Filling the Office of Vice President

January 10, 2019

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Recommended Action

The Executive Board is requested to fill the Office of Vice President.



Steve Heminger



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1127 **Version:** 1 **Name:**
Type: Report **Status:** Executive Board Consent
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Approval of Executive Board Minutes of Meeting on November 15, 2018
Sponsors:
Indexes:
Code sections:
Attachments: [Item 07A Minutes 20181115 Draft.pdf](#)

Date	Ver.	Action By	Action	Result
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Approval of Executive Board Minutes of Meeting on November 15, 2018
Clerk of the Board
Approval



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Minutes - Draft

ABAG Executive Board

Thursday, November 15, 2018

7:00 PM

Board Room - 1st Floor

Association of Bay Area Governments

ABAG Executive Board Meeting No. 435

The ABAG Executive Board may act on any item on the agenda.
Agenda, roster, and webcast available at <http://abag.ca.gov/meetings>.
For information, contact Clerk of the Board at (415) 820-7913.

1. Call to Order / Pledge of Allegiance / Roll Call / Confirm Quorum

President Rabbitt called the meeting to order at about 7:00 p.m. Quorum was present. Miley joined the meeting at about 7:16 p.m.

Present: 19 - Andersen, Arreguin, Canepa, Cortese, Eklund, Garcia, Gibbons, Gupta, Haggerty, Halliday, Hudson, Lee, Mackenzie, Miley, Mitchoff, Pierce, Rabbitt, Rodoni, and Scharff

Absent: 15 - Augustine, Breed, Campbell Washington, Chavez, Diep, Gibson McElhaney, Guillen, Hannigan, Jimenez, Mandelman, Peralez, Pine, Rahaim, Ramos, and Yee

2. Public Comment

There was no public comment.

3. Executive Board Announcements

There were no Executive Board announcements.

4. President's Report

4.a. [18-0931](#) Presentation of Proclamation to Gerald Lahr

President Rabbitt recognized Gerald Lahr and presented him with a Proclamation for his service.

5. Executive Director's Report

[18-0923](#) Executive Director's Report

The Executive Board received the Executive Director's report.

6. Executive Board Consent Calendar

President Rabbitt and Executive Board members acknowledged Pierce for her service as ABAG's representative on the Metropolitan Transportation Commission.

Upon the motion by Eklund and second by Lee, the Consent Calendar, including ratification of the appointment of David Rabbitt to the Metropolitan Transportation Commission and approval of the meeting schedule for 2019, was approved. The motion carried unanimously by the following vote:

Aye: 19 - Andersen, Arreguin, Canepa, Cortese, Eklund, Garcia, Gibbons, Gupta, Haggerty, Halliday, Hudson, Lee, Mackenzie, Miley, Mitchoff, Pierce, Rabbitt, Rodoni, and Scharff

Absent: 15 - Augustine, Breed, Campbell Washington, Chavez, Diep, Gibson McElhaney, Guillen, Hannigan, Jimenez, Mandelman, Peralez, Pine, Rahaim, Ramos, and Yee

- 6.a. [18-0924](#) Approval of ABAG Executive Board Minutes of September 20, 2018
- 6.b. [18-0925](#) Ratification of Appointment to the Metropolitan Transportation Commission
- 6.c. [18-0926](#) Approval of ABAG Meeting Schedule for 2019
- 6.d. [18-0927](#) Approval of Bay Area Regional Energy Network (BayREN) 2019 Contract Amendments
- 6.e. [18-0928](#) Authorization to Enter into a Sole Source Contract with the University of California, Los Angeles in the amount of \$375,000
- 6.f. [18-0929](#) Approval of Contract Amendment between CLEAResult Consulting, Inc. and Bay Area Regional Energy Network (BayREN) not to exceed \$7,220,235 updating the 2018 and 2019 Scope of Work
- 6.g. [18-0930](#) Approval of Amendment to the ABAG/MTC Energy Program Fiscal Year 2018-19 Budget in the amount of \$400,000 due to Acceptance of Bay Area Air Quality Management District Climate Protection Grant Program Award
- 6.h. [18-0989](#) Authorizations for San Pablo Avenue Green Stormwater Spine Project New Funding and Associated Contract Actions

7. ABAG Administrative Committee Report

President Rabbitt gave the Administrative Committee report.

[18-0933](#)

ABAG Administrative Committee Report

Upon the motion by Scharff and second by Lee, the ABAG Administrative Committee report was approved. The motion carried unanimously by the following vote:

Aye: 19 - Andersen, Arreguin, Canepa, Cortese, Eklund, Garcia, Gibbons, Gupta, Haggerty, Halliday, Hudson, Lee, Mackenzie, Miley, Mitchoff, Pierce, Rabbitt, Rodoni, and Scharff

Absent: 15 - Augustine, Breed, Campbell Washington, Chavez, Diep, Gibson McElhaney, Guillen, Hannigan, Jimenez, Mandelman, Peralez, Pine, Rahaim, Ramos, and Yee

8. ABAG Legislation Committee Report

Chair Haggerty gave the Legislation Committee report.

[18-0934](#)

ABAG Legislation Committee Report

Upon the motion by Haggerty and second by Eklund, the ABAG Legislation Committee report was approved. The motion carried unanimously by the following vote:

Aye: 19 - Andersen, Arreguin, Canepa, Cortese, Eklund, Garcia, Gibbons, Gupta, Haggerty, Halliday, Hudson, Lee, Mackenzie, Miley, Mitchoff, Pierce, Rabbitt, Rodoni, and Scharff

Absent: 15 - Augustine, Breed, Campbell Washington, Chavez, Diep, Gibson McElhaney, Guillen, Hannigan, Jimenez, Mandelman, Peralez, Pine, Rahaim, Ramos, and Yee

9. ABAG Finance Committee Report

Chair Mitchoff gave the Finance Committee report.

Upon the motion by Mitchoff and second by Pierce, the ABAG Finance Committee report, including approval of the ABAG audit financial statements and accompanying reports for the fiscal year ending June 30, 2018, and authorizing acceptance of an advance from the Metropolitan Transportation Commission in the amount of \$10 million to help meet cash flow needs, was approved. The motion carried unanimously by the following vote:

Aye: 19 - Andersen, Arreguin, Canepa, Cortese, Eklund, Garcia, Gibbons, Gupta, Haggerty, Halliday, Hudson, Lee, Mackenzie, Miley, Mitchoff, Pierce, Rabbitt, Rodoni, and Scharff

Absent: 15 - Augustine, Breed, Campbell Washington, Chavez, Diep, Gibson McElhaney, Guillen, Hannigan, Jimenez, Mandelman, Peralez, Pine, Rahaim, Ramos, and Yee

[18-0935](#)

ABAG Finance Committee Report

9.a. Report on Financial Audit for Fiscal Year 2017-18

[18-0936](#) Report on ABAG Financial Audit for Fiscal Year 2017-18

10. ABAG Regional Planning Committee Report

Chair Gupta gave the Regional Planning Committee report.

[18-0937](#) ABAG Regional Planning Committee Report

Upon the motion by Gupta and second by Lee, this ABAG Regional Planning Committee report was approved. The motion carried unanimously by the following vote:

Aye: 19 - Andersen, Arreguin, Canepa, Cortese, Eklund, Garcia, Gibbons, Gupta, Haggerty, Halliday, Hudson, Lee, Mackenzie, Miley, Mitchoff, Pierce, Rabbitt, Rodoni, and Scharff

Absent: 15 - Augustine, Breed, Campbell Washington, Chavez, Diep, Gibson McElhaney, Guillen, Hannigan, Jimenez, Mandelman, Peralez, Pine, Rahaim, Ramos, and Yee

11. Committee to House the Bay Area (CASA) Report

[18-0944](#) Presentation on the Draft CASA Compact

The Executive Board received the Committee to House the Bay Area (CASA) report. The following individuals gave public comments: Ken Bukowski, Susan Kirsch.

12. Adjournment / Next Meeting

President Rabbitt adjourned the meeting at about 10:15 p.m.

The next regular meeting of the ABAG Executive Board will be on January 17, 2019.



ABAG

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1128 **Version:** 1 **Name:**
Type: Contract **Status:** Executive Board Consent
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Authorization to enter into Contract Amendment with Grounded Research and Consulting, LLC for Bay Area Regional Energy Network Process Evaluation Study in an amount not to exceed \$150,000 through December 2019

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07B BayREN Memo Grounded Research EMV Contract Amendment.pdf](#)
[Item 07B BayREN Summary Approval Grounded Research EMV.pdf](#)

Date	Ver.	Action By	Action	Result
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Authorization to enter into Contract Amendment with Grounded Research and Consulting, LLC for Bay Area Regional Energy Network Process Evaluation Study in an amount not to exceed \$150,000 through December 2019

Jenny Berg

Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2019

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to enter into Contract Amendment with Grounded Research and Consulting, LLC for Bay Area Regional Energy Network Process Evaluation Study in an amount not to exceed \$150,000 through December 2019**

Executive Summary

The Bay Area Regional Energy Network (BayREN) implements a portfolio of energy efficiency programs across the region. The Association of Bay Area Governments (ABAG) serves as the program administrator and lead agency for a 10-member unincorporated association of local government entities. The California Public Utilities Commission (CPUC), in Decision 12-11-015, authorized funding for BayREN. Thereafter, in Decision 14-10-046, the CPUC authorized BayREN funding through 2025, or when the Commission issues a superseding decision. The current budget for 2018 is approximately \$22 million and is set on a calendar year basis.

ABAG has contracts with BayREN member agencies and with third-party consultants. The third-party consultants were selected through a competitive process to assist in the implementation of the programs. The overall BayREN budget is developed each calendar year, and contracts with agencies and consultants are thereafter amended on an annual basis or as needed.

Grounded Research and Consulting, LLC (Grounded) was one of two firms that were deemed qualified and have been on the bench of firms that provide evaluation, measurement, and verification (EM&V). This amendment is for an EM&V study that will conclude in December 2019. The study will look at how well BayREN has met the primary objectives of the 2015 to 2025 Business Plan. Grounded will conduct interviews, secondary research, and present the findings to the BayREN member agencies during a day-long workshop. Grounded will also prepare a report of their findings. Staff proposes approval of a contract amendment to establish a task order for this process evaluation. Funding for this amendment is included in BayREN's current budget.


Grounded Research and Consulting

January 10, 2019

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Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract amendment with Grounded Research & Consulting, LLC for a Process Evaluation Study in an amount not to exceed \$150,000 through December 2019, for a total contracted amount of \$437,755, on behalf of the Association of Bay Area Governments and the Bay Area Regional Energy Network.



Steve Heminger

Attachment

Summary Approval

**S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L**

Work Item No.:	1721 (NFSN 2307)
Consultant:	Grounded Research and Consulting, LLC
Work Project Title:	BayREN – Process Evaluation Market Research Study
Purpose of Project:	To determine if BayREN is meeting the two primary objectives identified in the 2015-2025 Business Plan; to quantify co- benefits of BayREN programs.
Brief Scope of Work:	Grounded Research will do in person interviews of BayREN member agencies; stakeholders, secondary research and present findings to BayREN members. Thereafter, Grounded will draft a final report.
Project Cost Not to Exceed:	\$150,000
Funding Source:	PG&E ratepayer funds, as directed by the CPUC
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Executive Board:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract amendment with Grounded Research & Consulting, LLC for a Process Evaluation Study in an amount not to exceed \$150,000 through December 2019, for a total contracted amount of \$437,755, on behalf of the Association of Bay Area Governments and the Bay Area Regional Energy Network.
Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1129 **Version:** 1 **Name:**

Type: Report **Status:** Executive Board Consent

File created: 12/17/2018 **In control:** ABAG Executive Board

On agenda: 1/17/2019 **Final action:**

Title: Approval of Pre-qualified Panel of Consultants to Provide Cost-Effectiveness Study Services for the Bay Area Regional Energy Network

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07C BayREN Memo CE Bench.pdf](#)
[Item 07C BayREN Summary Approval CE Bench.pdf](#)

Date	Ver.	Action By	Action	Result
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Approval of Pre-qualified Panel of Consultants to Provide Cost-Effectiveness Study Services for the Bay Area Regional Energy Network
Jenny Berg
Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2019

To: ABAG Executive Board

From: Executive Director

Subject: **Approval of Pre-Qualified Panel of Consultants to Provide Cost-Effectiveness Study Services for the Bay Area Regional Energy Network (BayREN)**

Executive Summary

Since 2013, the Bay Area Regional Energy Network (BayREN) has implemented a portfolio of energy efficiency programs across the region. The Association of Bay Area Governments (ABAG) serves as the program administrator and lead agency for a 10-member unincorporated association of local government entities. On May 31, 2018 the California Public Utilities Commission (CPUC) issued Decision 18-05-0412 which, among other things, authorized funding for BayREN through 2025, allowed for modifications to the existing portfolio, and increased the portfolio's total and annualized budget.

BayREN's Codes and Standards Program provides support for local governments to meet or exceed the requirements of the California Energy Code. State law requires any energy efficiency measures required by local governments to be cost effective. Most cost-effectiveness studies are completed by the Statewide Investor Owned Utilities Codes & Standards Team, but they may not always be able to provide studies in the timeframe needed. BayREN is therefore requesting the approval of pre-qualified consultants to be able to prepare any additional cost-effectiveness studies in a timely manner.

On October 31, 2018, ABAG issued a Request for Qualifications (RFQ) to establish an on-call bench of pre-qualified consultants to perform cost-effectiveness studies for BayREN as needed for a period of services from contract execution to June 30, 2021, with an option to be renewed for an additional two years. The scope includes data collection and analysis, as well as preparation of a report and presentation of results.

Shortly after issuing the RFQ, staff held a Proposer's Conference to answer questions. Proposers were allowed to submit written questions. Responses to questions were posted on MTC's procurement website. In response to questions, staff issued an addendum and responded to two questions. MTC received one proposal by the due date of November 30, 2018, from Frontier Energy, Inc.

Cost-Effectiveness Study Services

January 10, 2018

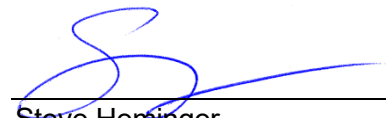
Page 2

The RFQ included a number of minimum qualifications, including experience conducting cost-effectiveness studies, knowledge of cost-effectiveness methodologies, and project management experience. The proposal met the minimum qualifications.

The proposal was evaluated by a panel of three members made up of in-house staff and staff from BayREN member agency, the City and County of San Francisco's Department of the Environment. Proposals were scored based on experience, expertise in the subject matter, and rates. Based on the results of the evaluation, staff recommends that the firm, Frontier Energy, Inc., be approved as a pre-qualified consultant for the listed service categories.

Recommended Action

The Executive Board is requested to approve the pre-qualified consultant panel consisting of Frontier Energy, Inc., to provide cost-effectiveness study services on an as-needed basis, for a period through June 30, 2021 with an option to extend up to two years, in annual increments, subject to the approval of future BayREN budgets, and to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into contracts with the approved consultant in a total amount not to exceed \$150,000 for a period of three years with an option to extend up to two years, in annual increments.



Steve Heminger

Attachment

Summary Approval

**S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L**

Work Item No.:	1721 (NFSN 2307)
Consultant:	Frontier Energy, Oakland, CA
Work Project Title:	BayREN Pre-Qualified Consultants for Cost-Effectiveness Study Services
Purpose of Project:	Provide cost-effectiveness studies
Brief Scope of Work:	Conduct research and analysis to prepare cost-effectiveness studies as needed to support local governments
Project Cost Not to Exceed:	\$150,00 over three years
Funding Source:	PG&E (ratepayer funds) as directed by the CPUC
Fiscal Impact:	Funds currently programmed in FY 2018-19 Budget; remaining balance will be carried forward each year
Motion by Committee:	The Executive Board is requested to approve the pre-qualified consultant panel consisting of Frontier Energy, Inc., to provide cost-effectiveness study services on an as-needed basis, for a period through June 30, 2021 with an option to extend up to two years, in annual increments, subject to the approval of future BayREN budgets, and to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into contracts with the approved consultant in a total amount not to exceed \$150,000 for a period of three years with an option to extend up to two years, in annual increments.
Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	18-1130	Version:	1	Name:	
Type:	Contract	Status:		Executive Board Consent	
File created:	12/17/2018	In control:		ABAG Executive Board	
On agenda:	1/17/2019	Final action:			
Title:	Authorization to Enter into Contract Agreement between SFEP and Environmental Science Associates for Environmental Design Services for Horizontal Levee at the City of Palo Alto Regional Water Quality Control Plant in an amount up to \$85,000 from on or about February 1, 2019 to December, 31, 2022				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Item 07D SFEP Memo Palo Alto RFQ.pdf Item 07D SFEP Summary Approval Palo Alto RFQ.pdf				

Date	Ver.	Action By	Action	Result
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Authorization to Enter into Contract Agreement between SFEP and Environmental Science Associates for Environmental Design Services for Horizontal Levee at the City of Palo Alto Regional Water Quality Control Plant in an amount up to \$85,000 from on or about February 1, 2019 to December, 31, 2022
Caitlin Sweeney
Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Enter into Contract Agreement between SFEP and Environmental Science Associates for Environmental Design Services for Horizontal Levee at the City of Palo Alto Regional Water Quality Control Plant in an amount up to \$85,000 from on or about February 1, 2019 to December, 31, 2022**

Executive Summary

The U.S. Environmental Protection Agency (U.S. EPA) awarded the San Francisco Estuary Partnership (SFEP) \$85,000 in its 2018-2019 National Estuary Program funds to develop designs and permitting for a horizontal levee project adjacent to the City of Palo Alto Regional Water Quality Control Plant. SFEP has selected Environmental Science Associates to perform these services, through a Request for Qualifications process.

The \$85,000 will fund Phase I: project development, 30% design, and permitting plan costs, with an option to proceed with later phases of work as funding is secured. Later phases include Phase II: 60% design and permitting, and Phase III: 100% design and complete permitting.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract agreement on behalf of the San Francisco Estuary Partnership with Environmental Science Associates for Environmental Design Services for Horizontal Levee at the City of Palo Alto Regional Water Quality Control Plant in an amount up to \$85,000 from on or about February 1, 2019 to December, 31, 2022.



Steve Heminger

Attachment

Summary Approval

**S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L**

Work Item No.:	1720 (FSRC 1343)
Contractor:	Environmental Science Associates
Work Project Title:	Palo Alto Horizontal Levee Project
Purpose of Project:	Advance nature-based shoreline restoration in San Francisco Bay region
Brief Scope of Work:	Develop project, 30% design, and permitting plan for a horizontal levee in City of Palo Alto
Project Cost Not to Exceed:	\$85,000
Funding Source:	U.S. Environmental Protection Agency
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract agreement on behalf of the San Francisco Estuary Partnership with Environmental Science Associates for Environmental Design Services for Horizontal Levee at the City of Palo Alto Regional Water Quality Control Plant in an amount up to \$85,000 from on or about February 1, 2019 to December, 31, 2022.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	18-1131	Version:	1	Name:	
Type:	Contract	Status:		Executive Board Consent	
File created:	12/17/2018	In control:		ABAG Executive Board	
On agenda:	1/17/2019	Final action:			
Title:	Authorization to Amend Agreement between the Association of Bay Area Governments and State Department of Water Resources for Integrated Regional Water Management Round 3-Agreement #4600010883-to Extend the Grant Term through December 31, 2020 and to Reallocate SFEP Grant Administration Funds in the amount of \$702,500 to Projects 3 and 7 for Additional Work				

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07E SFEP Memo IRWM R3 Amendment.pdf](#)
[Item 07E SFEP Summary Approval IRWM3 Amendment.pdf](#)

Date	Ver.	Action By	Action	Result
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Authorization to Amend Agreement between the Association of Bay Area Governments and State Department of Water Resources for Integrated Regional Water Management Round 3-Agreement #4600010883-to Extend the Grant Term through December 31, 2020 and to Reallocate SFEP Grant Administration Funds in the amount of \$702,500 to Projects 3 and 7 for Additional Work
Caitlin Sweeney
Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2019

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Amend Agreement between the Association of Bay Area Governments and State Department of Water Resources for Integrated Regional Water Management Round 3—Agreement #4600010883—to Extend the Grant Term through December 31, 2020 and to Reallocate SFEP Grant Administration Funds in the amount of \$702,500 to Projects 3 and 7 for Additional Work**

Executive Summary

The Association of Bay Area Governments (ABAG) entered into a \$32 million grant agreement with the State Department of Water Resources (DWR), Agreement #4600010883, for Integrated Regional Water Management (IRWM) Round 3, effective July 20, 2015. ABAG serves as grantee for 11 projects around the San Francisco Bay region for water supply and drought relief and resiliency projects. The grant was scheduled for completion May 1, 2019.

Due to delays, including environmental permitting processes and construction activities, one project cannot be closed out prior to May 1, 2019. DWR has agreed to extend the grant term through December 31, 2020 through Amendment 4 to the master DWR-ABAG agreement.

ABAG receives grant funds through Project 11 to administer all other Projects funded by the IRWM Round 3 grant. Staff projected all administrative costs through December 31, 2020 and concluded that the original budget for administration was much larger than needed. As such, \$702,500 can be reallocated to project partners to increase the benefits to the region. Two project partners, Marin Municipal Water District (Project 3) and San Mateo Resource Conservation District (Project 7), will be reallocated funds through Amendment 5 to the master DWR-ABAG agreement if approved.

The IRWM Coordinating Committee met December 3, 2018 and approved the reallocation of funds from Project 11 to Projects 3 and 7 as detailed in the table below. The reallocation allotments will be finalized, after approval from the ABAG Executive Board, by amending the current grant agreement with DWR.

Integrated Regional Water Management Grant Round 3 Amendments

January 10, 2019

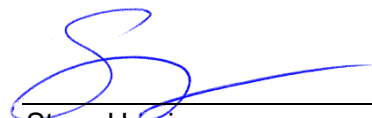
Page 2

Project # & Name	Agency	Original Grant Share Total	Change	Proposed Grant Share Total
#11 Grant Administration	ABAG	\$1,650,000	-\$702,500	\$947,500
#3: Los Carneros Water District and Milliken-Sarco-Tulocay Recycled Water Pipelines	Marin Municipal Water District	\$4,000,000	\$350,000	\$4,350,000
#7: Drought Relief for South Coast San Mateo County	San Mateo Resource Conservation District	\$3,872,000	\$352,500	\$4,224,500

All other terms and conditions of Agreement #4600010883 shall remain the same. The San Francisco Estuary Partnership and ABAG will provide overall grant management services through the revised termination date of December 31, 2020.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to amend a contract with the State Department of Water Resources, Agreement #4600010883, on behalf of the Association of Bay Area Governments, to extend the grant term through December 31, 2020, and to reallocate up to \$702,500 from Project 11 to Project 3 in the amount of \$350,000 and to Project 7 in the amount of \$352,500.



Steve Heminger

Attachment

Summary Approval

**S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L**

Work Item No.:	1720 (FSRC 2906)
Grantor:	Department of Water Resources
Work Project Title:	Integrated Regional Water Management (Round 3)
Purpose of Project:	Region-wide projects implementing integrated regional water management
Brief Scope of Work:	Amend DWR agreement to extend grant term through December 31, 2020 and reallocate funds among projects (no change to overall amount)
Project Cost Not to Exceed:	Grant total remains unchanged: \$32,178,423 ABAG grant administration: \$947,500. Marin Municipal Water District project: \$4,350,000. San Mateo Resource Conservation District project: \$4,224,500.
Funding Source:	California Department of Water Resources
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to amend a contract with the State Department of Water Resources, Agreement #4600010883, on behalf of the Association of Bay Area Governments, to extend the grant term through December 31, 2020, and to reallocate up to \$702,500 from Project 11 to Project 3 in the amount of \$350,000 and to Project 7 in the amount of \$352,500.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1133 **Version:** 1 **Name:**
Type: Contract **Status:** Executive Board Consent
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Authorization to Increase Funding Agreement between San Francisco Estuary Partnership and Alameda County Flood Control and Water Conservation District for Environmental Science Services by \$115,000 to a new total of \$1,015,000 from February 13, 2019 to August 9, 2019

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07F SFEP Memo Alameda CountyREV.pdf](#)
[Item 07F SFEP Summary Approval Alameda CountyREV.pdf](#)

Date	Ver.	Action By	Action	Result
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Authorization to Increase Funding Agreement between San Francisco Estuary Partnership and Alameda County Flood Control and Water Conservation District for Environmental Science Services by \$115,000 to a new total of \$1,015,000 from February 13, 2019 to August 9, 2019

Caitlin Sweeney

Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2019

To: ABAG Executive Board

From: Executive Director

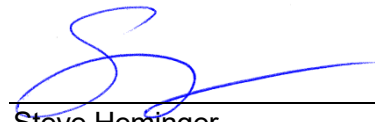
Subject: **Authorization to Increase Funding Agreement between San Francisco Estuary Partnership and Alameda County Flood Control and Water Conservation District for Environmental Science Services by \$115,000 to a new total of \$1,015,000 from February 13, 2019 to August 9, 2019**

Executive Summary

Since 2013, the Alameda County Flood Control and Water Conservation District (District) has provided financial assistance to the San Francisco Estuary Partnership (SFEP) to provide staff resources to assist the San Francisco Bay Regional Water Quality Control Board (Water Board) with permitting and other service requests from the District. The District seeks to extend the agreement for another six months while both parties develop a new five-year agreement.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to extend the contract agreement with the Alameda County Flood Control and Water Conservation District on behalf of the San Francisco Estuary Partnership to provide staff resources to assist the San Francisco Bay Regional Water Quality Control Board with permitting and other service requests from the District, increasing funding by \$115,000 to a new total of \$1,015,000 for the period from February 13, 2019 to August 9, 2019.



Steve Heminger

Attachment

Summary Approval

**S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L**

Work Item No.:	1720 (FSRC 5003)
Grantor:	Alameda County Flood Control and Water Conservation District
Work Project Title:	Alameda County Permit Assistance
Purpose of Project:	Permit Assistance
Brief Scope of Work:	Continue to provide existing staff resources to assist the San Francisco Bay Regional Water Quality Control Board to expedite service requests from the Alameda County Flood Control and Water Conservation District
Project Cost Not to Exceed:	Increase of \$115,000 to a new total of \$1,015,000
Funding Source:	Alameda County Flood Control and Water Conservation District
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to extend the contract agreement with the Alameda County Flood Control and Water Conservation District on behalf of the San Francisco Estuary Partnership to provide staff resources to assist the San Francisco Bay Regional Water Quality Control Board with permitting and other service requests from the District, increasing funding by \$115,000 to a new total of \$1,015,000 for the period from February 13, 2019 to August 9, 2019.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 19-0045 **Version:** 1 **Name:**
Type: Report **Status:** Executive Board Consent
File created: 1/7/2019 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Authorization to Enter into Contract Agreement between SFEP and The Regents of the University of California for Sea Grant Fellow Services in an amount up to \$75,000 from on or about January 28, 2019 to January 28, 2020

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07G SFEP Memo Sea Grant Fellow Service.pdf](#)
[Item 07G SFEP Summary Approval Sea Grant Fellow 2019.pdf](#)

Date	Ver.	Action By	Action	Result
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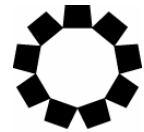
Authorization to Enter into Contract Agreement between SFEP and The Regents of the University of California for Sea Grant Fellow Services in an amount up to \$75,000 from on or about January 28, 2019 to January 28, 2020

Caitlin Sweeney

Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 10, 2019

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Enter into Contract Agreement between SFEP and The Regents of the University of California for Sea Grant Fellow Services in an amount up to \$75,000 from on or about January 28, 2019 to January 28, 2020**

Executive Summary

The San Francisco Estuary Partnership (SFEP) began participating in the California Sea Grant Fellow program in 2018. The program offers fellowship opportunities in research, natural resource management, and marine policy for graduate students. At SFEP, Sea Grant Fellows are assisting implementation of key elements of SFEP's Comprehensive Conservation and Management Plan.

SFEP wishes to enter into a new agreement for 2019 with the Regents of the University of California (for the University of California, San Diego, which administers the Sea Grant Fellow program) to extend the 2018 Fellow for up to four additional months and to bring in a new 2019 Fellow for a term of one year. The extension of the 2018 Fellow is necessary to meet grant-funded deadlines and deliverables associated with the ongoing Wetland Regional Monitoring Program. The 2019 Fellow will primarily assist with organizing the 2019 State of the Estuary Conference.

With the addition of the 2018 Fellowship extension to the 2019 Fellowship agreement, the total amount of the new agreement is over \$50,000 and thus requires approval from the Executive Board.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract agreement on behalf of the San Francisco Estuary Partnership with The Regents of the University of California for Sea Grant Fellow services in an amount up to \$75,000 from on or about January 28, 2019 to January 28, 2020.



Steve Heminger

Attachment

Summary Approval

J:\COMMITTEE\ABAG Executive Board\Agendas\2019\EB 20190117\EB 20190117 Item 07G
SFEP Memo Sea Grant Fellow Service.docx

**S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L**

Work Item No.:	1720 (FSRC 1343)
Contractor:	The Regents of the University of California [for University of California, San Diego, which administers the Sea Grant Fellow program]
Work Project Title:	Sea Grant Fellow 2019
Purpose of Project:	Implement elements of Comprehensive Conservation and Management Plan (CCMP)
Brief Scope of Work:	Organize State of the Estuary Conference 2019, continue assistance with Wetland Regional Monitoring Program
Project Cost Not to Exceed:	\$75,000.00
Funding Source:	U.S. Environmental Protection Agency
Fiscal Impact:	Funds programmed in FY 2018-19 and 2019-20 Budgets
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract agreement on behalf of the San Francisco Estuary Partnership with The Regents of the University of California for Sea Grant Fellow services in an amount up to \$75,000 from on or about January 28, 2019 to January 28, 2020.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1134 **Version:** 1 **Name:**

Type: Report **Status:** Executive Board Approval

File created: 12/17/2018 **In control:** ABAG Executive Board

On agenda: 1/17/2019 **Final action:**

Title: Report on Administrative Committee Meetings of December 14, 2018 and January 11, 2019

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Report on Administrative Committee Meetings of December 14, 2018 and January 11, 2019
David Rabbitt
Approval



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1135 **Version:** 1 **Name:**
Type: Report **Status:** Executive Board Approval
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Report on Legislation Committee Meeting of January 17, 2019
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Report on Legislation Committee Meeting of January 17, 2019
Scott Haggerty
Approval



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1136 **Version:** 1 **Name:**
Type: Report **Status:** Executive Board Approval
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Report on Finance Committee Meeting of January 17, 2019
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Report on Finance Committee Meeting of January 17, 2019
Karen Mitchoff
Approval



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 18-1137 **Version:** 1 **Name:**
Type: Report **Status:** Executive Board Approval
File created: 12/17/2018 **In control:** ABAG Executive Board
On agenda: 1/17/2019 **Final action:**
Title: Report on Regional Planning Committee Special Meeting of January 10, 2019
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Report on Regional Planning Committee Special Meeting of January 10, 2019
Julie Combs
Approval



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	18-1138	Version:	1	Name:	
Type:	Report	Status:		Executive Board Approval	
File created:	12/17/2018	In control:		ABAG Executive Board	
On agenda:	1/17/2019	Final action:			
Title:	CASA Compact Authorization to Sign				

A request for the Executive Board to authorize the President to sign the CASA Compact.

Sponsors:

Indexes:

Code sections:

Attachments: [Item 12 Memo CASA Compact 20190110.pdf](#)
[Item 12 Attachment CASA Compact 010419.pdf](#)
[Item 12 Presentation CASA Local Gov Template and Regional Growth 20190116.pdf](#)
[Item 12 Comment CASA Combined 20190117.pdf](#)

Date	Ver.	Action By	Action	Result
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CASA Compact Authorization to Sign

A request for the Executive Board to authorize the President to sign the CASA Compact.
Steve Heminger
Approval

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 10, 2019
To: ABAG Executive Board
From: Executive Director
Subject: **CASA Compact Authorization to Sign**

Since the Executive Board meeting in November, the technical committee of CASA has overwhelmingly endorsed the Compact with 28 members voting favorably and one voting in the negative, based on a gradients of agreement system. On December 12th, CASA's steering committee – its policy body – used the same voting system and all 20 members present voted for some level of agreement. Now that CASA has approved the Compact, the plan is for members of the steering committee to sign the document as an expression of their commitment to securing its passage as a package of state legislative measures in Sacramento.

Both MTC Chair Jake Mackenzie and ABAG President David Rabbitt are members of the CASA steering committee. While they voted for the Compact as individuals, both have indicated their intention to seek authorization from their respective boards before they sign the Compact on behalf of MTC and ABAG. The MTC authorization took place on December 19th with 14 Commissioners voting for authorization and three against. The MTC motion that was approved is as follows:

“[To] authorize Chair Mackenzie to sign the CASA Compact, subject to the following understandings: (1) This authorization does not constitute an approval of the Compact itself; (2) This authorization will enable the Commission to be proactively engaged as the process to implement the Compact goes through the State Legislature; (3) This authorization should be accompanied by a comprehensive program of outreach to local government. With adequate representation from local elected officials, the MTC/ABAG legislative committees should include local jurisdictions in the development of Compact advocacy; (4) This authorization does not constitute an endorsement of any potential revenue source for housing.

The Regional Planning Committee (RPC) received the report on the CASA Compact at its meeting on January 10th. A summary of comments from the RPC discussion will be provided at the Executive Board meeting.

I recommend that the Executive Board authorize President Rabbitt to sign the CASA Compact for the following five reasons:

CASA Compact Authorization to Sign

January 10, 2019

Page 2

1. Crisis Response – By almost any measure, the Bay Area faces the most severe housing crisis in the nation. The CASA Compact frames the issue as an emergency. In its preamble, the Compact draws a comparison between our housing predicament and a natural disaster: “In one of the wealthiest metropolitan areas on the planet, tens of thousands of our fellow citizens are ill-housed or not even housed at all. Many more families are just one missed paycheck away from eviction. While the recent wildfires have underscored the devastating effects of suddenly losing a home, the reality is that too many Bay Area residents face that situation every day.”
2. Moment of Opportunity – Our new Governor, Gavin Newsom, campaigned on the issue of making a quantum leap in housing construction throughout California. Bay Area legislators sit on key housing committees and have made clear their commitment to forge new state policy on tenant protections and the preservation and production of housing for Californians from all walks of life. The CASA Compact itself represents an unprecedented level of consensus among key stakeholders on a legislative agenda to break through the Bay Area’s housing stalemate. If ever there was a “carpe diem” moment to remedy the region’s chronic housing failures, this is it.
3. Blueprint to Implement Plan Bay Area – Plan Bay Area 2040 is the region’s response to the statutory requirement that our long-range transportation plan contribute to the state’s greenhouse gas reduction goals. One of the plan’s principal strategies for doing so is to cluster much of the Bay Area’s new residential development in Priority Development Areas (PDAs) that are well-served by public transit. However, a progress report released by the California Air Resources Board last month found that “California is not on track to meet the greenhouse gas reductions expected under SB 375 in 2020, with emissions from statewide passenger vehicle travel per capita increasing and going in the wrong direction . . .” If fully implemented, the CASA Compact would substantially contribute to reversing this trend by preserving or producing 16,000 additional units of affordable housing per year in accordance with Plan Bay Area’s growth goals.
4. Preserves Local Decision-Making – Most of the 10 elements in the CASA Compact do not intersect with the principles of home rule and local control of land use decisions. The first three elements are focused on tenant protections and the last two propose a new self-help funding strategy for affordable housing production and a Regional Housing Enterprise to support cities and counties in the Bay Area with financial and technical expertise. In between these bookends are a series of ideas to reform what could be called the region’s housing delivery machine. Two of these reforms do attempt to rebalance state and local interests in better housing outcomes. Element #7 would boost production of “missing middle” housing with a new path through the SB 35 legal framework that would *enhance* local discretionary review – versus the ministerial process in current law – in exchange for a speedier project review process. Element #5 deals with the question of how much the state has to say about upzoning housing densities near public transit nodes. While this issue has generated considerable controversy throughout the state, if we can’t figure out a way to develop more housing near our major transit assets, we will surely fall short of *both* our housing and transit goals.
5. First Fruits of Staff Consolidation – The 18-month consensus-building process that led to the CASA Compact is the first tangible work product of the consolidation of MTC and ABAG staff that was approved by the two boards in May 2017. By itself, that is not a

CASA Compact Authorization to Sign

January 10, 2019

Page 3

sufficient reason to embrace the substance of the Compact. But I do believe that the Commission and Executive Board should be proud of the long hours and tireless efforts of their integrated planning department to help develop such an ambitious and ground-breaking policy package.

I look forward to the discussion at the Executive Board on this critical item. The CASA Compact is attached for your review.



Steve Heminger

Attachment

CASA Compact

CASA COMPACT

A 15-Year Emergency Policy Package
to Confront the Housing Crisis in the San Francisco Bay Area

December 2018



The Committee to House the Bay Area

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CASA Preamble

The Bay Area faces many pressing regional problems — traffic congestion, air pollution, the threat of earthquakes and other natural disasters, to name a few. But the housing shortage has reached crisis proportions. During our remarkable run of economic expansion since the Great Recession ended in 2010, the Bay Area has added 722,000 jobs but constructed only 106,000 housing units. With housing supply and demand that far out of whack, prices have shot through the roof and long-time residents as well as newcomers are suffering the consequences.

In one of the wealthiest metropolitan areas on the planet, tens of thousands of our fellow citizens are ill-housed or not even housed at all. Many more families are just one missed paycheck away from eviction. While the recent wildfires have underscored the devastating effects of suddenly losing a home, the reality is that too many Bay Area residents face that situation every day.

Our housing crisis is also a transportation crisis. Nearly 190,000 workers commute from outside the nine-county Bay Area to the business parks of Silicon Valley and the Tri-Valley, and more than 220,000 East Bay residents cross the toll bridges to the Peninsula every day. Driven by the search for reasonably-priced housing, these “super-commuters” are clogging the roads and transit systems that we all rely on.

The Bay Area faces a housing crisis because we have failed at three tasks: (1) we have failed to produce enough housing for residents at all income levels; (2) we have failed to preserve the affordable housing that already exists; and (3) we have failed to protect current residents from displacement where neighborhoods are changing rapidly.

These 3 P’s — Production, Preservation, and Protection — are not only the signposts of our collective failure, but they should be the focus of our future efforts to overcome the crisis we have created.

What is CASA? Of course, it is the Spanish word for “house”. It is also the name of a blue-ribbon task force of elected and civic leaders convened by



“The Bay Area is in a state of great peril today; CASA is the best chance to fix this crisis.”

FRED BLACKWELL

the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). Its three Co-Chairs are Fred Blackwell of the San Francisco Foundation, Leslye Corsiglia of Silicon Valley @ Home and Michael Covarrubias of TMG Partners. The CASA Compact is a 15-year emergency policy package to confront the region’s housing crisis head-on. It includes a series of policy reforms that will allow the Bay Area to build more housing at all income levels while protecting tenants and low-income communities from unjust evictions and displacement.

The Compact also includes a series of revenue recommendations needed to, preserve our existing housing stock, subsidize the construction of more

affordable housing, and provide assistance to tenants facing eviction.

Finally, the CASA coalition proposes to create a new Regional Housing Enterprise to provide technical assistance to local governments, collect data to monitor our progress, and administer any new regional funds that might be approved. The new enterprise will not have direct land use authority. These three R’s — Reform, Revenue, and Regionalism — form the crux of the CASA Compact.



“Our goal is to reach consensus on big picture responses that will move the needle on housing affordability in this region.”

LESLEYE CORSIGLIA

Animating our work has been a deep concern about how we grow housing in a more inclusive manner in all neighborhoods and not accelerate displacement in the most vulnerable communities. The Bay Area’s segregated housing patterns — both by race and by income — are a legacy of decades of discriminatory government policies and private sector lending practices. The CASA Compact contains specific protections for neighborhoods and residents most affected by that horrible history. And while the Compact was not designed to deal directly with all aspects of the region’s chronic homelessness problem, many of its elements should result in more and better options to shelter this particularly vulnerable segment of the Bay Area’s population.

When Bay Area residents are polled about who is responsible for the region’s housing crisis, they spread the blame far and wide: it’s the businesses who

create all the jobs, it's the developers who build the luxury housing, it's local government officials who oppose new housing developments, it's environmental and labor interests whose demands make new housing more expensive, it's community groups who fear the changes that new development will bring.

All those interests (and more) came together around the CASA table for the past 18 months. They worked in the spirit of finding common ground, working through entrenched differences and charting a course forward for the good of the region. The resulting Compact represents an interlocking series of agreements among the negotiating parties. Each signatory to the Compact pledges to support the entire agreement and all of its provisions.

The signatories to the CASA Compact further pledge that their work will not stop when they put down their ceremonial pens. The real work will have just begun.

Implementation of the CASA Compact will require bills to be passed in Sacramento, it will require leadership from our new governor Gavin Newsom, it will require regional ballot measure campaigns in 2020 and the years beyond, it will require changes in transportation and housing policy-making at both ABAG and MTC, and it will require every local government in the Bay Area to do their part.

It is a commonplace to say problems that have been decades in the making can't be solved overnight. But we can't afford to take our time in confronting the Bay Area's housing crisis. We need to make significant progress in the next 3–5 years.

The CASA Compact is detailed, comprehensive, and actionable. Yet, the region's housing challenge really boils down to a simple, quite personal question: shouldn't our region be able to grow and prosper while also ensuring that our kids and grandkids can live as adults in the neighborhoods where they grew up?

We say the answer is yes.



"We must compromise, break down silos, and set aside differences for the greater good of the Bay Area."

MICHAEL COVARRUBIAS



CASA is about what kind of place our kids and grandkids will live in.

Introduction

The recommendations in this Compact are the result of an intensive dialogue among the key interests who are collectively responsible for housing the Bay Area. Over the course of 18 months, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) convened a series of structured discussions with local government officials, developers, major employers, labor interests, housing and policy experts, social equity advocates and non-profit housing providers. The goal was straightforward but by no means simple: find common ground on a comprehensive set of solutions to the Bay Area's housing crisis.

CASA was led by three Co-Chairs (Fred Blackwell, Leslye Corsiglia and Michael Covarrubias), and Steve Heminger, Executive Director of MTC/ABAG. It was structured around a Technical Committee of policy experts and practitioners and a Steering Committee of elected officials, thought leaders and major employers. The Technical Committee's role was to recommend actions for addressing the crisis. Those recommendations went to the Steering Committee for review, refinement and final approval. The CASA effort was supported and staffed by MTC/ABAG and a team of consultants. Profiles of the Co-Chairs and rosters for both the Steering and Technical Committees are included as appendices to this document.

Phase One: Foundational Work (June 2017-Jan 2018)

The first phase of the CASA process was focused on learning, sharing perspectives, and developing a framework for the process of developing the CASA Compact. Experts from UC Berkeley provided in-depth analysis of the many causes and consequences of the crisis, ensuring that all members of the Committees were operating from a shared base of knowledge. On the basis of this shared understanding, the Co-Chairs and Committee forged a detailed framework (shown as Figure A) to shape the CASA process and the ultimate Compact. The framework is organized around three principal outcomes, or 'Three Ps' as they became known in CASA parlance:

- (1) Increasing housing *production* at all levels of affordability,
- (2) *Preserving* existing affordable housing, and
- (3) *Protecting* vulnerable households from housing instability and displacement.

Phase Two: Brainstorming Action Ideas (Jan-July 2018)

Next, the Committees spent six months brainstorming and vetting upwards of 30 action ideas. This process was driven by workgroups who dedicated hundreds of hours to meeting, researching and drafting ideas. Community-based organizations and members of the public also participating in generating ideas. A series of listening sessions around the region solicited input from vulnerable households in identifying priority actions that CASA should consider. Members of the public also shared ideas and feedback through public comment. Each idea was written up and presented to the Technical Committee for vetting. The Committee members used a "gradients of agreement" tool to score each idea on a scale of 1-5. The Steering Committee reviewed and refined the most promising ideas that emerged from the Technical Committee.

Phase 3: Crafting the Compact (Sept-Dec 2018)

In the final phase, the Co-Chairs distilled the 30+ action plans into the Compact you see before you. This happened through an iterative process, with successive versions of the Compact presented to both the Technical and Steering Committees and refined based on their input.

Phase 4, CASA Implementation

CASA leadership and key members will continue to work in cross-sector coordination with State and local elected officials and agencies to implement the principles of the CASA Compact.

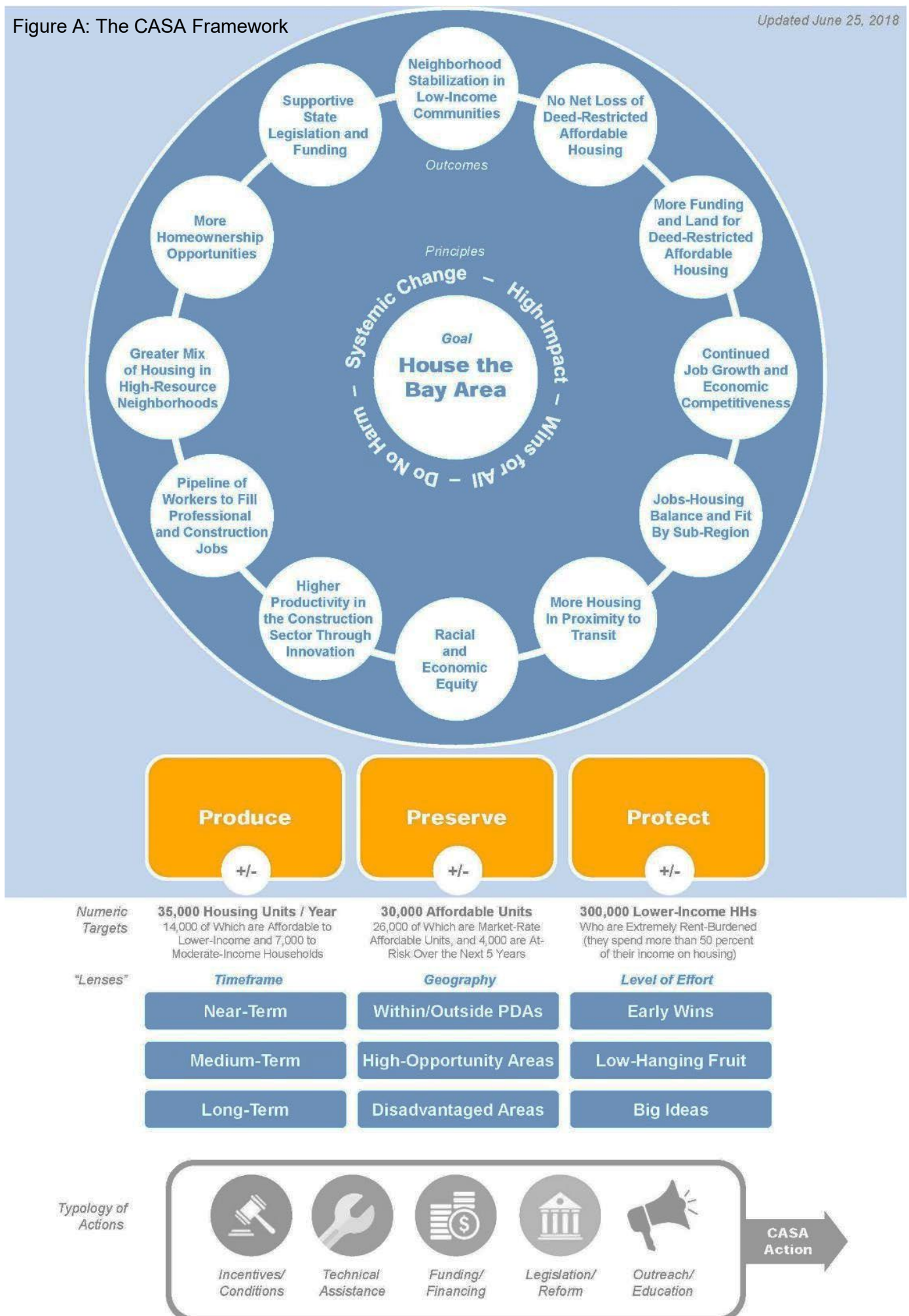
Core Principles

Over the course of this process, the participants forged an understanding around core principles that underpin the recommendations in this document. These include:

1. **Shared responsibility:** All sectors and interests should share the burdens and benefits of housing the Bay Area.
2. **Inclusion everywhere:** Find ways to include more housing at all income levels, in every jurisdiction.
3. **Promote 'Missing Middle' housing types:** Encourage the development of smaller homes that are more affordable by design and less likely to cause displacement.
4. **Stabilize communities:** Preserve the historic diversity and access to opportunity in the Bay Area.
5. **Balance across the Three Ps:** Individual components of the Compact should move forward together and avoid undermining each other.
6. **Level the playing field:** The Compact should create fair, more uniform standards for the housing development process, across the Bay Area.
7. **Minimize administrative burden:** We should minimize new administrative requirements and focus on strategies that can be implemented rapidly and efficiently.

Figure A: The CASA Framework

Updated June 25, 2018



Compact Element #1: Just Cause Eviction Policy

Brief Summary: Ensure that all Bay Area tenants are protected from arbitrary evictions by adopting a region-wide policy requiring landlords to cite specific "just causes" (both fault and no-fault) for termination of tenancy, such as failure to pay rent or violation of lease terms. Require landlords to provide relocation assistance for covered no-fault evictions.

Desired Effect: Just cause protects tenants from arbitrary evictions. Studies show that eviction can cause health issues, emotional trauma, school disruption for children, longer and costly commutes, and reduced wage earnings for adults. Just cause eviction protections promote tenant stability and limit eviction-related health consequences. See Figure 1 for recent eviction trends in San Francisco.

References and Models: Action Plan 2.1; NJ state Just Cause Law; Large cities in CA (SF, Oakland, San Jose, LA)

Detailed Proposal:

Permissible causes for eviction: both fault and no-fault evictions should be allowable under a region-wide just cause policy. Fault eviction causes should include failure to pay rent, substantial breach of a material term of the rental agreement, nuisance, waste, or illegal conduct. No-fault causes should include owner move-in, withdrawal of unit from rental market (Ellis Act/condo conversions), unit unsafe for habitation, or demolition/substantial rehabilitation

Coverage: just cause eviction standards should apply to all rental units except the following:

- Government owned and government subsidized housing units or housing with existing government regulatory assessments that govern rent increases in subsidized rental units (e.g., Section 8)
- Transient and tourist hotel occupancy as defined in Civil Code Section 1940(b)
- Housing accommodations in nonprofit hospital, religious facility, or extended care facility
- Dormitories owned and operated by an institution of higher education or a K-12 school
- Tenant shares bathroom/kitchen with the owner who maintains principal residence there
- Single owner-occupied residences including when the owner-occupant rents or leases 2 units (including ADU and JADU) or bedrooms
- Resident-owned nonprofit housing

Waiting Period: the protections should apply only after a tenant has been in occupancy (with or without a lease) for at least 12 months. All existing tenancies should be subject to these protections, effective immediately upon the policy being signed into law.

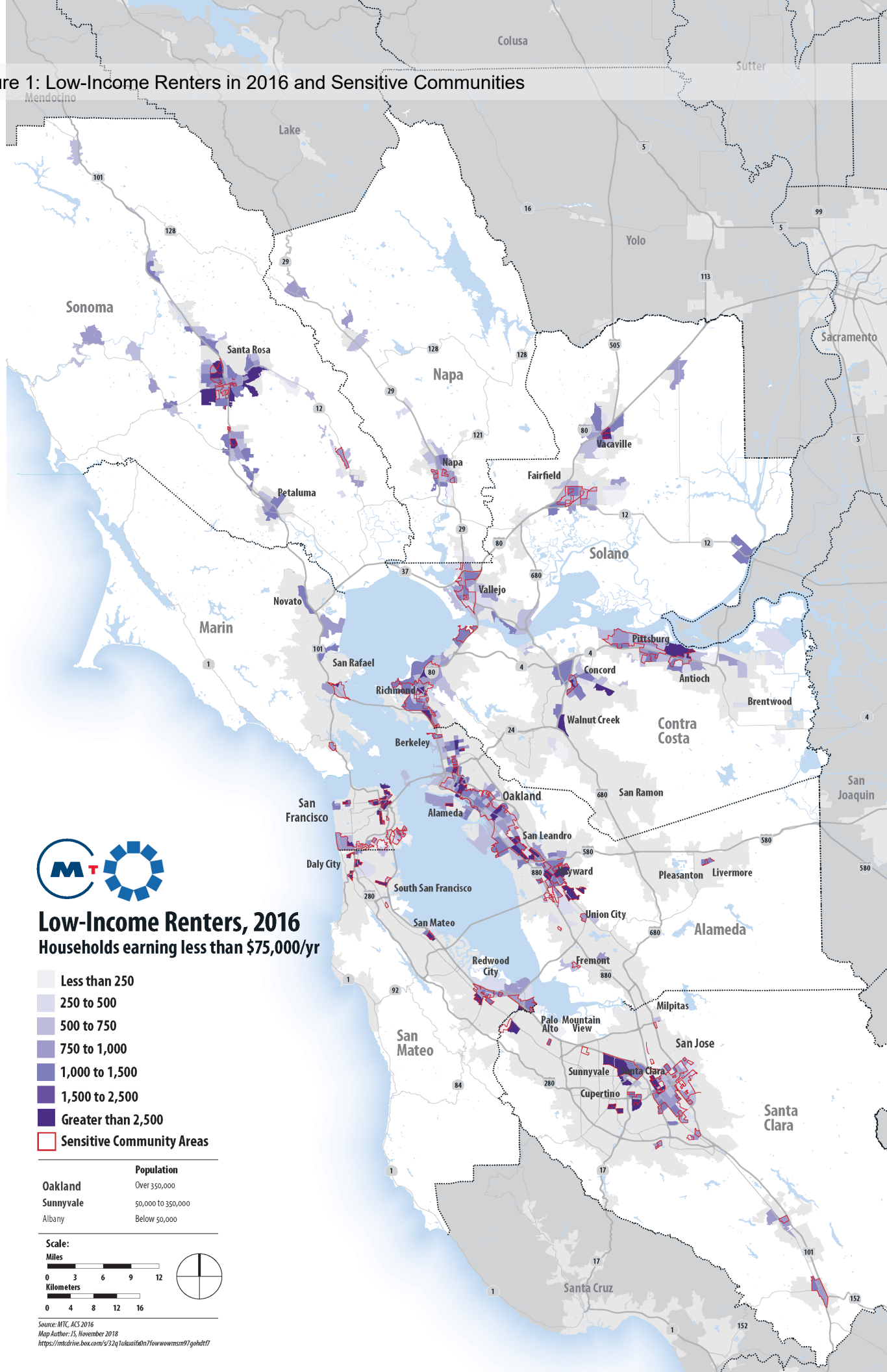
Notice Requirements: owners should be required to provide notice to tenants at the beginning of each tenancy as to tenant rights with copy of lease. This notice should be in the form of a lease addendum that is signed by the tenant at the time the lease is signed. The grounds for eviction should be set forth in the notice to terminate tenancy.

If the reason for the termination is a curable lease violation, the owner should be required to provide an initial notice with an opportunity to cure before the notice of termination. If the lease violation is related to specific illegal activity that presents the potential for harm to other tenants, there should not be a right to cure. Separate provisions should be made for domestic violence situations.

Relocation Assistance: relocation assistance should be provided in all covered no-fault causes where tenants have been in occupancy for at least 12 months, except in cases where the owner is moving into the unit. At time of service of notice to quit, the landlord should notify the tenants of their right to relocation assistance and provide payment directly to the tenant. The amount of relocation assistance should be tiered based on number of bedrooms (see San Jose example). Relocation assistance should be available to all qualifying tenants regardless of income.

Preemption of Local Ordinances: this law should not preempt more restrictive local ordinances.

Figure 1: Low-Income Renters in 2016 and Sensitive Communities



Compact Element #2: Rent Cap

Brief Summary: Establish a Bay Area-wide rent cap that limits annual increases in rent to a reasonable amount.

Desired Effect: A rent cap would prevent extreme increases in rent on a year-to-year basis, thereby decreasing the number of households who are at risk of displacement and homelessness, decreasing the number of households who are rent burdened, and promoting tenant and community stability. Extreme rent increases can pose a particular burden for tenants who are low and fixed income. Can be extended after the emergency period. Figure 2 maps the many Bay Area communities at risk of displacement.

References and Models: Action Plans 1.1, 1.2, 1.3; Existing State Anti-Gouging Law in States of Emergency

Detailed Proposal:

Cap on Annual Rent Increase: for an emergency period (15 years), no landlord should increase rent by more than CPI+5% in any year of tenancy. The notice of allowable rent increase should be provided annually.

Vacancy Provision: the cap on rent increase should apply to the renter, not the unit.

Coverage: the following unit types should be exempt from the cap:

- Affordable housing properties governed by regulatory agreements;
- ADUs on owner-occupied properties;
- Dormitories.

Pass-Throughs, Banking and Capital Improvements: if rent has declined or if landlord has not increased rents for several consecutive years, landlords should be able to bank those unused rent increases for 3-5 years. When drawing upon banked rent increases, landlords should not be allowed to increase rents more than 10-15% annually.

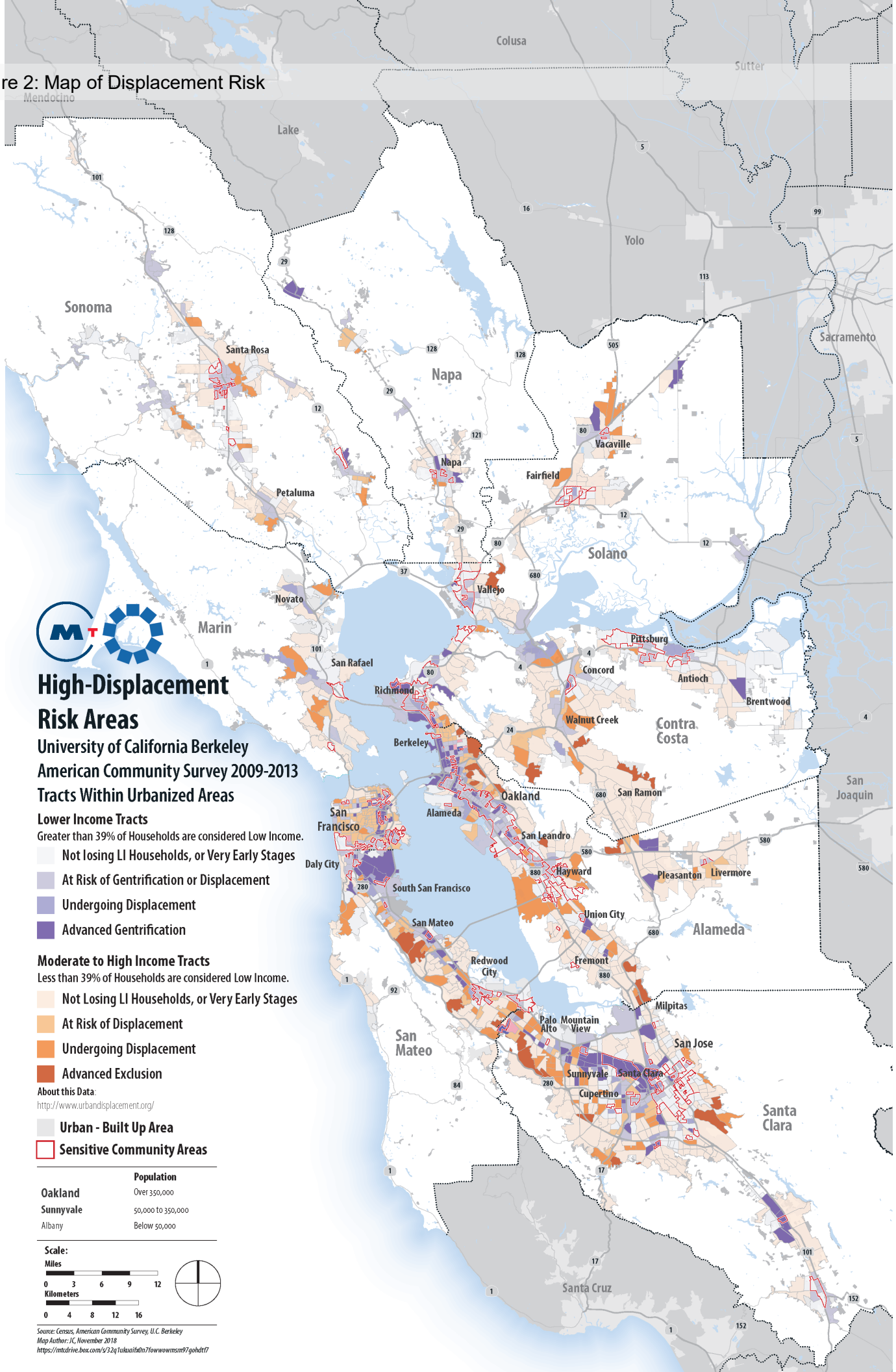
A landlord should be able to pass through actual operating expense increases including water and sewer, wastewater, trash, electric and gas using industry standards such as the RUBS system (Ratio Utility Billing System). The costs of capital improvements inclusive of a 4% return on investment that are necessary to maintain the building(s) with reasonable upgrades and maintenance items to address health and safety, shall be allowed to be passed through to tenants on an amortized basis, per IRS standards.

Preemption of Local Ordinances: this law should not preempt more restrictive local ordinances.

State of Emergency: rent cap shall be evaluated before any extension is granted to study impact of rent cap on housing market overall.

Administration: This Compact Element will likely require some type of oversight function.

Figure 2: Map of Displacement Risk



Compact Element #3: Rent Assistance and Access to Legal Counsel

Brief Summary: For low-income tenants facing eviction, provide access to free legal counsel and emergency rent assistance.

Desired Effect: Access to a lawyer can be the difference between losing a home and keeping it. Ensuring that all tenants facing eviction have access to legal counsel would create a fairer justice system; prevent evictions and homelessness; improve health, stability, and opportunity for thousands of residents including children; and preserve existing affordable housing.

Non-payment of rent is the leading cause of evictions in the Bay Area. Figure 3 shows rent increase trends in the Bay Area. An emergency rent assistance program would assist in cases where tenants have an urgent, temporary financial gap. It would help tenants stay in their homes, preventing evictions, periods of marginal housing, and homelessness for households at risk of eviction due to financial instability.

There is a recognition of the importance of keeping people housed, and a significant portion of funding identified to help with housing instability will likely be earmarked to emergency rental assistance.

This Compact Element is not intended to supersede any local government programs that might be more expansive than what is contemplated herein.

References and Models: Action Plans 3.1 and 4.1; SF Prop F (June 2018); New York City; Santa Clara County Emergency Assistance Network

Detailed Proposal:

Legal Representation: all tenants who are faced with legal proceedings to evict them from their residence should have access to legal counsel, except when eviction proceedings are brought by a landlord or master tenant who resides in the same dwelling unit or property with tenant. The term “legal representation” should mean full scope representation provided to an individual by a designated organization or attorney which includes, but is not limited to, filing responsive pleadings, appearing on behalf of the tenant in court proceedings, and providing legal advice.

Emergency Rent Assistance: low-income tenants facing eviction and homelessness due to non-payment of rent should be eligible to receive emergency rent assistance. This assistance should be targeted to tenants who have an urgent, temporary financial gap and are at high risk for becoming homeless if evicted. The Regional Housing Enterprise (see Compact Element #10) should establish guidelines and policies for administering the program, including how to determine eligibility. The regional agency should identify, fund and oversee local service providers (public or non-profit) to carry out the program.

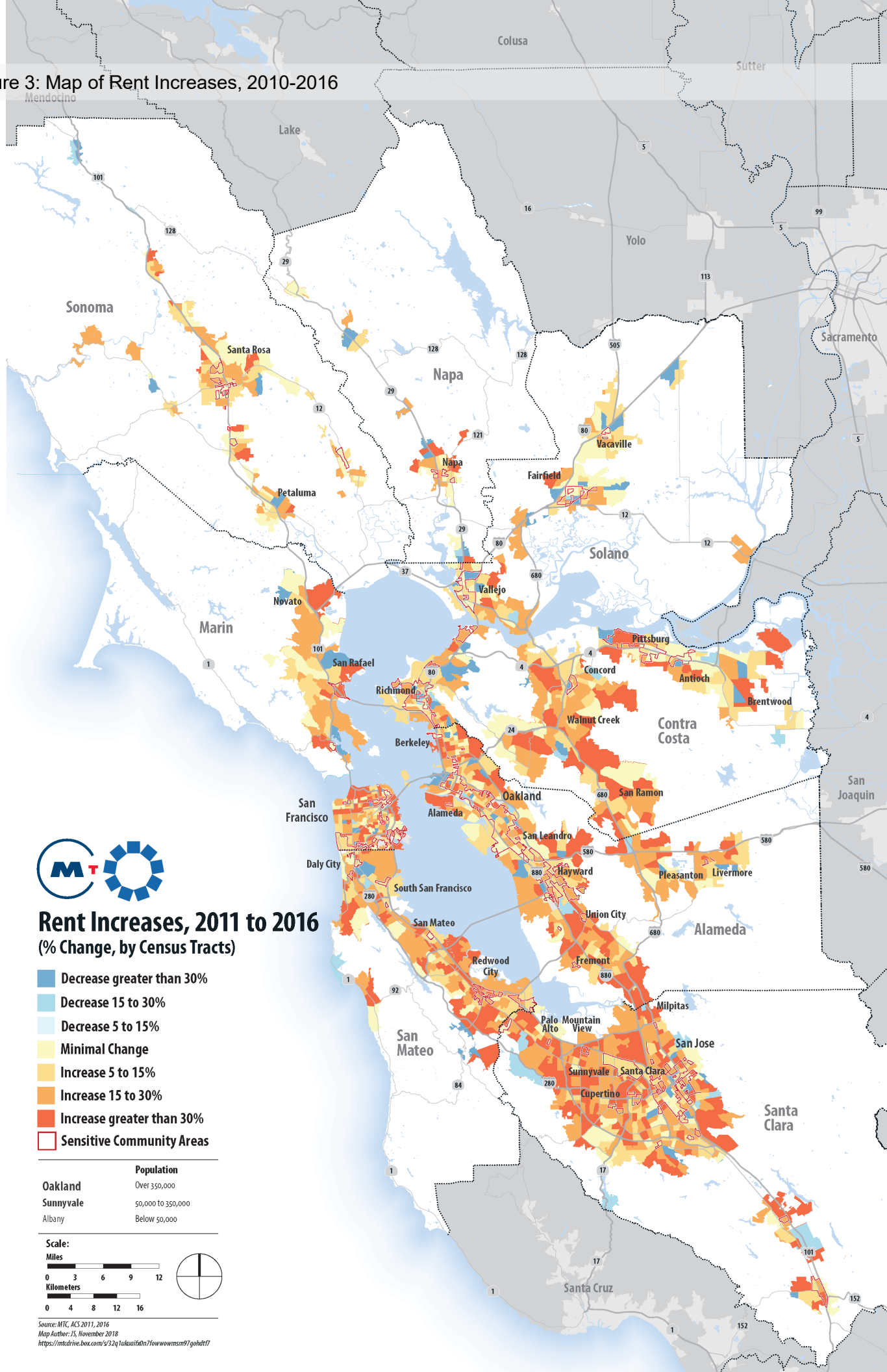
Cap on Assistance: the amount of total assistance should be capped at \$5,000 - \$10,000 per tenancy.

Landlord Obligation: landlord obligation should be limited to providing an addendum notice of this access in lease and eviction notice. Landlord should have no payment or any other obligations. If a tenant fails to seek legal counsel, it will not impede eviction proceedings for landlord.

Means Testing: emergency rental assistance should be limited those whose incomes do not exceed 80% of AMI. Legal services should be provided to all qualifying tenants regardless of income.

Funding: generate significant funds through Compact Element #9 to fund regional access to legal counsel and emergency rent assistance. Pro-bono counsel for tenants shall be encouraged.

Figure 3: Map of Rent Increases, 2010-2016



Compact Element #4: Remove Regulatory Barriers to ADUs

Brief Summary: Extend current Bay Area best practices regarding Accessory Dwelling Units (ADUs) to every jurisdiction in the region. Amend existing state ADU law to remove regulatory barriers including ministerial approval for ADUs and Junior ADUs in residential zones, allowance for multiple ADUs in multi-family homes, and creation of a small homes building code (AB 2890 Ting).

Desired Effect: Existing single-family homes make up a significant portion of the region's land base. Local best practices in the region today allow both an ADU and Junior ADU on single family lots and multiple ADUs in existing multi-family buildings with ministerial approval. See Figure 4 for a prototypical ADU. Expanding these best practices regionwide would allow for a rapid increase in more affordable homes, and would help stabilize cost-burdened homeowners by creating a new source of income. If 20% of the region's 1.5 million single-family homeowners choose to build an ADU, this policy could create 300,000 new homes distributed throughout existing neighborhoods. This includes about 50,000 new units in Priority Development Areas alone.

References and Models: Action Plans 10.3, 10.4; UCB Chapple 2014; UCB Turner Center 2017; Legislative history SB 1069, AB 2890; Arlington VA, Portland OR, Seattle WA, Vancouver BC, State of Oregon Tiny Homes Code.

Detailed Proposal:

Local Standards for ADUs (see AB 2890 Ting): new state law should require local jurisdictions in the Bay Area to encourage the creation of ADUs as follows:

- Require ministerial approval for both an ADU and a Junior ADU (JADU) in all residential zones including in rear yards or by division of existing homes into two units;
- ADUs receiving ministerial permits should not be used for short-term rentals;
- Encourage forgiveness of code violations (except health and safety) in grandfathered ADUs;
- Apply the Housing Accountability Act's provisions for determining project consistency.

Sprinklers should be required for ADUs if required under the building code for comparable home construction. Use of unlicensed contractors under "owner builder" permits shall be discouraged by requiring that a statement of owner liability be provided when building permit is issued.

Impact Fees: require impact fees for ADUs and tiny homes to be charged on a per-square-foot basis and (2) only on net new living area over 500 sq. ft. per accessory unit.

Small and Tiny Homes Building Code: state law should create a building code for small homes and wheeled homes to reduce non-safety code requirements that disproportionately make small homes and tiny homes infeasible including energy standards, appliance and room sizes, and similar. Life-safety standards must be upheld.

Owner Occupancy: Local jurisdictions should be encouraged to adopt owner occupancy requirements for properties containing ADUs. If owner occupancy is required, reasonable annual monitoring programs that rely on existing published documents should be established.

Figure 4: Prototypes for Accessory Dwelling Units



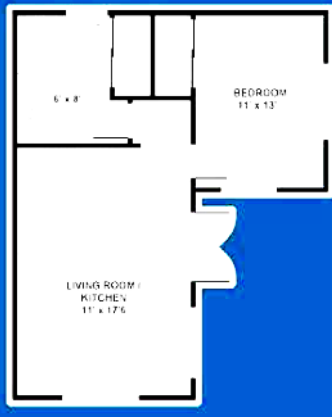
Unit Specifics

Unit Type	Detached
Bedrooms	1
Bathrooms	1
Square feet	495
Year built	2003
Construction	New construction
Total Cost	\$117k
Jurisdiction	Pacific
Neighborhood	Sharp Park
Designer	Ernie Brousal, Daly City
Builder	Rick Lee, Pacifica
Use	Rent to a family member



Unit Specifics

Unit Type	New construction
Bedrooms	2
Bathrooms	2
Square feet	800
Year built	2010-12
Construction	New construction (including patio and wellings)
Total Cost	\$11 million for entire project; second unit was approx. 25%
Jurisdiction	San Carlos
Neighborhood	Devonshire
Designer	Fred Strathdee
Builder	Victor (homeowner)
Use	Residence (rents primary dwelling)



Kate & Miranda's Retirement Plan
336 sq ft - 1 bedroom, 1 bath, kitchen, living room

Pedro's Backyard Cottage
496 sq ft - 1 bedroom, 1 bath, kitchen, living room

Compact Element #5: Minimum Zoning near Transit

Brief Summary: this element includes three components. In neighborhoods served by high quality bus service, establish minimum zoning on all residential, commercial, and institutional zones to allow ‘missing middle’ housing types up to 36’ tall. In neighborhoods surrounding the region’s major transit stops (rail stations and ferry terminals), establish minimum zoning to allow midrise residential housing up to 55’ tall (75’ tall with a density bonus). Allow sensitive communities to defer rezoning above 36’ while they develop context-sensitive plans. On large commercial-zoned parcels located near job centers, make housing an allowable use. For projects with 20 units or more, require inclusion of affordable units.

Desired Effect: This policy would create an inclusive mix of homes near transit and jobs, consistent with the goals of Plan Bay Area. It would spur the development of ‘missing middle’ housing types that are within reach of working families and blend into existing neighborhoods. This type of housing is common in pre-war neighborhoods of the East Bay and Peninsula but has largely been zoned out of existence in recent decades.

References and Model Policies: SB 827 (Wiener, 2017). CASA Action Plans 8.2, 10.3, 10.5, 10.6

Detailed Proposal:

Minimum Zoning Near Transit: the state should establish minimum zoning for housing in neighborhoods served by existing high-quality transit as follows:

- *High quality bus service:* Residential uses up to 36’ tall with development standards (such as lot coverage, setbacks, density limits, and maximum unit size) should be allowed within ½ mile of bus stops with at least 15-minute headways at peak periods and 30-minute headways on weekends (as defined in SB 827).
- *Major transit stop:* Residential uses up to 55’ tall (75’ tall with density bonus) that have development standards similar to those above (such as lot coverage, setbacks, density limits, and maximum unit size) should be allowed within 1/4 - mile radius of major transit stops (rail stations and ferry terminals).

Development standards such as setbacks, unit sizes and lot coverage requirements should apply. Neither development standards nor other zoning and design controls should mandate densities lower than those prescribed above. These shall not be used to reduce density where higher local standards or plans apply.

Housing Overlay on Large Low-Density Commercial Sites: the state should establish minimum zoning for housing on low-density commercial sites above a certain acreage that are located within the transit areas defined above.

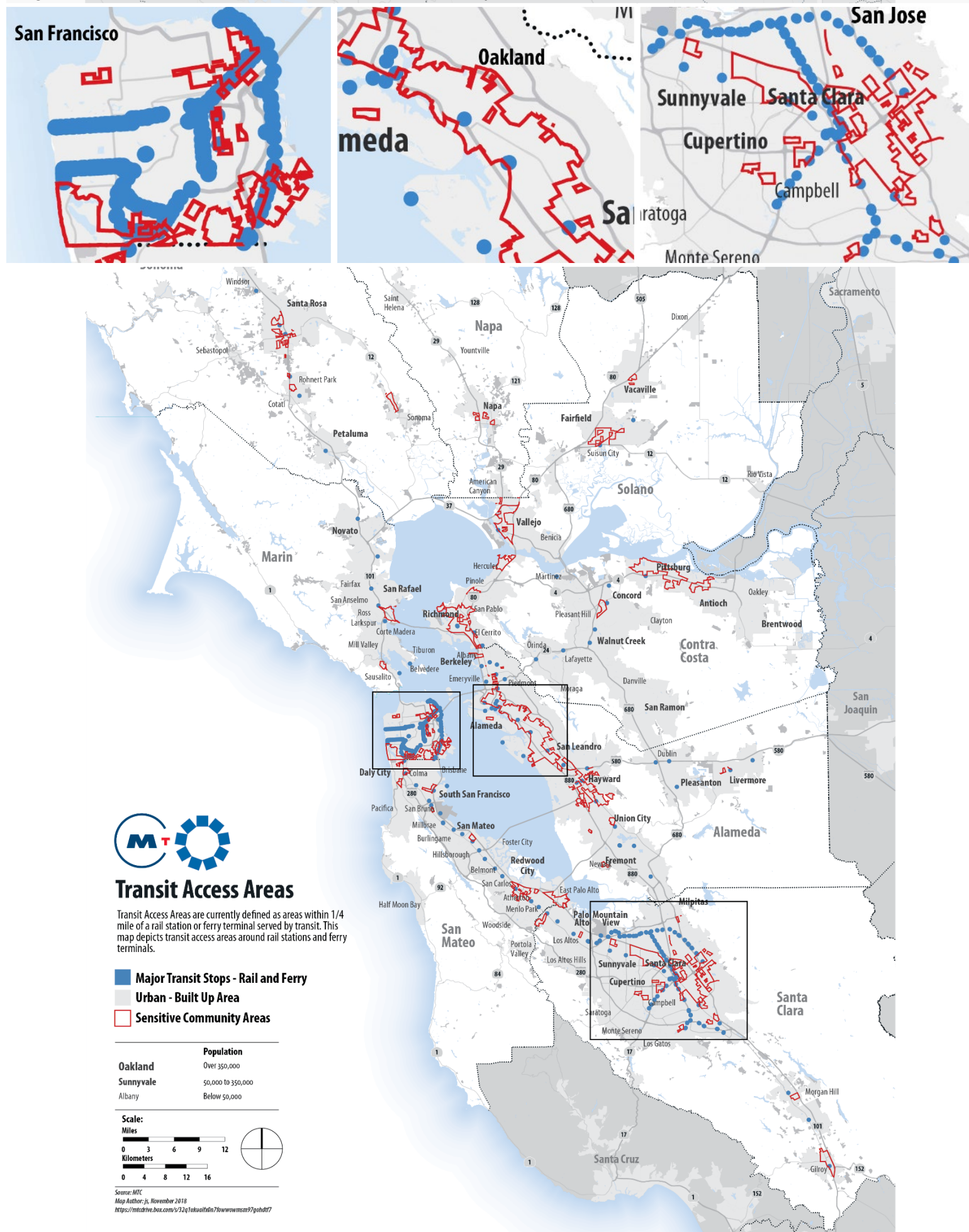
Tenant Protections and Preservation: All sites rezoned under this policy should be subject to tenant protections, demolition controls and no net loss provisions. Sites occupied by a mobile home park, public housing, or Single Room Occupancy (SRO) built prior to the effective date of the enabling legislation should not be eligible for rezoning.

Affordable Housing Requirements: onsite affordable housing should be required at levels not less than state density bonus law. Projects with 10-20 units should have the option to pay an in-lieu fee. This in-lieu fee should be deferred or waived for units that are sold or rented at or below missing middle income levels. This fee should be imposed at the time of sale. Funds generated by this fee should be deposited into a local or regional housing fund.

Sensitive Communities: if a major transit stop is located in or adjacent to a sensitive community, up-zoning above 36’ should be automatically deferred for a period of 5 years while the jurisdiction develops a context-sensitive plan for that community. If the community so chooses, it may opt into up-zoning to 55’ without a deferral period or community plan. The decision to opt in should be made by the local legislative body (city council or board of supervisors) and must involve consultation with residents of the sensitive community and at least one public hearing. Sensitive community areas represent the intersection of disadvantaged and vulnerable communities as defined by the following Bay Area regional agencies: MTC and the SF Bay Conservation and Development Commission (BCDC). See Figure 5 for the map of these Transit Access and Sensitive Community Areas.

Labor Standards: The residential development shall comply with all applicable labor, construction, employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government’s conditional use or other discretionary permit approval process, the California Environmental Quality Act, or a streamlined approval process that includes labor protections.

Figure 5: Map of Transit Access and Sensitive Community Areas



Compact Element #6: Good Government Reforms to Housing Approval Process

Brief Summary: Establish ‘good government’ standards for the entitlement and permitting of zoning-compliant residential projects. Require transparency and consistency in how residential impact fees are set and enforced. Figure 6 shows how complicated the approval process for housing can be in California.

Desired Effect: Research by the UC Berkeley Turner Center for Housing Innovation demonstrates that local government impact fees and inclusionary requirements, when combined with regulatory uncertainty and record-high construction costs, have made it economically infeasible to build a standard mid-rise housing project in many parts of the Bay Area. The American Planning Association recommends that local governments should restore direct reliance on adopted plans and create transparency, predictability, reliability and timeliness to the housing approvals process.

References and Model Policies: CASA Action Plan 12.1; Turner Center Report on Fee Costs; Berkeley Law Land Use Study; Roseville fee transparency

Detailed Proposal:

Standards for Processing Zoning-Compliant Residential Applications with Fewer than 500 Units: local jurisdictions should be required to process zoning-compliant residential development applications in accordance with the following standards:

- Each jurisdiction should create and maintain an up-to-date listing of all rules, codes and standards that apply to residential development applications. This information should be made available online and in print.
- Rules, fees and historic status should be locked at the date of application completeness which shall be defined as providing only the elements on the agencies written application material.
- The jurisdiction should require no more than three de novo public hearings on a zoning-compliant residential application.
- Building permits should expire if not used in 24 months, with flexibility to adapt to changing economic conditions and other extenuating circumstances.
- Jurisdictions should apply the Housing Accountability Act’s standards for project consistency and remedies

Standards for Impact Fees: state law should create a set of uniform standards and requirements for Bay Area jurisdictions to follow when imposing impact fees on new residential development, as recommended by the UC Berkeley Turner Center:

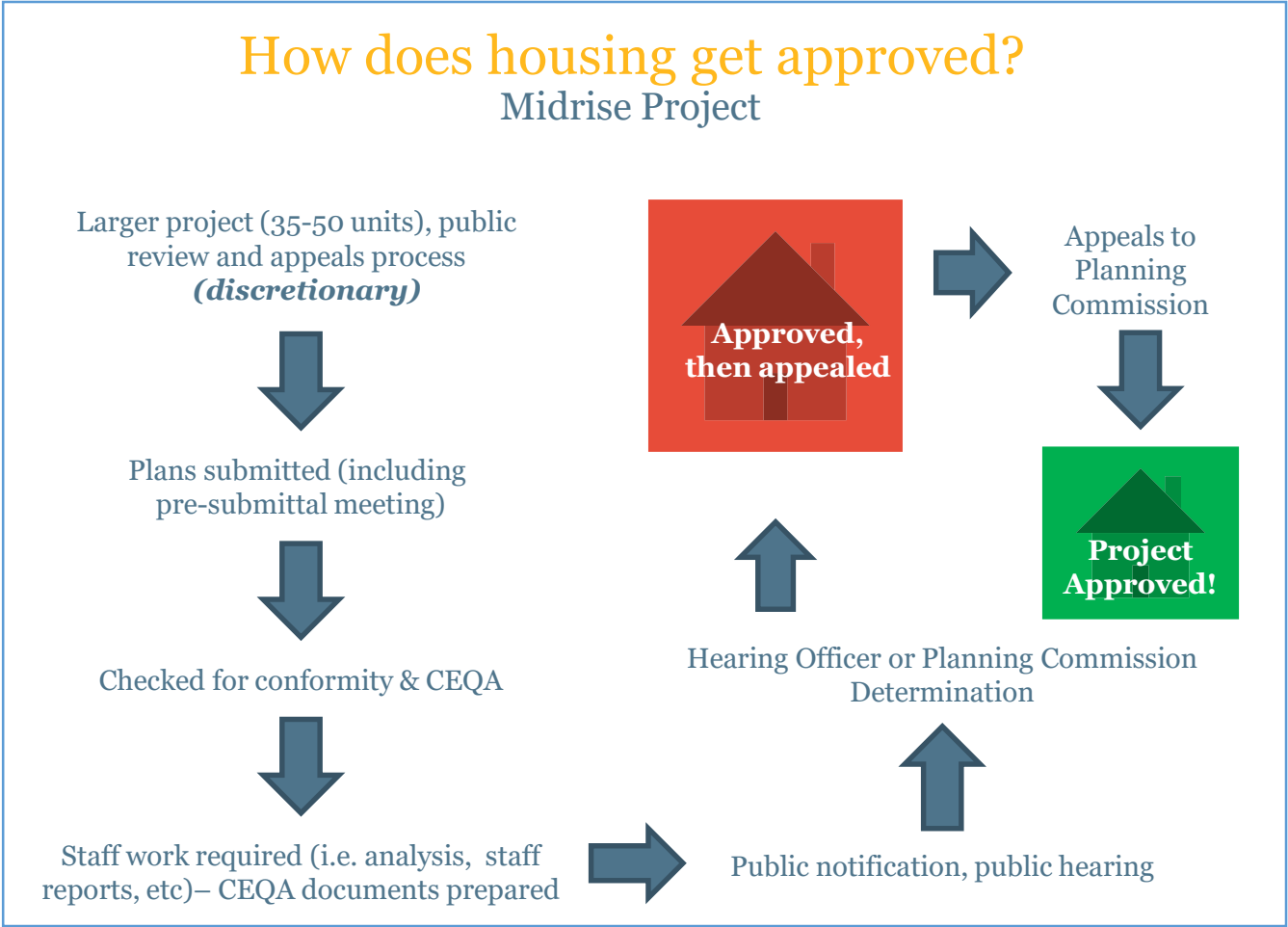
- Every jurisdiction should conduct a comprehensive review and assessment of their fees to better understand the aggregate costs imposed.
- When determining the amount of fees to charge to new residential projects, jurisdictions should adhere to a standardized methodology and set of objective standards, rather than the current “reasonableness” test which is overly broad.
- Every jurisdiction should create and maintain an up-to-date fee schedule in a publicly accessible format.
- Adopt fee deferral programs which allow builders to pay some fees later in the development process.

Standards for Inclusionary Zoning: state law should establish that programs which require inclusion, such as density bonus, local inclusionary requirements, housing impact fees and in-lieu fees, should not be additive. Require that in-lieu fees should be an option for fulfilling inclusionary requirements imposed without the density bonus. Existing local policies should be grandfathered in.

Standards for Downzoning and Moratoria: the State should create standards that govern the circumstances in which local governments downzone or impose building moratoria in existing or planned residential neighborhoods in urbanized areas. Such actions run counter to state housing law and should only be undertaken to address an immediate crisis, such as a health and safety hazard or protection of low-income families at risk of displacement.

Report Impositions That May Suppress Housing above the Hard Cost of Housing Construction: jurisdictions should annually document all local agency impositions that increase the hard cost (excluding labor and materials) of housing construction, including fees and inclusionary zoning requirements. This information should be included in the jurisdiction’s annual Housing Element report.

Figure 6: Typical Local Housing Approval Processes and Timeframes



Source: the Turner Center for Housing Innovation, UC Berkeley, 2018,

Compact Element #7: Expedited Approvals and Financial Incentives for Select Housing

Brief Summary: ensure timely approval of zoning-compliant housing projects and create financial incentives for enabling on-site affordability and prevailing wages. This streamlining policy will provide another option for projects that may not benefit from SB 35. This policy does not amend or replace SB 35. Allow Sensitive Communities to defer implementation while they develop a context-sensitive plan.

Desired Effect: This policy would make it possible to build more housing projects while addressing the critical shortage of housing labor, curbing unsafe labor practices, and providing on-site affordability for missing-middle income ranges that aren't eligible for other sources of subsidy. By harnessing future tax increment from the proposed housing development itself, local jurisdictions can get more affordable units built with less public subsidy. All taxing agencies will benefit from the multiplier effect of new construction beyond the project site. By providing expedited approvals, these projects will be approved and built more quickly. The intent of this element is that it does not overrule local inclusionary zoning.

Models and References: SB 35 (Wiener,2017); New York tax abatement; Action Plans Referenced: 12.2, 12.3, 17.1, 17.2

Detailed Proposal:

Streamlined Review Process: state law should create a new, expedited review process for residential projects that meet thresholds outlined below. These projects should be granted a statutory CEQA exemption and should be subject to a limited discretionary review process. Projects should be approved within one year and should be subject to no more than three de novo public hearings.

Qualifying Projects: to qualify for streamlined review, projects should meet all of the following criteria:

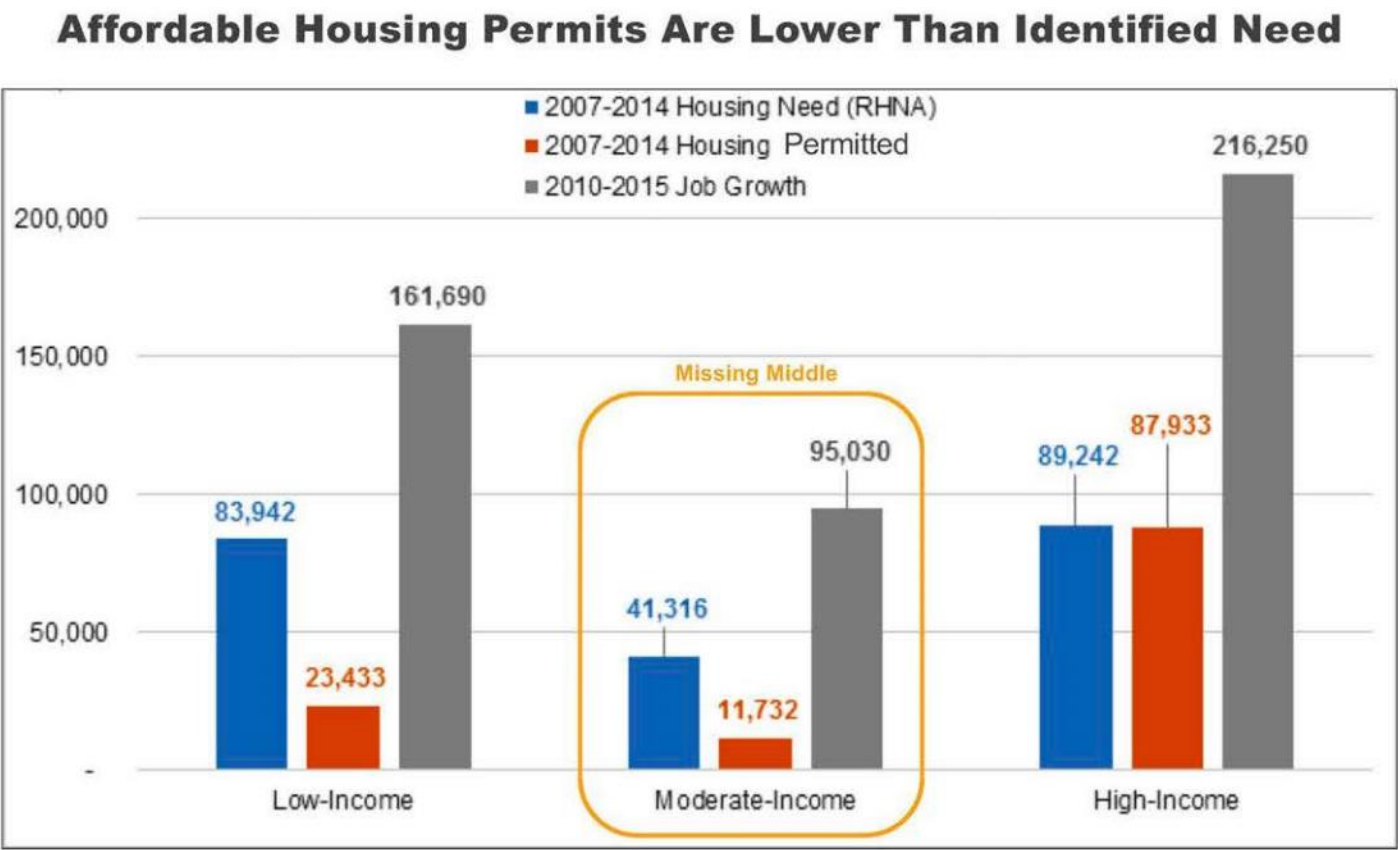
- Complies with existing zoning standards;
- Located in an existing urbanized area;
- Eligible sites as defined in SB 35;
- Restricts at least twenty percent (20%) of onsite housing units to middle-income households through recorded long-term deed restrictions (that may range from 80% to 150% of AMI depending on localized rents and market conditions) with an average affordability not to exceed 110% AMI;
- Provides prevailing wages and safe working conditions for all workers;
- Utilizes apprentice labor to grow the construction workforce.
- Complies with all proposed labor standards contained in SB 35 and shall include prevailing wages and trained apprentices to help grow the construction workforce.

Financial Incentives to Offset Costs: qualifying projects should receive financial incentives to offset the costs associated with providing income-restricted housing units and higher wages. Incentives could include some combination of the following:

- Fifteen years of property tax increment abatement, modeled on the New York City program. Abatement should be structured so that units rented or sold at missing middle prices (ie 150% AMI or less) receive full abatement, and units rented or sold above this shall receive a lesser abatement (ie 50% -75% abatement)
- Cap impact fees at a reasonable level that allows project feasibility targeted to regional median
- Density bonus of 35%
- Parking reduced to 50% of local requirement (at the discretion of the developer)
- Relief from strict liability standards for ownership housing

Sensitive Communities: implementation of this policy in sensitive communities should be automatically deferred for a period of up to 5 years where the local jurisdiction should develop a context-sensitive plan for that community. If a Sensitive Community so chooses, it may opt to implement this policy effective immediately. The decision to opt in should be made by the local legislative body (city council or board of supervisors) and must involve consultation with residents of the sensitive community, and at least one public hearing. Sensitive community areas represent the intersection of disadvantaged and vulnerable communities as defined by the following Bay Area regional agencies: MTC, SF Bay Conservation and Development Commission (BCDC), and the Bay Area Air Quality Management District. See Figure 5 for the map of these Transit Access and Sensitive Community Areas.

Figure 7: Regional Housing Production is Worst for the “Missing Middle”



Compact Element #8: Unlock Public Land for Affordable Housing

Brief Summary: Promote increased utilization of public land (surplus and underutilized) for affordable housing through a variety of legislative and regulatory changes, as well as the creation of new regional coordination and planning functions.

Desired Effect: Encourage the reuse of public land for creation of mixed-income/affordable housing by reducing barriers to development on public land. See Figure 8 for the largest public agency landowners near public transit.

References and Models: Action Plans 16.1; 16.2; Puget Sound region including Seattle; Enterprise; MTC/ABAG Study.

Detailed Proposal:

Support reforms introduced in AB 2065 (Ting, 2017)

- Respond to the issue of charter cities and the requirement that all cities comply with State surplus lands law
- Create clear definition of “surplus” and “underutilized”
- Require cities, counties, State agencies, and all public agencies to create a full inventory of their publicly-owned sites and report them to HCD.
- Direct HCD to develop a statewide public lands database that will include all publicly-owned sites in the State of California, starting with a pilot in the Bay Area. The database will also include information on present uses. HCD would enforce a revised State Surplus Land Act with referral power to the Attorney General’s Office for infractions.

Amend State Housing Element Law to:

- Allow residential uses on all developable public land, regardless of zoning, by establishing a presumption in Housing Element Law that homes may be built on public land meeting certain criteria (e.g., not parkland).
- Require that Housing Elements include a discussion of the jurisdiction’s policies and plans to encourage the development of affordable housing on these sites.
- Require jurisdictions to report annually through housing element progress reports how they disposed of public and surplus sites.
- State and regional agencies should give preference in screening and scoring projects for discretionary funds to public agency project sponsors that dispose of surplus lands for affordable housing.

Regulatory and Process Changes

- Require State agencies to comply with the State Surplus Land Act and make surplus and underutilized property available for affordable housing, including deploying 10% of underutilized/surplus property for affordable housing on an annual basis.
- Amend State law time frames for surplus land disposition to expedite the process to no more than 24 months.
- Competitive funding programs for affordable housing, including the Low-Income Housing Tax Credit (LIHTC) and Affordable Housing & Sustainable Communities (AHSC) programs, should reward additional points to projects that propose affordable development on public land.
- The State of California should review its spatial guidelines for public facilities (i.e., schools) to evaluate potential for changes that could open up land for housing without compromising the quality of on-site public services.

Labor Standards: public lands released for housing should include policies that help expand the trained labor pool available for housing construction including requirements for trained apprentices and prevailing wages. Exceptions to these requirements on should be made for temporary housing built to address an emergency, and for housing built with volunteer labor (see Labor Code § 1720.4). Temporary housing shall be defined as follows:

Designed and constructed to be relocatable and transportable over public streets.

- Floor area of 500 square feet or less when measured at the most exterior walls.
 - Sited upon a temporary foundation in a manner that is designed to permit easy removal.
 - Designed to be removed within three (3) years of installation.
-

Figure 8: Top Ten Landowners for Publicly-Owned Parcels Suitable for Housing Near Transit

Publicly-Owned Land

Source: MTC

Landowner	Number of Parcels	Total Acres
Bay Area Rapid Transit (BART) District	91	229
Santa Clara Valley Transportation Authority (VTA)	26	178
State of California	17	42
City/County of San Francisco	18	26
San Mateo County Transit District (SamTrans)	11	18
Union City Community Redevelopment	6	15
County of Santa Clara	7	15
City of Oakland	19	10
City of San Jose	5	8
Suisun City	17	8
Total	217	548

Compact Element #9: Funding and Financing the CASA Compact

Brief Summary: Raise \$1.5 billion in new revenue annually from a broad range of sources, including property owners, developers, employers, local governments and the taxpayers, to fund implementation of the CASA Compact. While not all revenue ideas in Figure 9 will be implemented, no one sector would bear the burden on its own. No more than one revenue idea should be implemented under each of the five categories.

Desired Effect: The Compact identifies a range of strategies to protect tenants, preserve affordability and produce new units. Many of the strategies, such as “Access to Legal Counsel,” building 14,000 new subsidized housing units annually, and preserving 26,000 market-rate units as permanently subsidized units for lower-income households, require an infusion of new revenue.

References and Models: The entire CASA Compact

Detailed Proposal:

Funding gap: CASA estimates that the funding gap to implement the Compact is \$2.5 billion per year over the next 15 years. CASA proposes to meet \$1.5 billion of this deficit with regional and local self-help measures. The remainder would be funded from additional state and federal sources. Any regional impositions that duplicate similar local impositions shall be reduced proportionally.

Potential sources: New revenue could be raised through fees or taxes. In principle, new revenue would be raised from a range of sources to spread the responsibility among different sectors of the economy. These sources may include property owners, developers, employers, local governments and taxpayers. CASA also recommends exploring with other stakeholders whether a ‘mega measure’ involving transportation and housing could be pursued. The Compact identifies a menu of options (for further details see Figure 9):

- A. Vacant Homes Tax levied on property owners;
- B. Parcel Tax levied on property owners (residential and commercial);
- C. Commercial Linkage Fee charged to developers;
- D. Gross Receipts Tax levied on employers;
- E. Head Tax levied on employers;
- F. Revenue Set Asides for Redevelopment Agencies (local governments);
- G. Revenue Sharing Contribution into a region-wide housing program for local governments;
- H. 1/4-cent Sales Tax; and
- I. General Obligation Bonds, reissued every five years.

Allocation formula: new revenues would be allocated by the following shares:

- Up to 10 percent for local jurisdiction incentives (including funding for hiring more building inspectors);
- Up to 10 percent for tenant protection services;
- Up to 20 percent for preservation; and
- A minimum of 60 percent for subsidized housing production.

Distribution formula: new revenues would be distributed by the following shares (total expenditures would still meet the allocation formula (see above), and be subject to objective performance standards and outcomes):

- 75 percent to county of origin (return to source); and
- 25 percent to a regional program (revenue-sharing).

Labor Standards: public funding through CASA shall include a requirement for trained apprentices and prevailing wages. Projects under a certain size should be required to comply with existing wage and labor laws and standards.

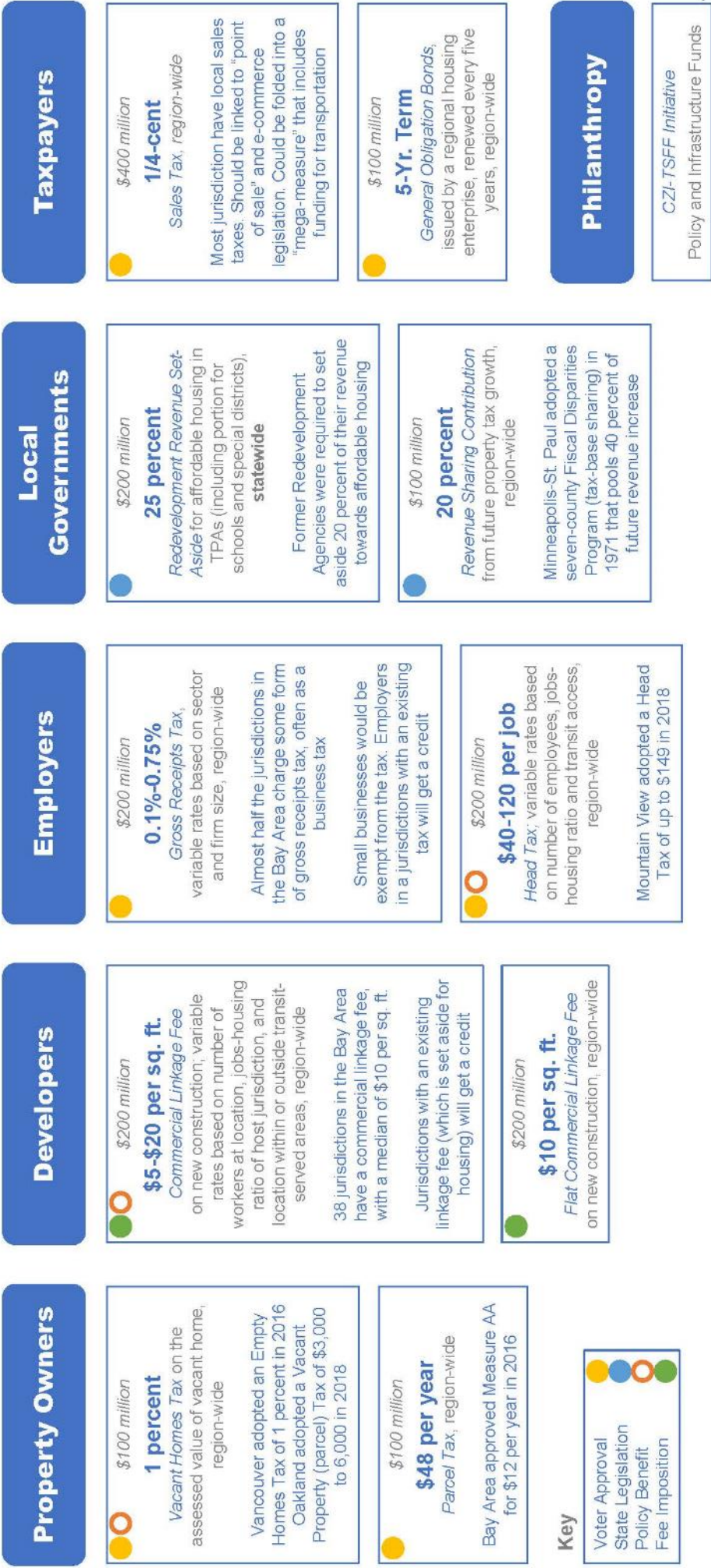
Administration: revenue collection and disbursement would be managed by the Regional Housing Enterprise (RHE) described in Compact Element #10). New revenue would be authorized based on fund source but may include state enabling legislation, a decision of the RHE board, or a vote of the people in the Bay Area.

Figure 9: Funding Options

Menu of Funding Sources to Implement the Compact

Potential New Sources of Revenue

Target: \$1.5 billion per year



Compact Element #10: Regional Housing Enterprise

Brief Summary: Establish a regional leadership entity to implement the CASA Compact, track and report progress, and provide incentives and technical assistance. The entity must be governed by an independent board with representation for key stakeholder groups that helped develop the Compact. The housing entity would not play a regulatory/enforcement role.

Desired Effect: Existing regional agencies either do not have the mandate (for e.g., the Metropolitan Transportation Commission) or the resources/tools (for e.g., the Association of Bay Area Governments) to directly tackle the region's pressing displacement and affordable housing crisis. The CASA Compact will set a bold region-wide agenda for addressing protection of existing tenants, preservation of existing affordable units and production of both market-rate and subsidized units. To implement this agenda, a broad coalition of stakeholders, who have helped shape the CASA Compact, must stay engaged with state legislative advocacy, building support for raising new revenue and financing programs, tracking and monitoring progress, keeping the public engaged, and taking a regional approach to challenges such as homelessness. A regional approach can balance inequities and imbalances across multiple jurisdiction that have to contend with varying market strengths, fiscal challenges and staff expertise.

Models: New York City Housing Development Corporation (housing finance); Twin Cities (revenue-sharing)

References: The entire CASA Compact

Detailed Proposal:

Board Structure and Governance: CASA recommends establishing a Regional Housing Enterprise (RHE) to coordinate and lead implementation of the CASA Compact. State law should establish an independent board, with broad representation to MTC, ABAG and key stakeholder groups that helped develop the CASA Compact. See Figure 10 for graphic depiction of RHE.

Authority: the state should form the RHE through an act of legislation and give it authority to collect new revenue (through fees or taxes); disburse the revenue to programs and projects in the expenditure plans (consistent with the CASA Compact); purchase, lease and hold land; and provide direct assistance. The RHE will not have regulatory authority.

Roles and Responsibilities

Revenue administration and debt issuance – using the authority to levy fees and seek voter approval to impose taxes for housing, the RHE may collect and disburse new funding, issue debt based as needed, and allocate funding to protection, preservation and production programs, as laid out in the CASA Compact.

Land leasing and disposition – the RHE may act on behalf of the related public agency to lease or purchase land for housing development and assemble parcels, when appropriate. The RHE may hold and bank land, based on market conditions.

Monitoring and reporting – the RHE will coordinate with MTC/ABAG and local jurisdictions to collect specified data (including on local housing performance), conduct research and analysis, and disseminate information as part of its monitoring and reporting role. The RHE may also conduct evaluation of its program to improve stated CASA outcomes.

Enhanced technical assistance – the RHE may coordinate with MTC/ABAG to provide extensive support and technical assistance to local jurisdictions (especially smaller jurisdictions with limited staff capacity), education and awareness for stakeholders (such as tenants and landlords), and communication materials for the broader public.

Oversight of protections programs – while the RHE will not have an administrative role in implementing tenant protection policies, the board would provide oversight when allocating funding.

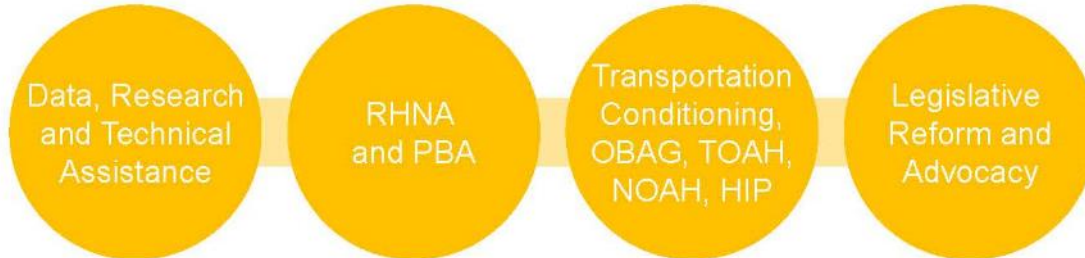
Staffing: the RHE will be supported by the consolidated staff of MTC/ABAG, with additional staff added in specialized areas such as debt issuance, land leasing and disposition, financing projects, etc.

Administration: this state-enabled policy package in the CASA Compact will be implemented by the RHE. Some capacity would be needed at the local and county-level to implement the protection strategies.

Figure 10: Regional Housing Enterprise

Regional Housing Enterprise

MTC/ABAG Roles and Responsibilities



Regional Housing Enterprise Roles



Regional Housing Enterprise Governance

- **Independent board** w/ representation from MTC, ABAG and key stakeholders
- Supported by **MTC/ABAG consolidated staff** (with additions in specialized areas such as debt issuance, land leasing, etc.)

Calls for Action

The CASA Compact sets a bold region-wide agenda for addressing the protection of existing tenants, preservation of existing affordable units and production of both market-rate and subsidized units. The CASA Compact Elements represent key reforms that were developed through an intensive 18-month process encompassing multiple stakeholders and constituencies. Supportive state action on the issues outlined below in concert with the implementation of the CASA Compact will fundamentally “turn the tide” on the Bay Area’s housing crisis.

Call for Action: Redevelopment 2.0

Background: The elimination of redevelopment agencies in California severely restricted the production of affordable housing and market rate housing in the Bay Area. Prior to dissolution, redevelopment agencies in the region provided \$200 million in annual funding for affordable housing that was highly leveraged with other funding sources. In addition, redevelopment agencies provided funding, expertise and infrastructure to advance the production of market rate housing in mixed-use, infill developments. CASA supports the development of a new redevelopment framework to advance the production of extremely low, very low, and low-income housing, and to leverage funding for mixed income, infill housing.

CASA Call for Action: Pass legislation enabling the re-establishment of redevelopment in California to provide a significant source of new funding for affordable and mixed income development. Redevelopment agencies should be focused on development activities that are audited regularly, with local projects subject to state level reviews. A new redevelopment framework in California should reinforce a strong link between housing and jobs and transit. Funding should be designed to leverage other sources, including new regional funding through the implementation of the CASA Compact.

References: The entire CASA Compact

Call for Action: Lower the Voter Threshold for Housing Funding Measures

Background: Bay Area voters have demonstrated — through their past approval of major transportation, school, housing, and water bonds — that they understand the importance of investing in the region’s future. Although Bay Area voters have passed a significant number of funding measures to expand the supply of affordable housing, on too many occasions an overwhelming majority of voters have supported new funding but the final tally fell short of the two-thirds majority needed for approval under current state law. When provided the opportunity, voters supported lowering the voter threshold for school bonds to a 55 percent vote. The well-being of California’s children was a motivating factor in lowering the voter threshold for school funding. Ensuring that future generations, our children and grandchildren, have the housing opportunities they will need to remain in the Bay Area is a central purpose of the CASA Compact.

CASA Call for Action: Pass legislation that will provide voters statewide with the opportunity to apply a 55 percent threshold for investments in affordable housing and housing production. This legislative priority is critical to the successful implementation of the CASA Compact — and to the Bay Area’s prosperity and quality of life.

References: The entire CASA Compact

Call for Action: Fiscalization of Land Use

Background: Under Proposition 13, local jurisdictions in California are “paid more” for commercial land uses than for housing. This “fiscalization of land use” is a central factor in the Jobs-Housing Imbalance that exists in the Bay Area resulting in long commutes, traffic congestion and a diminished quality of life for millions of Bay Area residents. The California Tax Code in effect punishes cities that build more housing and rewards cities that build commercial space without commensurate housing for workers and their families. To address the revenue imbalance related to new housing, jurisdictions have raised impact fees and other development requirements that make housing even more expensive so that cities and counties may maintain infrastructure and provide for the needs of existing residents.

CASA Call for Action: Pass legislation that will return e-commerce/internet sales tax revenues to the point of sale - not the point of distribution as currently - to provide cities that have a significant residential base with a commensurate fiscal stimulus for new housing. Also pass legislation that will change the Proposition 13 property tax allocation formula to provide jurisdictions building more housing with a higher share of property tax revenue.

References: CASA Elements # 9 and # 10.

Call for Action: Homelessness

Background: The Bay Area has one of the largest and least sheltered homeless populations in North America. The proliferation of homeless encampments from select urban neighborhoods to locations across the region is the most visible and arguably disheartening manifestation of the Bay Area's extreme housing affordability crisis. Although this is one of the most prosperous regions in the world, every night thousands of people sleep on our streets. The complexity and scale of homelessness in the Bay Area has increased exponentially as previously housed people including families with children, veterans, and senior citizens cannot find shelter. In the nation's most expensive housing market, commonplace life circumstances (e.g. illness, job loss, and separation/divorce) result in too many of our neighbors being unable to afford monthly rent and resulting in a downward spiral to homelessness.

CASA Call for Action: California is experiencing an affordability and housing crisis that is negatively impacting thousands of Californians. The work of CASA has endeavored to put forth a package of policy interventions to house the Bay Area. Homelessness is a humanitarian crisis that deeply impacting the entire Bay Area. CASA recognizes that homelessness is a regional issue that requires alignment across geographies in order to tackle this problem. CASA's funding package must include resources that help produce housing for formerly homeless people, prevent homelessness when possible and make homelessness rare, brief and non-reoccurring.

References: The following CASA Elements include measures to reduce the region's unhoused population, provide more temporary options for homeless housing, and streamline approvals of permanent homeless housing developments which are often strongly opposed by project neighbors:

CASA Elements 1,2,3 - Tenant Protections: Critical to stabilize households and reduce displacement from housing that has caused significant rapid rise in unhoused population

CASA Element 4 – Accessory Dwelling Units (ADUs) /Tiny Homes: create more housing options for populations vulnerable to economic setback by allowing more of the smallest naturally affordable home types in every neighborhood including seniors or their family members, disabled family members, students, Section 8 recipients.

CASA Elements 5, 6, 7- Up-zone and streamline to increase income restricted and market rate housing options and reduce displacement and upward rent pressure on existing homes and neighborhoods

CASA Element 8 - Public land: encourage immediate disposal of more public land for affordable housing to create more sites and reduce the subsidy needed.

CASA Element 9 - Public funding: More funding for the preservation and production of affordable housing, the provision for new tenant protection measures, and new permanent supportive housing

Call for Action: Grow and Stabilize the Construction Labor Force

Background: Growing the construction labor force and improving labor force productivity is critical to expanding the supply of housing. By increasing the safety and desirability of construction work, and thereby expanding the pool of available workers and contractors, we can grow the labor force without which we cannot increase housing production. The following are recommended by CASA as a starting point. We also recommend ongoing work to implement the CASA recommendations in a manner which creates an effective and coordinated regional and State response the need for a larger construction labor force.

CASA Call for Action:

1. Grow the workforce by increasing apprentice training, placement, and payment of prevailing wages when direct public funding, public land, fee abatement, tax abatement, CEQA exemptions, and other fiscal/economic development incentives are provided for housing (Compact items 7, 8, 9).
 2. Discourage the underground economy and require following of existing wage and workforce laws (Compact items 4, 5).
 3. Create a CASA/State labor workgroup charged with coordinating implementation of CASA policies and needed labor force expansion consistent with CASA principles.
 4. Call upon the State to use its workforce development and training programs to improve the construction employment pipeline and create improved pathways from secondary education into apprentice training programs.
-

References: Compact Elements 4, 5, 7, 8 and 9.

Local Best Practices

This section describes local best practices that are relevant to the CASA Compact.

Protection, Preservation and Production (3-Ps) Framework

While many jurisdictions in the Bay Area focus on one or two of three Ps, the City of Oakland was one of the first to codify the 3-P framework in a citywide policy developed through a multi-stakeholder process. The underlying policy outcome for Oakland was to address housing insecurity in a rapidly changing community that faces both historic disinvestment as well as very high displacement pressures.

City of Oakland

In 2016, the Oakland Housing Cabinet developed a comprehensive plan, called *Oakland at Home – Recommendations for Implementing A Roadmap Toward Equity*, to address the city’s chronic housing affordability and homelessness crisis. The plan outlines a three-pronged strategy to protect renters, preserve existing affordable housing by taking it off the speculative real estate market and produce more affordable and market-rate housing. The plan identifies several strategies under each “P” designed to significantly improve housing affordability in Oakland. CASA borrowed this concept from Oakland’s plan to form the three Ps framework.

Rent Stabilization

13 jurisdictions in the Bay Area have adopted some form of rent stabilization policies. This section highlights two such examples, in the City of Richmond and County of Sonoma.

City of Richmond

In 2016, Richmond residents approved Measure L, which established the *Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance*. The ordinance applies to all multifamily properties, including duplexes. The annual rent increase is set at 100% of the Consumer Price Index. Landlords are required to file all notices of rent increase, termination of tenancy, and change of terms of tenancy notices with the Rent Program. Landlords and tenants may petition the *Rent Board* for an Individual Rent Adjustment.

The city established a Rent Board, an appointed governing body, and a Rent Program Department to administer the program. The department is set up to function on a cost-recovery basis, with no financial assistance from the city’s general funds. Funding for the department comes from Rental Housing Fee, which must be paid by all Richmond Landlords on an annual basis.

City of Santa Rosa and County of Sonoma

On October 9, 2017, the Governor of California issued an Executive Order declaring a state of emergency in Napa and Sonoma Counties due to widespread damage caused by wildfires. California Penal Code section 396 prohibits price gouging (defined as increases over 10%) for necessary goods and services after the governor declares a state of emergency, including rental housing and hotels.

The City of Santa Rosa adopted additional protections for tenants, which allow renters to file civil lawsuits for violations. The county also adopted protections for tenants in mobile home parks. In addition, the county adopted several *Urgency Ordinances* to address the immediate need for housing for persons displaced by the wildfires. The Urgency Ordinance allows: the use of recreational vehicles and trailers as homes, with an emergency temporary permit; a Safe Parking Program for RVs, trailers and campers, to be parked overnight on county-owned land (basic services such as bathrooms, showers, and warming stations are provided); year-round occupancy in seasonal farmworker housing; replacement schools and child care centers in specific zones without a use permit; and long-term rental of bed and breakfasts, inns, resorts.

Just Cause Eviction Protections

10 jurisdictions in the Bay Area have already adopted some form of just cause eviction protections for renters. This section highlights one such example, in the City of East Palo Alto.

City of East Palo Alto

East Palo Alto has adopted both a *Just Cause for Eviction* as well as a *Rent Stabilization Ordinance* to protect tenants in the city from harassment and displacement due to rising market pressures on the city’s existing housing stock. The just cause policy applies to both mobile home parks and residential rental units, including single family dwellings. The ordinance identifies fourteen just causes for eviction, establishes a noticing and filing requirement (with the city rent board) and gives tenants the right to request documentation of all rent payments and charges. The program is funded entirely through fees, half of which are passed on to tenants.

Access to Legal Counsel

City and County of San Francisco

In June of 2018, San Francisco voters approved Proposition F that guarantee free legal representation for any renter facing eviction, regardless of income. Proposition F calls for full-scope representation within thirty days of an eviction notice or filing of an unlawful detainer action. San Francisco estimates that as many as thirty-five hundred tenants a year will be eligible for the free services, for which it earmarked \$5.8 million over the first two years of the program. San Francisco also currently spends \$4.4 million a year on eviction-related services such as counseling, education, outreach and basic no-cost or low-cost legal services.

Rent Assistance

26 jurisdictions in the Bay Area provide some form of tenant assistance. This section highlights one such example, in the County of Sonoma.

County of Sonoma

Lastly, the county's *Home Tenant-Based Rental Assistance Program* (TBA) provides rent subsidies to homeless families in shelters, survivors of domestic violence, seniors and persons with HIV/AIDS. Only very low-income individuals are eligible to receive this assistance. They are referred by emergency shelters, transitional shelters, non-profit service providers, the County's Human Services Department and the Division of Adult and Aging Services. The TBA program is administered similarly to the US Department of Housing and Urban Development's Section 8 program.

Acquisition and Rehabilitation of Affordable Units

30 jurisdictions in the Bay Area have established some form of a preservation program to support acquisition, rehabilitation and protection of affordable units occupied by low-income renters. This section highlights one such example, in the City and County of San Francisco.

City and County of San Francisco

Launched by the Mayor's Office of Housing and Community Development in 2014, San Francisco's *Small Sites Program* (SSP) is an acquisition and rehabilitation loan program for small multifamily rental buildings. The program was created to protect and establish long-term affordable housing throughout San Francisco. SSP is funded through multiple sources, including voter-approved bonds, inclusionary housing fees, and the city's *Housing Trust Fund*. As of May 2018, the program has acquired 160 units in 25 buildings, serving 327 residents that earn less than 65% of the Area Median Income. The units are located in the following neighborhoods: the Mission District, Downtown/Civic Center, South of Market, Castro/Upper Market, Haight Ashbury, Bernal Heights and Richmond.

Homebuyer Assistance

28 jurisdictions in the Bay Area have established some form of a homebuyer program. This section highlights two such examples, in the cities of Napa and Oakland.

City of Napa

Napa's *Down Payment Assistance Program*, funded with grants from the State of California Department of Housing and Community Development, provides assistance to lower-income first time home buyers in the form of a silent (deferred) loan of up to \$150,000. To qualify, an applicant must meet income and credit restrictions and cannot have owned a home in the last three years. Homes must be located within city limits and cannot be bigger than 3 bedrooms and 2 baths.

City of Oakland

Hello Housing, a regional non-profit organization, has partnered with the City of Oakland and the Alameda County Treasurer-Tax Collector's Office, to acquire and convert formerly blighted and tax-defaulted properties into permanently affordable housing for low-and-moderate income residents. Hello Housing and three local developers have acquired 26 vacant, a majority of which will be developed into single-family homes for ownership and two properties into multifamily affordable rental units to house approximately 15 to 20 families. Construction on the first homes is now underway with occupancy on many of the homeownership properties expected in late 2018 and early 2019.

Permit Streamlining

50 jurisdictions in the Bay Area have adopted some form of permit streamlining policies. This section highlights two such examples, in the County of Sonoma and the City of San Jose.

City of Santa Rosa and County of Sonoma

In the aftermath of the wildfires in Sonoma in 2017, the City of Santa Rosa adopted multiple policies to expedite the permitting process for those who wanted to rebuild. There included: establishing a *Resilient City Permit Center* with dedicated staff; exemptions from environmental review; expansion of damaged nonconforming residential structures to added living areas, ADUs, and JADUs; increasing the allowable residential floor area in mixed-use projects from 50 to 80 percent; and delaying collection of fees until near occupancy. The county also established a *Resiliency Permit Center* to expedite permitting, and relaxed rules related to accessory dwelling units (ADUs).

City of San Jose

In 2014, the City of San Jose formed an ad-hoc committee to explore permit streamlining for small businesses as well as for major projects. Based on the committee's recommendations, the city created a planning desk dedicated to small projects and recently established an electronic plan review system to simplify permitting. The electronic system has resulted in time and cost savings for both the city as well as the applicant. The system provides real-time updates on the status of the approval process.

Fee Waiver

26 jurisdictions in the Bay Area offer some form of fee waivers to housing developers. This section highlights one such example, in the City of Sunnyvale.

City of Sunnyvale

Sunnyvale charges all new rental housing projects an impact fee of \$9 to \$18 per habitable square feet. If a developer opts to provide affordable units on-site instead of paying the housing impact fee, the city credits the developer \$300,000 per very low-income unit and \$150,000 for every low-income unit, up to the total housing impact fee amount owed by the project. In case any fee obligation remains after the affordable unit developer credits are applied, the developer may opt to provide additional affordable units to reduce the fee to zero.

These developer credits are based on the subsidy amounts required to develop affordable units, which the 2014 rental impact fee nexus study determined to be \$302,496 for a very low-income unit and \$146,233 for a low-income unit. The city also waives the park and recreation fee for affordable units.

Housing Overlay Zoning

24 jurisdictions in the Bay Area have adopted some form of a zoning overlay for housing projects. This section highlights one such example, in the City of Menlo Park.

City of Menlo Park

Menlo Park's *Affordable Housing Overlay* (AHO) zone was established to encourage the development of housing for low, very low and extremely low-income households on housing opportunity sites identified in the city's adopted Housing Element. The AHO establishes development standards for these sites and is designed to benefit all affordable housing projects, including market-rate developments that provide a higher share of low- and very low-income units than what is called for in the State's *Density Bonus Program*.

New Revenue and Organizational Capacity for Housing

Multiple cities and counties in the Bay Area have raised new revenue for housing in the last two election cycles and/or adopted a regional or sub-regional approach to solving the housing crisis. This section highlights two such examples, in the counties of Santa Clara and Sonoma.

County of Santa Clara

In June 2016, Santa Clara voters approved Measure A, a \$950 million affordable housing bond program to build and preserve 5,000 affordable housing units countywide. The bond proceeds will help stabilize housing for the county's most vulnerable populations including veterans, seniors, the disabled, low and moderate-income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses. Measure A priorities include advancing supportive housing for special needs populations, including homeless and chronically homeless persons and increasing housing supply for extremely low-income populations.

As of June 2018, the first year of implementation, the county approved \$111 million for 10 projects that will add more than 800 multifamily units in 6 cities. The county also approved \$25 million for a first-time homebuyer program.

City and County of San Francisco

In November 2018, San Francisco voters approved Proposition C, a business tax measure, which will generate up to \$300 million per year to fund homelessness services. Businesses with over \$50 million in gross annual receipts will pay a tax equal to 0.175 percent to 0.69 percent of their gross receipts. Businesses with over \$1 billion in gross annual receipts and those with administrative offices in San Francisco will pay 1.5 percent of payroll expenses. In June 2018, San Francisco voters approved Measure F, which will provide tax-funded legal help to tenants facing eviction. The expanded legal services is estimated to cost the city \$5.6 million a year.

In November 2016, San Francisco voted approved Proposition C, which authorized the city to repurpose \$261 million in unused general obligation bond funding that voters originally approved in 1992 for seismic upgrades. Under Proposition C, bonds would be used to acquire and rehabilitate multi-unit properties and convert them to permanently affordable housing.

In November 2015, San Francisco voters approved Proposition A, a \$310 million General Obligation Bond for affordable housing, to finance the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing for low and middle income households. The bond will address pressing housing needs by: investing in neighborhoods; developing and acquiring housing for a broad population, from families to seniors; transitional-aged youth to single working adults; and veterans to disabled households; and, meeting housing needs through a range of activities, including new multi-family construction, acquisition of existing apartment buildings, SRO rehabilitations, down payment assistance for first-time homebuyers, and other efforts that will effectively increase the affordable housing supply.

County of Alameda

In November 2016, Alameda County voters approved Measure A1, a \$580 million general obligation bonds to finance the construction and rehabilitation of affordable rental units, loans for moderate-income homebuyers and upgrades to existing low-income housing.

City of Oakland

In November 2018, Oakland voters approved Measure KK, a \$600 million infrastructure bond earmarking \$100 million for affordable housing. A citizen oversight committee would audit all spending from the measure.

County of Sonoma

The City of Santa Rosa and the county are moving forward with establishing a joint powers authority, called the Renewal Enterprise District (RED), with the explicit goal for regionalizing housing production; pooling and leveraging financing and funding; sharing risks and benefits of development in new ways; streamlining environmental review and providing confidence in good projects; and putting equity, affordability and climate solutions in the center of local economic strategy.

When established the RED will focus housing development in specific geographies; define project criteria for which incentives and streamlined permitting processes are appropriate; pursue new models for public-private partnerships; expand, pool, and leverage public and private financing in new ways; explore the most strategic use of publicly-owned land; and leverage the regional housing planning tools and resources of MTC/ABAG

Cross-Jurisdictional Collaboration

This section highlights the unique process in San Mateo County to coordinate housing strategies across jurisdictions, including conducting a “nexus” study for setting impact fees.

Cities in the County of San Mateo

The 21 Elements Effort

21 Elements is a multi-year, multi-phase collaboration of all twenty-one San Mateo County jurisdictions, along with partner agencies and stakeholder organizations. The project aims to support jurisdictions in developing, adopting, and implementing local housing policies and programs. It is a forum for sharing resources, successful strategies and best practices. The projects is co-sponsored and coordinated by the San Mateo County Department of Housing (DOH) and the City/County Association of Governments of San Mateo County (C/CAG).

The project recognizes that cities in the county often struggle with similar housing issues and consider similar solutions. 21 Elements helps those cities find policies that are right for them, working with their neighbors in a supportive, cooperative environment. Respecting local control, 21 Elements makes it easier to adopt innovative policies that address important housing needs. From affordable housing to accessory dwelling units, 21 Elements has resources to help.

Grand Nexus Study

Through a multi-jurisdiction collaborative process, 15 cities in San Mateo County and the City of Palo Alto embarked on developing a nexus study for their respective linkage fee programs. This project, which came to be known as the Grand Nexus

Study, reduced costs by 75 percent and helped establish best practices. Customized, jurisdiction-specific reports focusing on local conditions were completed and provided to each participating city in the second half of 2015.

Affordable Housing Needs Allocation

In the fourth Regional Housing Needs Allocation (RHNA) cycle, 11 of San Mateo County's 21 jurisdictions engaged in "housing unit trades." Five of these jurisdictions accepted additional unit allocations for proposed development adjacent to their city limits. Three additional jurisdictions who had already adopted a land use plan that calls for more housing development also accepted additional allocations. In all, these trades covered a total of 396 units, or 2.5% of the total 8-year allocation for the county. While numerically insignificant, the trades represent an important accomplishment for these 11 jurisdictions as they work together on multiple other efforts to meet the county's housing crisis.

Appendices

- A. CASA Leadership
- B. Steering Committee Members
- C. Technical Committee Members

CASA Leadership

Fred Blackwell, CASA Co-Chair

Chief Executive Officer | The San Francisco Foundation



Fred Blackwell is a visionary leader working to ensure shared prosperity, innovation, and equity in the Bay Area. As CEO of The San Francisco Foundation, he leads one of the largest community foundations in the country, working hand-in-hand with donors, nonprofits, community leaders, business, and government partners in philanthropy to identify, influence, and leverage best practices and long-term solutions to make a greater impact in our community.

Mr. Blackwell currently serves on the board of the San Francisco Bay Area Super Bowl 50 Legacy Fund, on the advisory council for Berkeley's College of Environmental Design, and as an advisor for Google Impact Challenge: Bay Area. He previously served on the boards of the California Redevelopment Association, Urban Habitat Program, LeaderSpring, SPUR, and Leadership Excellence. He holds a master's degree in City Planning from U.C. Berkeley and a bachelor's degree in Urban Studies from Morehouse College.



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Established in 1948, The San Francisco Foundation (TSFF) is committed to serving the people of the Bay Area. As an incubator for community investment, original ideas, and passionate leadership, TSFF has become one of the nation's largest community foundations in grant-making and assets, giving millions of dollars a year to make the Bay Area the best place it can be. Currently, TSFF is tackling widening inequality, increasing poverty, and declines in upward economic mobility despite historic levels of prosperity. Staying true to its commitment to serving the people of the Bay Area, TSFF recently launched an ambitious strategy to advance racial and economic equity across the Bay Area.

Leslye Corsiglia, CASA Co-Chair

Executive Director | Silicon Valley @ Home



Leslye Corsiglia began her professional career at the California Department of Housing and Community Development, where she held several positions before taking on the challenge of overseeing the day-to-day activities of the state's housing loan and grant programs. In that capacity, she worked to pass and then implement the first affordable housing bond initiatives, which made \$550 million available for the construction and rehabilitation of affordable housing throughout the state.

Ms. Corsiglia joined the City of San Jose as the Department of Housing's first Assistant Director in 1991, and then served for 14 years as the Director. While with the City, she oversaw a program that developed and improved 21,000 affordable housing units, leveraging the City's funds with more than \$2.7 billion from public and private sources. She has served on a number of federal, state, and regional boards and currently serves on the Board of the Non-Profit Housing Association of Northern California. She is a dedicated housing wonk, loves policy and research, and is excited to take on the challenge of leading the new start-up venture known as SV@Home.



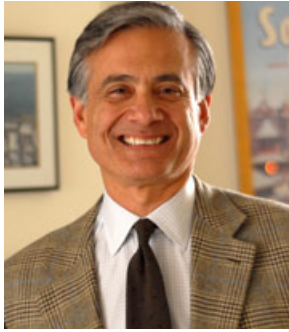
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SV@Home is the voice for affordable housing in Silicon Valley. Based initially in the Housing Trust Silicon Valley, SV@Home is a membership organization that advocates for policies, programs, land use, and funding that lead to an increased supply of affordable housing. Additionally, SV@Home educates elected officials and the community about the need for housing and the link between housing and other quality of life outcomes, including education, health, transportation, and the environment.

Michael Covarrubias, CASA Co-Chair

Chair and Chief Executive Officer | TMG Partners



Michael Covarrubias joined TMG Partners in 1988. He oversees all of the company's operations and has directed the company since 1995. Prior to TMG, Mr. Covarrubias' professional background includes 17 years with Union Bank, including commercial and real estate lending as well as administrative management. In his last position, he served as Senior Vice President and Manager of Union Bank's Silicon Valley Regional Real Estate Center.

Mr. Covarrubias is a graduate of the University of San Francisco with a bachelor's degree in business administration.



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TMG Partners is a privately-held, full-service development company headquartered in San Francisco focusing on urban infill projects in the San Francisco Bay Area.

Its exclusive focus in the Bay Area helps the firm understand the nuances of market trends and timing. This allows TMG Partners to be highly responsive and opportunistic while contributing to the vibrancy of the communities that make up the Bay Area region.

Dr. Jennifer Martinez, Protection Work Group Moderator

Executive Director | Faith in Action Bay Area



Dr. Jennifer Martinez currently leads Faith in Action Bay Area, a regional network of community and faith-based organizations. She has also been an organizer with the PICO National Network since 2001. Dr. Martinez has a bachelor's degree from Stanford University and a master's degree and Ph.D. from the University of Nottingham in England. Her graduate research focused on social movement strategies in the struggle for housing and land rights in Venezuela and South Africa. In 2011, her Ph.D. won the British International Studies Association thesis of the year award.

She has several published works and, in addition to being a participant in faith-based movement-building, continues to write about the ways in which social movements transform people and places.



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Faith in Action Bay Area is a regional network of community and faith-based organizations working to create innovative solutions to problems facing urban and suburban communities in San Mateo and San Francisco Counties. Faith in Action Bay Area has successfully worked to increase access to health care, improve public schools, make neighborhoods safer, build affordable housing, redevelop communities, and revitalize democracy.

The organization helps engage ordinary people in public life, building a strong legacy of leadership in local communities across the region, and is part of PICO, a national network of faith-based organizing groups. Faith in Action Bay Area is non-partisan, multi-faith, and multicultural.

Linda Mandolini, Protection Work Group Moderator

President | Eden Housing



Linda Mandolini has served Eden Housing as a Project Developer, as Director of Real Estate Development, and since 2001 as President. She oversees affordable housing production, resident support services, and property management components of the organization, and a staff of more than 340 employees. She is guided in her work by Eden's active, volunteer Board of Directors.

Under Ms. Mandolini's strong leadership, Eden has become one of the most productive and successful nonprofit affordable housing developers in California. Eden has received numerous awards including being named as a Best Place to Work in the Bay Area in 2012, 2015, and 2016 and Healthiest Employers in the Bay Area by the San Francisco Business Times for the past five years in a row (2012-2016).

Ms. Mandolini received her A.B. from Wheaton College in Massachusetts and earned a master's of Business Administration at Boston University.



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Eden Housing revitalizes California communities through its

affordable housing development and property management activities, through the partnerships it establishes and the investments it makes in California neighborhoods, and through the resident services programs it provides to meet the needs of its residents.

Since its founding in 1968, Eden Housing has developed or acquired 7,450 affordable housing units in nearly 100 properties that have provided homes for more than 65,000 people. Eden currently has more than 1,000 units in its immediate pipeline.

Eden's housing now includes rental apartments, cooperatives, and supportive living environments for families, seniors, and people with disabilities. Eden has so far partnered with 29 cities in 10 California counties and it is rapidly expanding its geographical operations to new communities, including the greater Sacramento area, the Central Valley, and Southern California.

Derecka Mehrens, Production Work Group Moderator

Executive Director | Working Partnerships USA



Derecka Mehrens, Executive Director at Working Partnerships USA, brings 15 years of community organizing, civic engagement, and public policy experience working in communities of color and with low- and moderate-income families.

Under Ms. Mehrens' leadership, Working Partnerships USA co-founded Silicon Valley Rising, a coordinated regional campaign to inspire a tech-driven economy where all workers, their families, and communities thrive. The unprecedented labor-faith-community alliance is working to build a new economic model that rebuilds the middle class, to raise wages and workplace standards for all workers in this valley, and to address a regional housing crisis that is pushing families and children to live in garages, cars, or near creek beds in order to survive.

Ms. Mehrens graduated from the University of Oregon with a bachelor's degree in Sociology, History, and International Studies.

WORKING PARTNERSHIPS USA

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Working Partnerships USA is a community organization that drives the movement for a just economy by bringing together public policy innovation and the power of grassroots organizing.

Working Partnerships USA builds the capacity of workers, low-income neighborhoods, and communities of color to lead and govern. Based in Silicon Valley, it tackles the root causes of inequality and poverty by leading collaborative campaigns for quality jobs, healthy communities, equitable growth, and vibrant democracy.

Denise Pinkston, Production Work Group Moderator

Housing Committee Co-chair | Bay Area Council



Denise Pinkston has over 30 years of experience in real estate including acquisitions, asset and construction management, marketing, leasing, planning/entitlements, transit and green building program development, and public affairs. Ms. Pinkston was named one of the Bay Area's Most Influential Women in Bay Area Business by the San Francisco Business Times in 2012 and 2013 and was named to their Forever Influential Honor Roll in 2014. Ms. Pinkston teaches real estate at the Lorry I. Lokey Graduate School of Business at Mills College.

Ms. Pinkston attended the University of California, Berkeley where she earned a bachelor's degree in History and a master's degree in City and Regional Planning.



The Bay Area Council is a business-sponsored, public-policy advocacy organization for the nine-county San Francisco Bay Area. The Council proactively advocates for a strong economy, a vital business environment, and a better quality of life for everyone who lives here.

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Steve Heminger, CASA Convener

Executive Director | Metropolitan Transportation Commission



Steve Heminger is Executive Director of MTC and responsible for the administration of more than \$2 billion per year in funding for the operation, maintenance, and expansion of the Bay Area's surface transportation network.

Mr. Heminger was appointed by House Democratic Leader Nancy Pelosi to serve on the "National Surface Transportation Policy and Revenue Study Commission," which helped chart the future course for the federal transportation program. As Chair of the Toll Bridge Program Oversight Committee, he also oversaw construction of the new east span of the San Francisco-Oakland Bay Bridge, the largest transportation project in California history. In addition, he is a member of the Board of Trustees for the Mineta Transportation Institute and of the Executive Committee for the Transportation Research Board.

Mr. Heminger received a bachelor's degree from Georgetown University and a master's degree from the University of Chicago.



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The Metropolitan Transportation Commission (MTC) connects the nine-county Bay Area's communities by allocating regional, state, and federal funds for transportation projects, planning for the future, and coordinating the participation of governments and residents in the planning process.

The Commission's central purpose is to make sure that the transportation networks that connect the residents and communities within the Bay Area region function smoothly and efficiently. Its job is to plan responsibly to meet the mobility needs of residents, now and in the future.

Committee Members

Steering Committee Members

<i>Name</i>	<i>Organization</i>
Ariane Hogan	Genentech
Bob Alvarado	Northern California Carpenters Regional Council
Dave Cortese	Santa Clara County
Dave Regan	SEIU
David Rabbitt	ABAG
Ellen Wu	Urban Habitat
Grace Crunican	BART
Jake Mackenzie	MTC
Julie Combs	City of Santa Rosa
Keith Carson	Alameda County
Kofi Bonner	FivePoint
Libby Schaaf	City of Oakland
London Breed	City/County of San Francisco
Matthew Franklin	MidPen Housing
Michael Matthews	Facebook
Rebecca Prozan	Google
Sam Liccardo	City of San Jose
Stuart Cohen	TransForm

Technical Committee Members

<i>Name</i>	<i>Organization</i>
Abby Thorne-Lyman	BART
Adhi Nagraj	SPUR
Aimee Inglis	Tenants Together
Amie Fishman	Non-Profit Housing Association
Andreas Cluver	Building and Construction Trades Council
Bill Witte	Related California
Bob Glover	BIA Bay Area
Caitlyn Fox	Chan Zuckerberg Initiative
Denise Pinkston	Bay Area Council
Derecka Mehrens	Working Partnership, USA
Doug Shoemaker	Mercy Housing
Jacky Morales Ferrand	City of San Jose
Janice Jensen	Habitat for Humanity
Jennifer Hernandez	Holland and Knight
Dr. Jennifer Martinez	PICO California
Jonathan Fearn	GREYSTAR
Joseph Villarreal	Contra Costa Housing Authority
Joshua Howard	California Apartment Association
Ken Rich	City/County of San Francisco
Linda Mandolini	Eden Housing
Lynn Hutchins	Goldfarb Lipman LLP
Mark Kroll	Saris Regis Group
Mary Murtagh	EAH Housing
Matt Schwartz	CA Housing Partnership Corp
Matt Vander Sluis	Greenbelt Alliance
Michele Byrd	City of Oakland
Ophelia Basgal	Turner Research Center
Randy Tsuda	City of Mountain View
Rich Gross	Enterprise
Robert Apodaca	California Community Builders
Scott Littlehale	Nor Cal Carpenters Reg. Council
Tomiquia Moss	Hamilton Families



Overview of the CASA Compact

CASA

January 2019

Key Findings

PDAs are generally in lower-VMT locations, but very few are in high-opportunity communities.

1/4

of PDAs are not well-served by frequent transit as defined by PDA program guidelines

>50%

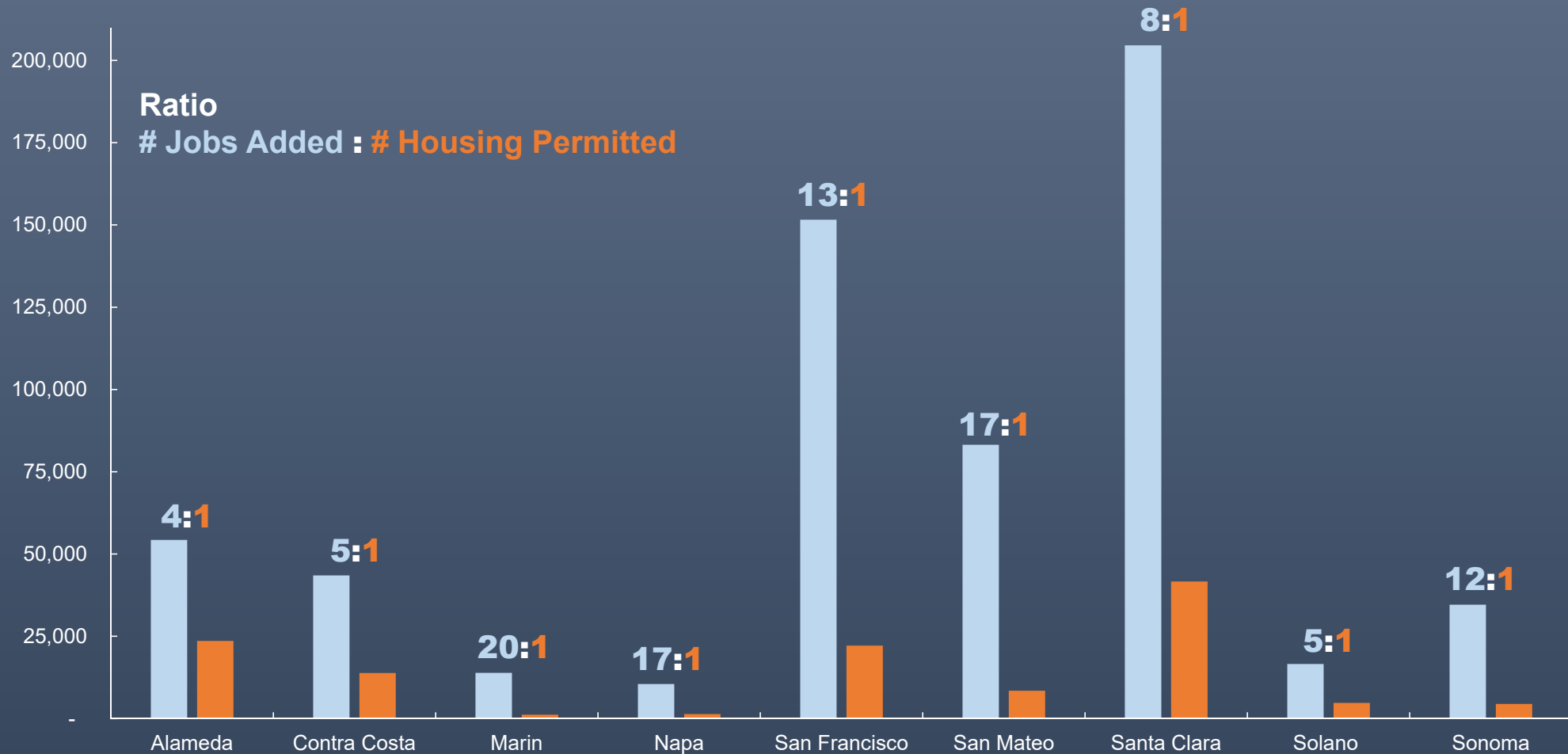
of land within 10 minutes' walk of frequent transit is not designated a PDA

WHAT IS CASA?



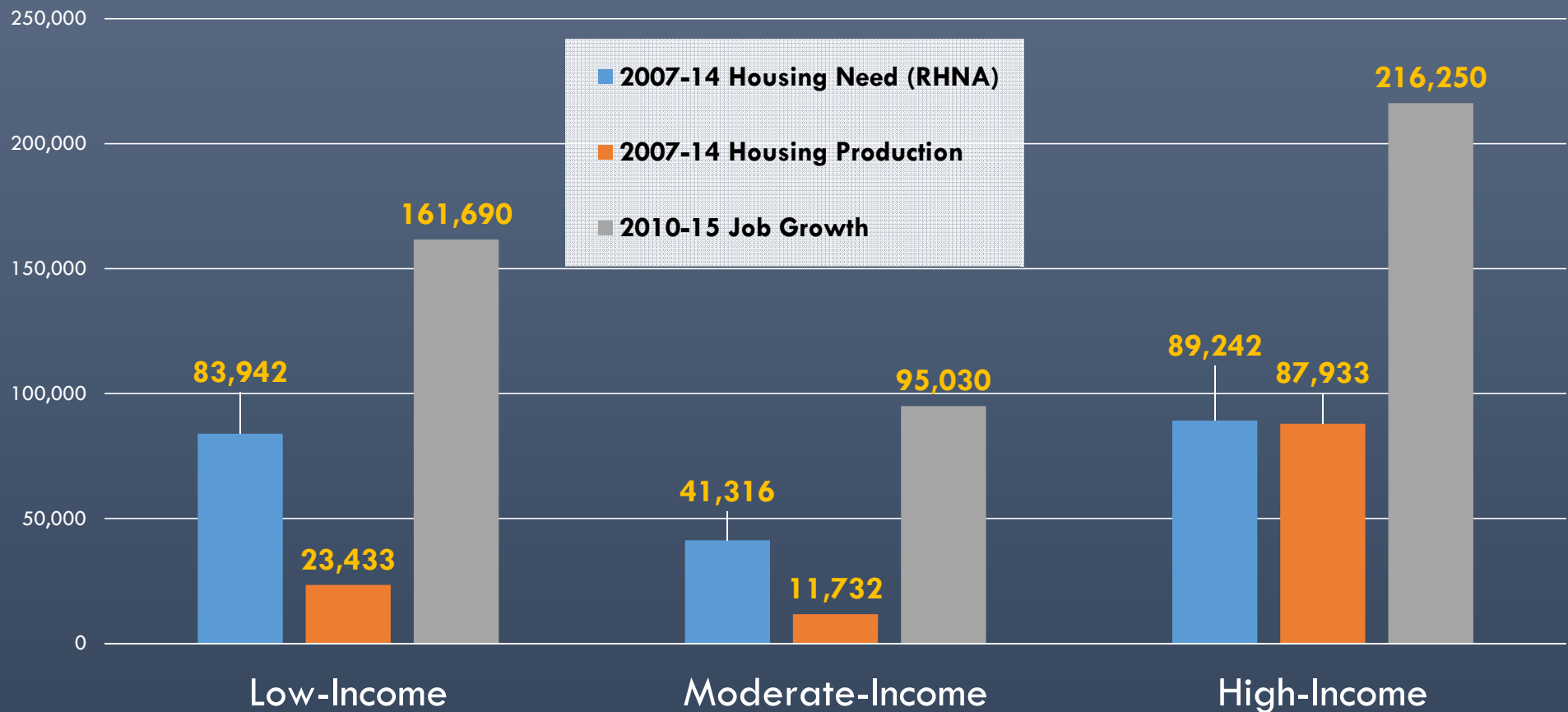
CASA is a panel of Bay Area leaders across various sectors convened by MTC and ABAG in 2017 to address the region's housing affordability crisis by identifying and unifying behind bold, game-changing ideas.

Job Growth Far Surpassed New Housing Between 2010 to 2016



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

The Region Has Not Built Affordable Housing to Meet Demand



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

CASA PREAMBLE – 3 P'S

The Bay Area faces a housing crisis because we have failed at three tasks:

- Failed to **produce** enough housing for residents of all income levels
- Failed to **preserve** existing affordable housing
- Failed to **protect** current residents from displacement



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METROPOLITAN TRANSPORTATION COMMISSION

CASA LEADERSHIP TEAM

Developer



Mike Covarrubias
TMG Partners

*Affordable
Housing Co.*



Leslye Corsiglia
Silicon Valley @
Home CEO

Philanthropy



Fred Blackwell
San Francisco
Foundation CEO

*Regional
Government*

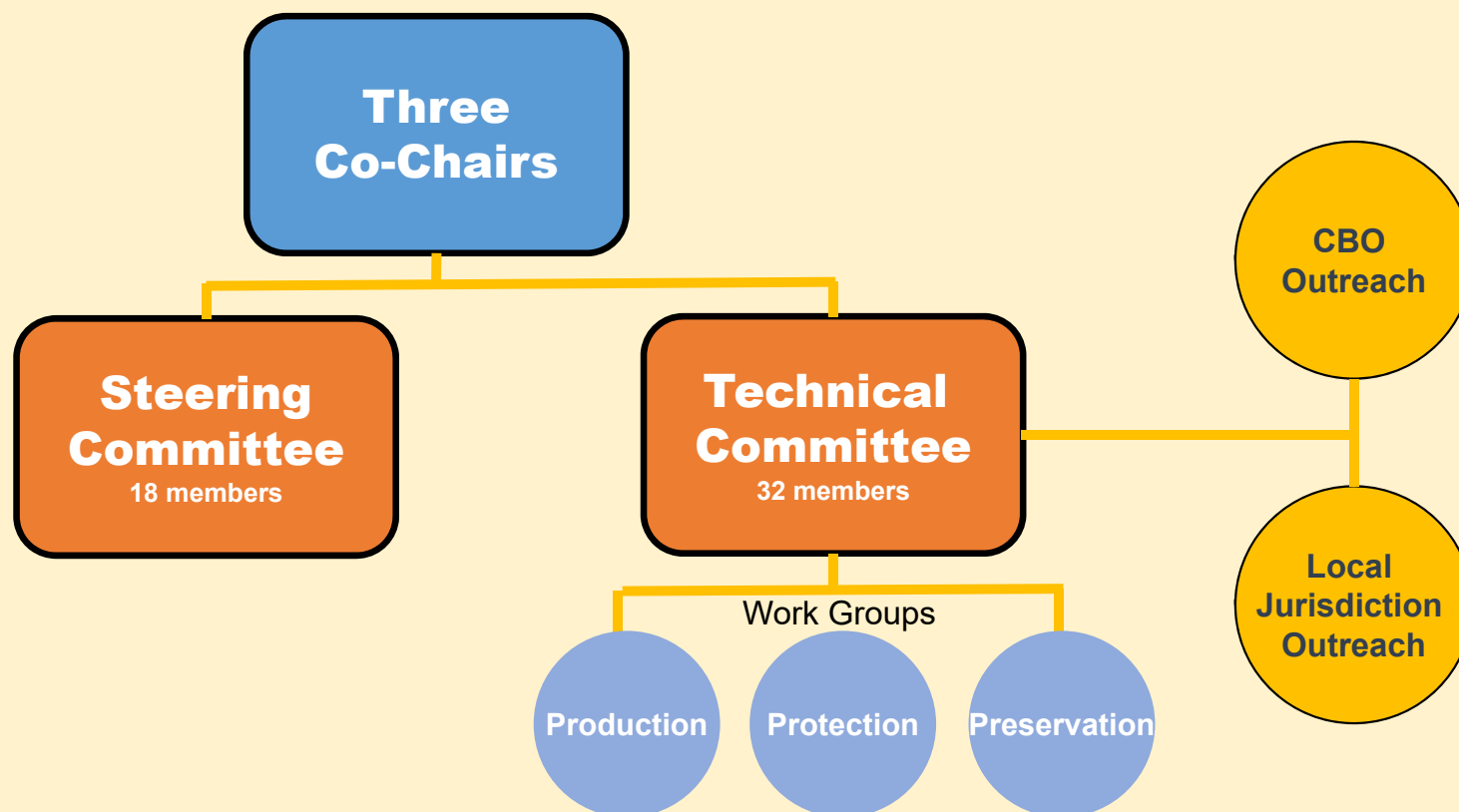


Steve Heminger
MTC/ABAG
Executive Director



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

CASA COMMITTEE STRUCTURE



CASA COMPACT

An Emergency Policy Package
to Confront the Housing Crisis
in the San Francisco Bay Area

December 2018



CASA
The Committee to
House the Bay Area



Components of Compact

- Elements 1, 2 & 3: Protection
- Element 4: Remove Barriers to ADUs
- Elements 5, 6 & 7: Production Initiatives
- Element 8: Surplus Public Land
- Element 9: Potential Funding Sources
- Element 10: Regional Housing Enterprise



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

ELEMENT #1: JUST CAUSE EVICTION POLICY

- Ensure Bay Area tenants are protected from arbitrary evictions by adopting region-wide requirement landlords cite specific "just causes" (fault and no-fault) for evictions, e.g. failure to pay rent, violating lease.



ELEMENT #2: RENT CAP

- Establish Bay Area-wide emergency rent cap that limits annual rent increases to reasonable amount in order to decrease number of households at risk of displacement and to prevent homelessness.
- For emergency period (15 years), CPI+5% in any one year with certain exemptions and banking provision.



ELEMENT #3: RENT ASSISTANCE AND ACCESS TO LEGAL COUNSEL

- For low-income tenants facing eviction: access to free legal counsel and emergency rent assistance for tenants with an urgent, temporary financial gap.
- Regional Housing Enterprise (Element #10) would establish policy guidelines and provide funding for programs.



ELEMENT #4: REMOVE REGULATORY BARRIERS TO ACCESSORY DWELLING UNITS (ADUs)

- Extend current Bay Area best practices on Accessory Dwelling Units (ADUs) and Junior ADUs to all jurisdictions in the region.
- Allow an ADU and a Junior ADU on single family lots and multiple ADUs in existing multi-family buildings with ministerial approval.
- Require impact fees for ADUs and tiny homes be charged on a per-square foot basis and only on net new living area above 500 sq. ft.



ELEMENT #5: MINIMUM ZONING NEAR TRANSIT

- Establish minimum zoning for housing in neighborhoods with:
 - High quality bus service* – within ½ mile of stop, allow up to 36 ft.
 - Major transit stop* (rail and ferry stations) – within ¼ mile, allow up to 55 ft.
- Make housing an eligible use on large, **commercially-zoned parcels near job centers and in areas served by high quality transit.**
- Retain local development standards such as setbacks, density limits, maximum unit sizes and lot coverage.
- For “sensitive communities” in or adjacent to a **major transit stop**, defer height increases above 36 ft. until jurisdiction develops community plan.



ELEMENT #6: GOOD GOVERNMENT REFORMS TO HOUSING APPROVAL PROCESS

- Establish 'good government' standards for entitlement and permitting of zoning-compliant residential projects, including but not limited to:
 - Require local jurisdictions to create and maintain in publicly accessible format all rules, codes and standards that apply residential applications, including how an application is deemed complete.
 - Rules, fees and historic designation are set at the date of a an application's completeness.
 - For zoning-compliant residential projects, no more than three de novo public hearings should be required.



ELEMENT #7: EXPEDITED APPROVALS AND FINANCIAL INCENTIVES FOR “MISSING MIDDLE”

- Accelerate approval of **zoning-compliant projects** that provide **on-site affordability for “missing middle”** (restrict >20% units to 80-150% AMI), pay **prevailing wage** and use **apprentice labor**.
- Incentives offered to offset higher costs to developer:
 - 15 years of property tax increment abatement, modeled on NYC program, aimed at missing middle housing
 - Impact fees capped at a reasonable level
 - Density bonus of 35%
 - Parking minimums reduced to 50% of local requirement
 - Relief from strict liability standards for ownership



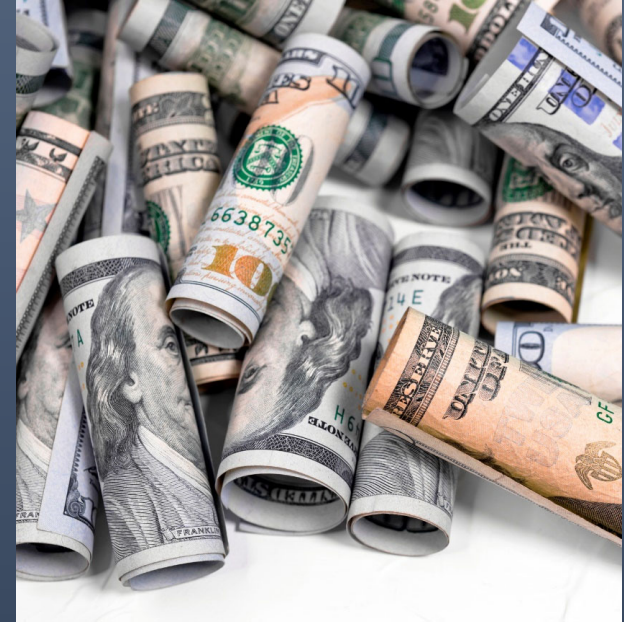
ELEMENT #8: UNLOCK PUBLIC LAND FOR HOUSING

- Promote increased utilization of public land for affordable housing through variety of legislative and regulatory changes, as well as the creation of new regional coordination and planning functions.



ELEMENT #9: FUNDING TO FINANCE THE COMPACT

- Raise \$1.5 billion/year in new revenue from a broad range of sources, including property owners, developers, employers, local governments and the taxpayers, to fund implementation of the CASA Compact.



Annual Funding Gap Estimate for CASA Initiatives: \$2.5 billion

Protection – Access to Legal Counsel, Emergency Rental Assistance

Avg. number of households protected/year 24,000

Annual Funding Gap for Protection \$50 million



Production – Lower-Income Subsidized Housing

Avg. funding gap \$150,000 / unit

Annual CASA target 14,000 units

Annual Funding Gap for Production \$2.1 billion

Preservation – Market-Rate and Subsidized Affordable Housing

Avg. funding gap \$100,000 / unit

Annual CASA target (over 8 years) 3,750 units

Annual Funding Gap for Preservation \$375 million



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METROPOLITAN TRANSPORTATION COMMISSION

Distribution of New Sources of Funding to Implement the Compact

Proposed Allocation of New Revenue Raised by CASA



Local Jurisdiction Incentives up to 10 percent

Partial payments to local jurisdictions to make up for lost revenue due to proposed cap on impact fees. Other incentives.

Tenant Protection Services up to 10 percent

Administered by a non-profit entity. Short-term rental assistance and access to legal counsel for low- and moderate-income households.

Affordable Housing Preservation up to 20 percent

Grants and financing for acquisition and rehab and “expiring” units. Priority to projects in low-income neighborhoods facing displacement.

Affordable Housing Production min. 60 percent

Grants and financing. Priority to projects in Transit-Priority Areas (TPAs) and High-Opportunity Areas (HOAs). Construction training programs. Land lease/acquisition/disposition program.

Distribution of New Sources of Funding to Implement the Compact

Return to Source Proposal

- 75 percent spent w/in county of origin
- 25 percent to regional program for revenue-sharing
- Subject to performance/policy outcomes

Local Jurisdiction Incentives 10%

Tenant Protection Services 10%

Affordable Housing Preservation 20%

Affordable Housing Production 60%

**Regional
Revenue-Sharing**
25 percent

County of Origin
75 percent



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METROPOLITAN TRANSPORTATION COMMISSION

Menu of Funding Sources to Implement the Compact

Potential New Sources of Revenue

Target: \$1.5 billion per year

Property Owners

\$100 million
1 percent
Vacant Homes Tax
on the assessed value
of vacant home

\$100 million
\$48 per year
Regionwide Parcel Tax

Philanthropy

Chan-Zuckerberg-
SF Foundation Initiative
Policy and
Infrastructure Funds

Developers

\$200 million
Variable Commercial
Linkage Fee
(\$5-\$20 per sq. ft.)
on new construction
with rate varied
depending on location
to incentivize infill
development

\$200 million
Flat Commercial
Linkage Fee
(\$10 per sq. ft.)
on new construction

Employers

\$200 million
0.1%-0.75%
Gross Receipts Tax
variable rates based on
sector and firm size

\$200 million
\$40-120 per job
Head Tax
variable rates based on
number of employees,
jobs-housing ratio and
transit access

Local Governments

\$200 million
25 percent
Redevelopment
Revenue Set-Aside
for affordable housing
in TPAs (including
portion for schools and
special districts)

\$100 million
20 percent
Revenue Sharing
Contribution
from future property tax
growth

Taxpayers

\$400 million
1/4-cent
Regionwide Sales Tax

\$100 million
5-Yr. Term
General Obligation
Bonds
issued by a regional
housing enterprise,
renewed every five
years



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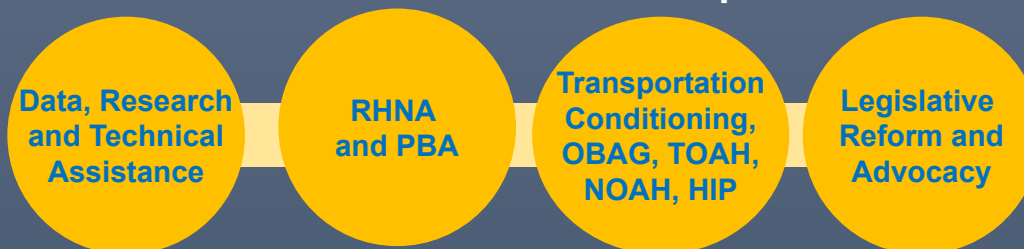
ELEMENT #10: REGIONAL HOUSING ENTERPRISE

- Establish a regional leadership entity to fund affordable housing and all elements of the CASA Compact, track and report progress, and provide incentives and technical assistance to local government.
- It would not have direct land use/zoning authority or play a regulatory/enforcement role.



Regional Housing Enterprise

MTC/ABAG Current Roles and Responsibilities



Regional Housing Enterprise Roles



Regional Housing Enterprise Governance

- **Independent board** w/ representation from MTC, ABAG and key stakeholders
- Supported by **MTC/ABAG consolidated staff** (with additions in specialized areas such as debt issuance, land leasing, etc.)



QUESTIONS/DISCUSSION

- What does the Compact get right?
- Are there concepts critical to solving the housing crisis that are missing?
- What revenue options do you prefer?
- What concerns do you have?





California Apartment Association

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Via E-Mail Only

January 16, 2018

Hon. David Rabbitt
President
Association of Bay Area Governments
375 Beale Street
San Francisco, California 94105

RE: CASA Compact: Position of the California Apartment Association

Dear President Rabbitt:

The California Apartment Association (CAA) recognizes California faces a significant shortage of housing and robust efforts must be taken to increase the supply of housing that is both available and affordable to residents at all income levels.

For the past 18 months, CAA has participated in the Committee to House the Bay Area (CASA) Technical Committee and recognizes the efforts by CASA are impressive — bringing together diverse stakeholders to try and forge consensus on housing solutions is significant.

The purpose of this letter is to detail CAA's vote of "neutral" or "abstain" on the CASA Compact using the established gradients of agreement voting system at the December 3, 2018 CASA Technical Committee Meeting.

Opposition in Brief

Based on CAA's historical positions and guiding principles, CAA cannot endorse the CASA Compact as currently drafted citing the inclusion of recommendations to impose rent control and just cause eviction via state legislation.

CAA led the effort to defeat Proposition 10 on the November 2018 ballot. Given the overwhelming mandate expressed by California voters against rent control this November in their rejection of Proposition 10, any efforts to impose rent control that is attempted through legislation will be met with swift opposition by CAA and rental property owners. While we respect the work of CASA and are encouraged by the proposals to address increasing housing in the Bay Area, CAA does not believe CASA is the avenue through which any rent control "compromises" should be developed.

CASA Compact Element: Emergency Rent Cap

While the CASA Compact refers to this item as "Emergency Rent Cap," it is nothing short of a proposal for state mandated rent control. While CAA supports temporary annual rent increase limits of 10% when linked to a state of emergency as defined in California Penal Code Section 396, the proposed CASA "Emergency Rent Cap" fails to define the conditions that must exist to trigger an emergency that

warrants the imposition of rent regulations via state legislation that are in many ways stricter than the anti-gouging regulations already established in state law under California Penal Code Section 396.

The CASA Compact states that an emergency rent cap would decrease “the number of households who are at risk of displacement and homelessness, decreasing the number of households who are rent burdened, and promoting tenant and community stability....Extreme rent increases can pose a particular burden for tenants who are low and fixed income.” Thus, one can logically conclude that the desired effect of this proposal is to help those tenants who are of low income; however, the proposal fails to include any form of means testing to ensure that the benefits of this rent cap and the correlating subsidy from the housing provider are targeted to those at greatest risk of displacement.

The proposal is silent on administration and enforcement other than to create yet another unfunded mandate on local or regional government. When looking at the cost to administer rent control in California cities, the combined cost to administer rent control systems in Mountain View, Richmond, Berkeley, Santa Monica, Los Angeles, Alameda, West Hollywood, and San Jose is \$51.5 million annually without even including San Francisco or Oakland.

Several members (or the organizations they represent) on the CASA Technical Committee publicly supported Proposition 10 on the November 2018 ballot, citing the need for local communities to decide what kind of rent regulations were necessary in their community. Now these same organizations are calling to usurp local control and impose their desire for rent control via the CASA Compact and state legislation.

CASA Compact Element: Just Cause Eviction

Just Cause Eviction policies require all rental property owners to list and prove in court a “cause” when terminating a tenancy. It could also prohibit a new owner from moving into his or her own property without some form of regulatory approval.

This proposal would require every city and county in the region to abide by this new requirement, even those local governments or communities that have expressly rejected it.

A just cause eviction law would lead to significantly higher rents, endless litigation, and put good tenants in danger by making it extremely difficult to remove bad tenants engaged in illegal activity. Specifically, just cause eviction laws:

- *Make it Difficult to Remove Dangerous Tenants* – By requiring an owner to list a “cause,” and prove it, this proposal makes it incredibly difficult to remove dangerous tenants involved in illegal and gang activity. In these types of situations, property owners must rely on third-party witnesses, who are often too scared to testify against the dangerous individual.
- *Void Every Fixed-Term Lease in California* – Just Cause laws prohibit property owners – of both residential and commercial property – from enforcing agreed-upon lease expiration dates unless they can prove “cause.” In effect, this proposed just cause eviction law would grant every tenant in the region a one-sided lifetime lease, which the tenant can end at any time for any reason, but which the property owner can only terminate for “cause.”
- *Bring Endless Litigation and Delay* – Just Cause Eviction laws would require a property owner to provide a “cause” when terminating ANY tenancy and would require the owner to prove and demonstrate that the “cause” was legitimate. This proposal for eviction controls offers little explanation to owners or to courts as to what constitutes a legitimate “cause.” This

recommendation could very well provide a very easy roadmap for unscrupulous tenant attorneys to delay for months, or stop altogether, all evictions.

- *Ignore That Strong Tenant Protections are Already in Place* – Current state law already has strong protections in place to protect tenants from retaliatory or discriminatory evictions. Failure to abide by these laws carry significant penalties, including actual damages, injunctive relief, and punitive damages.

It's important to understand that rental property owners proceed with an eviction only as a last resort. In California, it's too expensive and time-consuming to terminate a tenancy, and most owners would much prefer to work with a tenant to arrive at a mutually agreeable outcome. California law already provides some of the strongest tenant protections for illegal or retaliatory evictions.

If this proposed element becomes law, property owners will be less willing to take risks when it comes to marginal applicants who may not have a stellar rental history or credit record. Today many property owners are willing to take a chance on an applicant who is otherwise qualified but who has something in their past – such as an eviction when they were young, a foreclosure, a bankruptcy, or a lack of credit history because of living abroad. Property owners are willing to do this because they know that if the tenant is unable to live up to their lease obligations, there exists today a legal process to recover possession of the unit. Under just cause eviction laws, property owners will no longer be willing to go out on a limb for these riskier applicants, who are often those in the greatest need of housing.

Though the intent of this proposal is to make housing more secure for vulnerable populations, it will worsen the situation for those who are looking for housing.

Conclusion: Maintain a Focus on Housing Supply & Funding

To immediately address our regional housing shortage, CAA supports moving forward promoting the compact elements that expedite the development of housing in appropriate locations, continue conversations on creating equitable funding sources to promote housing availability, and leverage funds to be used to preserve and promote housing affordability.

Unless the rent control and just cause eviction elements are removed in their entirety, CAA cannot endorse the proposed CASA Compact and will oppose any related legislation aimed at implementing the rent control and just cause eviction elements.

Sincerely,



Joshua Howard
Senior Vice President
California Apartment Association



CITY OF CAMPBELL

Mayor's Office

December 18, 2018

Via Email

Board of Commissioners
Metropolitan Transportation Commission
Bay Area Metro Center-Yerba Buena-1st floor
375 Beale Street
San Francisco, CA 94105-2066

RE: CASA Compact

Dear Commissioner,

The City of Campbell appreciates MTC and ABAG's dedication to increase the supply of affordable housing. However, there are fundamental concerns that have been expressed by many cities over the recently released CASA Compact that should be addressed prior to adoption by MTC.

Lack of Engagement with Local Government

The local government representation in the CASA development has been minimal. To fund CASA at a rate of \$1.5 billion per year for 15 years, the compact identifies using a variety of sources. The majority of these Compact funding mechanisms rely upon new voter approved taxes. The Compact fails to recognize that some of these fees and taxes are already in place in many cities. Support of cities is crucial to the evaluation and adoption of new taxes as they may impact cities in a variety of ways. For instance, Santa Clara County voters passed Measure A in 2016. In support of Measure A, Santa Clara County voters have already voted to increase their property taxes to provide housing. A regional measure that again increases property taxes equally for all counties raises issues that require engagement at the local level to help the public understand the impacts and garner support. The Compact proposes a new \$48 per year parcel tax and the issuance of general obligation bonds. These are in addition to any existing parcel tax. As Santa Clara County voters represent 22% of the Bay Area's registered voters, engagement at the local level in Santa Clara County is crucial to the success of any new regional tax.

Proposed Funding Mechanism

Significant concern has been expressed about the CASA funding proposal for "Revenue Sharing Contribution," which would divert 20% of property tax growth across the region. The Compact is not clear as to whether this would apply to cities, counties and school districts. In Campbell, property tax is the largest revenue source of funding for the City's General Fund.

This funding is critical for the stability of core services such as police, fire and street maintenance. As the City's costs to provide these services continue to grow, the property tax revenue growth to support these functions is crucial to financial stability. The Compact's Revenue Sharing proposal would result in significant cuts to core services in Campbell.

The Compact also proposes to spend only 75% of the funds collected in the county of origin. As such, City of Campbell taxpayers would pay additional new taxes each year, faced reduced core services and have no guarantee that a single affordable housing unit will be produced in Campbell.

One Size Fits All - Recognition of Local Efforts

The Compact is applied broadly without consideration of the many efforts and accomplishments that the City has made with regard to the issue of affordable housing. The City of Campbell has diligently worked to be part of the housing solution and has developed a successful Below Market Rate (BMR) housing program, allowed higher residential density near transit - with some developments receiving the maximum 35% density bonus. By not leveraging these programs the Compact fails to take advantage of years of progress and sends the message to the public that these programs are not helping to provide solutions.

The City of Campbell looks forward to a continued dialog with ABAG and MTC on formulating solutions to the issues raised by the CASA proposal. Broader outreach to the local communities, recognition of successful housing programs and addressing local demands on property tax revenues are all key components.

Thank you for your consideration.

Sincerely,



Paul Resnikoff
Mayor

CC: ABAG Executive Board
MTC Clerk of the Board of Commissioners
Steve Heminger, Executive Director, MTC
Campbell City Council



P.O. Box 3144
Los Altos, CA 94024
408-766-9534

December 18, 2018

ABAG Executive Board Members

MTC Board Members

State Assemblymembers and Senators representing Santa Clara County

Via email

RE: CASA Compact

Dear Executive Board Members, MTC Commissioners, Honorable Assemblymembers and Senators:

We are writing on behalf of the Executive Board of the Cities Association of Santa Clara County (CASC), an association of the fifteen cities of the county, and the elected representatives of over 1.9 million Bay Area residents. The cities of our association are diverse and include cities with a few thousand residents to a large city with a million people. We work to find consensus and solutions to regional issues. We are writing to express our concern about the CASA Compact as follows:

1. CASC recognizes there is a housing crisis, and most of our cities are working hard to increase housing, especially affordable housing. We have actively studied different types of housing and affordable housing best practices. We applaud a regional discussion on the issue of housing.
2. Our cities have diligently worked to entitle projects under the existing RHNA system. When RDAs were eliminated and the Palmer decision was issued, our cities sought other funding sources for affordable housing, including impact fees across all forms of commercial development. We have enabled further production of ADUs. Between fees and negotiation with developers, we work to get the funding we need to support the public infrastructure that supports new development that is otherwise chronically underfunded. Given varying economic conditions from city to city, a one-size-fits all approach may yield no housing in some cities while yielding windfalls for developers in others, while leaving us without adequate funding for the infrastructure that makes our communities whole – schools, transportation, etc. We believe that tools that enable local control but hold us accountable for housing entitlement are a better solution. Further, repurposing of revenue streams used for core city services requires careful consideration of each city's economic circumstances.
3. CASC representatives on ABAG Executive Board and MTC were not included in this process. The proposal may have significant unintended consequences both locally and regionally that the CASA Board cannot appreciate because local government officials were not included with the development of the proposals. CASC and all the cities in the Bay Area should be part of the dialogue on proposed solutions. We urge you to actively engage us before moving forward, and carefully read the attached letters to-date from our member cities. We are posting cities' letters as we receive them at <https://citiesassociation.org/response-to-casa-compact/>

4. Without engagement of all cities of all sizes, securing support from our cities and our citizens will be difficult and Implementation even harder.

Thank you for your consideration; we look forward to working with you to find solutions we can all support.

Sincerely,



Rod Sink
President



Andi Jordan
Executive Director

cc: City Association Board of Directors
City Managers
Seth Miller, League of California Cities
CASA Co-chairs



December 10, 2018

Mr. Jake Mackenzie, Chairperson
Metropolitan Transportation Commission
1536 Gladstone Way
Rohnert Park, CA 94928

Subject: Vote No on the CASA Compact

The City of Sunnyvale appreciates MTC and ABAG's dedication in seeking solutions to increase the supply of affordable housing. However, there are fundamental concerns with the recently released CASA Compact ("Compact") that should be corrected. While Sunnyvale believes there are some worthwhile proposals within the draft Compact, it is unacceptable in its current form. The proposed funding mechanisms and changes to land use authority are a direct assault on cities.

Sunnyvale does not believe that a 'one size fits all' policy is appropriate for meeting the housing demands in the Bay Area region. In addition, Sunnyvale considers itself a regional leader in addressing housing needs, however, not all approaches are appropriate for all communities. There are physical geography differences, local challenges, infrastructure constraints, and fundamental community values that shape the way regulations are formulated in each community.

Funding Proposal

We have several concerns with the funding strategies proposal. To fund the CASA Compact at a rate of \$1.5 billion per year for 15 years, the Compact identifies using a variety of sources. Six of the ten funding mechanisms identified in the Compact rely on new voter approved taxes. Only one of these, the commercial linkage fee, recognizes that these fees are already in place in many cities. We believe that without the support of cities on new voter approved taxes, the chances of these passing are very limited. The end result would be no progress on housing issues.

In 2016, Santa Clara County voters passed Measure A. This was a new parcel tax that is devoted specifically to affordable housing. The Sunnyvale City Council voted to endorse the measure and it passed with 67.8% support countywide. After Santa Clara

Glenn Hendricks
Mayor

Larry Klein
Vice Mayor

Jim Griffith
Councilmember

Gustav Larsson
Councilmember

Nancy Smith
Councilmember

Russ Melton
Councilmember

Michael S. Goldman
Councilmember

County voters already voted to raise property taxes on themselves to support affordable housing, it would be difficult to support an additional regional measure that raises property taxes again and applies equally to all counties. CASA proposes two measures that would raise property taxes, a \$48 per year parcel tax, and general obligation bonds. According to the Secretary of State website, as of October 2018, Santa Clara County has the most registered voters of the nine Bay Area Counties with 22% of the total. CASA's one size fits all proposals to increase property taxes will not be successful without local support from cities and counties.

Most concerning is CASA's funding proposal for a "Revenue Sharing Contribution," which would divert 20% of property tax growth across the region. The Compact is not specific about whether this applies to cities, counties and school districts. In Sunnyvale, property taxes are the largest (46%) and most stable source of funding for our General Fund. This funding is needed to pay for core services such as police, fire, libraries, and street maintenance. Our expenses for these core services and others increase every year and we count on revenue growth (especially property taxes) to balance our budget. CASA's Revenue Sharing proposal would result in significant cuts to core services in every Bay Area city. If CASA's proposal also applies to school districts, the chances are remote that it will be supported by Sunnyvale voters who value quality education.

The draft Compact also proposes that of the funds collected, 75% would be spent in the county of origin. As proposed, Sunnyvale residents and businesses would pay millions in new taxes each year, face reduced services, and have no guarantee that a single affordable housing unit be produced in Sunnyvale. Furthermore, the Compact contains few if any details about how funding decisions would be made. Based on adopted fiscal management policies, the City of Sunnyvale will strongly oppose funding mechanisms that would result in reduced local services.

Consideration for Local Housing Programs and Accomplishments

Sunnyvale has worked hard to develop numerous tools and programs to finance and support the development of affordable housing. In the early 1980s the City embarked on a series of planning and housing programs to increase the housing supply, increase the availability of affordable housing and decrease the number of potential jobs. These efforts included:

- Rezoning industrial and commercial properties to allow for additional housing three phases over 13 years;
- Implementing controls on the intensity of industrially zoned developments and require payment of a housing mitigation fee for developments approved by Use Permit to exceed 35% floor area ratio (FAR);
- Allowing higher density housing in transit rich areas such as Downtown and Lawrence Station;
- Allowing the development of accessory living units on single-family and duplex properties of minimum size;
- Allowing housing in all zoning districts;
- Preserving the mobile home parks by creating a Mobile Home Park General Plan designation (previously, most mobile home parks had an underlying industrial general plan designation);
- Requiring inclusionary affordable dwelling units (Below Market Rate);
- Requiring housing mitigation fees for net new non-residential development regardless of zoning district;
- In compliance with State requirements, removing barriers to obtaining approvals for new residential development;

Sunnyvale's very successful Below Market Rate (BMR) housing programs have resulted in the development of over 1,300 BMR units (rental and ownership). The City of Sunnyvale has awarded millions of dollars to leverage affordable housing units built by non-profit housing partners. For example, in November 2018, Sunnyvale approved a development agreement for 90 all affordable units on City-owned land with at least 25% of units dedicated to the developmentally disabled. Local achievements like this are ignored by the CASA Compact. The local creativity it takes to deliver a complex project like this would be lost with a one size fits all regional housing program.

The City of Sunnyvale is a community of about 59,000 housing units with a General Plan land use build out of 72,460 units. There are currently over 4,000 units in the development pipeline (under construction, approved and pending) and the City is studying the addition of over 6,000 dwelling units to area land-use plans. The CASA Compact, as proposed, fails to recognize cities like Sunnyvale who have worked aggressively to meet affordable housing goals.

The City of Sunnyvale is mindful that the need is great and that all cities and counties must continuously find new solutions that contribute to addressing our region's housing needs. Please do not support the proposed CASA Compact that diverts or strips local revenues and penalizes cities who are diligently and successfully addressing housing production and affordability. We urge you to engage with cities in the region to develop a housing proposal that most in the region could support.

In summary, the City of Sunnyvale does not support the proposed CASA Compact and I urge you to vote no to support this proposal. If you wish to discuss further, please do not hesitate to contact me.

Sincerely,



Glenn Hendricks
Mayor, City of Sunnyvale

cc: Honorable Jerry Hill, State Senate
Honorable Mark Berman, State Assembly
Honorable Jeanie Bruins, Metropolitan Transportation Commission
Honorable Dave Cortese, Santa Clara County Board of Supervisors
Honorable Joseph Simitian, Santa Clara County Board of Supervisors
Honorable Cindy Chavez, Santa Clara County Board of Supervisors
Honorable Susan Ellenberg, Supervisor-elect, Santa Clara County Board of Supervisors
Sunnyvale City Council
Kent Steffens, City Manager
Cities Association of Santa Clara County



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3223 • FAX: (408) 777-3366
CUPERTINO.ORG

December 11, 2018

Via Electronic and Regular Mail

Jeannie Bruins
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022

SUBJECT: CASA Compact

Dear Ms. Bruins:

Following adoption of the Bay Area's Sustainable Communities Strategy (SCS), Plan Bay Area, in 2013 (updated in 2017), CASA – the Committee to House the Bay Area (CASA), was convened by the Metropolitan Transportation Commission (MTC), the Bay Area's Regional Transportation Agency to identify innovative methods to meet the housing targets in the Plan. CASA's key principles include (1) increasing housing production at all levels of affordability, (2) preserving existing affordable housing, and (3) protecting vulnerable populations from housing instability and displacement.

From Summer 2017 through Fall 2018 CASA developed a suite of legislative, financial, policy and regulatory recommendations that together form a Regional Housing Implementation Strategy for presentation at state and regional levels. This has been presented to the Bay Area Regional Collaborative (BARC) on November 8, 2018 and the ABAG Executive Board on November 15, 2018 to solicit support on the proposed strategies together called the CASA Compact. It is expected that the Draft Term Sheets will be presented to the MTC Executive Board on December 17, 2018.

Based on comments from the Executive Director of the MTC at the ABAG Executive Board meeting, it is anticipated that the CASA Compact will be forwarded to state legislators for their consideration for implementation without the scope of many (or any) edits by the ABAG or MTC Executive Boards and regardless of the outcome of their voting. Mr. Heminger explained that CASA was not established with the intent of requiring Board Approval on its work product. He also indicated that state legislators

have been closely monitoring CASA's progress and regardless of support or opposition from ABAG and MTC will likely forward many of the recommendations for consideration at the state level. The CASA Compact essentially provides support to existing and future legislative work and intent.

Several members of the ABAG Executive Board expressed concerns about several terms in the Compact at its November 15, 2018 meeting, particularly the proposed changes to regulations that preempt local control over land use matters, including the upzoning along transportation corridors and a "one-size-fits-all" strategy for development. Several concerns were raised about the lack of outreach with smaller jurisdictions and broader participation in the preparation of the Draft Term Sheets. MTC staff indicated that given the schedule, there is no time for the outreach suggested by the Board. However, the ABAG Executive Board recommended a workshop to allow local jurisdictions to provide their input, possibly at a future board meeting. No vote was taken on the Compact at the November meeting.

A preliminary evaluation of the CASA Compact Draft Term Sheets raises the following concerns:

1. *Minimal outreach to local governments* – Local government representation in CASA is limited to the three largest cities in the region and three local jurisdictions (out of over 100 local agencies). Consensus on the CASA Compact has been built around builders, non-profit agencies, labor unions etc. However, most of the affected agencies have not been consulted on the Compact or its elements. It should be noted that many of the action items would impact all local agencies in California including those that may not have finances or staffing to implement the mandates;
2. *Preemption of local control over zoning regulations, inclusionary requirements and design review* – Aggressive density, height, open space and setback standards, suspension of inclusionary requirements if adequate housing not constructed, requiring jurisdictions to grant waivers/reductions to inclusionary requirements. Additionally, local jurisdictions ability to conduct design review would be severely limited to objective standards including disallowing any reductions in established height allowances for architectural articulation;
3. *Freezing fees, community benefits etc. at time of application for 100% affordable projects and at time of completeness for other projects* – While fees in Cupertino are generally frozen to time of completeness, like many other cities, community benefits are generally negotiated through project review and finalized at application approval by the City Council. This would limit cities ability to negotiate community

benefits. All community benefits would have to be established prior to any proposed development;

4. *Overreach in land use regulations by the Regional Transportation Commission* – In addition to a statutory housing overlay near transit, MTC is proposing to establish a new index to evaluate areas based on 5-factors identified by MTC which would allow implementation of state mandated zoning regulations for density, open space, height and parking well beyond the transit focus areas;
5. *Added fiscal pressures on local government due to statutory streamlining requirements and tax relief measures* – Statutory streamlining deadlines (similar to existing SB 35 timelines) by project size could require local agencies to incur expenses to hire additional staff to ensure timely project review. However, a potential 15-year tax relief could impact the General Fund further burdening local agencies. In addition, local agencies would be restricted from charging existing fees if erroneously not identified during the entitlement phase of project;
6. *Suspension of inclusionary requirements* – the legislative agenda proposes a suspension of inclusionary requirements in the event that a finding that inclusionary requirements are not thwarting housing development cannot be made within the first 30 calendar days of the day. Construction of housing cannot be guaranteed by cities upon project approval. For e.g., in Cupertino, 788 residential units were permitted in 2016, however, no building permits have been submitted and construction has not commenced on these projects.
7. *Establishment of a Regional Housing Entity (RHE) that determines disbursement of funds* – this is a concern particularly if a smaller jurisdiction generates much of the revenue. E.g. a gross receipts tax in Cupertino could generate substantial revenue, but only a small portion of that can be expected to be allocated to the City;
8. *Appropriation of local finances* – Cupertino, like several other cities in the region, already has a commercial linkage fee. With establishment of the RHE, it appears that this would be appropriated;
9. *Governmental structure of the RHE* – the proposed structure of the RHE is expected to be similar to the MTC structure. If this is heavily weighted toward the interests of bigger cities in the region, very little of the funds generated by smaller cities can be expected to be allocated back to the cities of origin;
10. *Concerns about use of local agency funds* – Concern raised by one of the ABAG Board members. Require cities to fund legal representation in the event of all kinds of evictions – including just evictions such as not having paid rent.

Cupertino looks forward to a dialogue with ABAG and MTC on formulating strategies to produce, preserve and protect affordable housing. However, the current CASA Compact has several items of concern that need to be restructured or stricken, regardless of whether these are proposed by other state legislators or not. As Cupertino's MTC representative, we hope that you will present our concerns to the MTC Executive Board and encourage broader outreach with local agencies by CASA and MTC staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Amy Chan", written over the printed name.

Amy Chan

Interim City Manager

Enclosures: Attachment A – Draft CASA Term Sheets



City of Santa Clara

The Center of What's Possible

Mayor

Lisa M. Gillmor

Councilmembers

Raj Chahal
Debi Davis
Karen Hardy
Patricia M. Mahan
Teresa O'Neill
Kathy Watanabe

December 17, 2018

Ms. Andi Jordan
Executive Director, Cities Association of Santa Clara County
P.O. Box 3144
Los Altos, CA 94024

Re: CASA Compact Response

Dear Ms. Jordan:

The Cities Association Executive Board is meeting on Monday, December 17, at 4 p.m. to discuss the Committee to House the Bay Area (CASA) Compact. Several cities have taken individual action and we understand the Executive Board will be considering whether to take a position (or not) at the Board Meeting. The purpose of this letter is to share the City of Santa Clara's position on this matter.

The City of Santa Clara supports CASA's key principles of: (1) increasing housing production at all levels of affordability, (2) preserving existing affordable housing, and (3) protecting vulnerable populations from housing instability and displacement. However, the City is concerned that the Draft Term Sheets, which outline the suite of legislative, financial, policy and regulatory recommendations will be forwarded to state legislators for consideration and implementation without the scope of many edits by the ABAG or MTC Executive Boards, regardless of their voting outcome.

The City of Santa Clara shares many of the same concerns raised by several members of the ABAG Executive Board, particularly the lack of outreach with smaller jurisdictions and the need for broader participation in the preparation of the Draft Term Sheets. Local government representation in CASA is limited to the three largest cities in the region and three local jurisdictions (out of over 100 local agencies), while most of the affected agencies have not been consulted on the CASA Compact or its elements. Many of the action items would impact all local agencies in California, including those that may not have finances or staffing to implement the mandates.

Andi Jordan, Executive Director, Cities Association of Santa Clara County

Re: CASA Compact Response

December 17, 2018

Page 2

Additionally, there is significant uncertainty and concern - particularly amongst smaller jurisdictions - regarding the appropriation of local finances and the structure of a Regional Housing Entity (RHE), which would ultimately determine the disbursement of local finances. The proposed structure of the RHE is expected to be similar to the MTC structure and could be heavily weighted toward the interests of bigger cities in the region, while very little of the funds generated by smaller cities are expected to be allocated back to the cities of origin. The CASA Compact proposes 75% of the funds collected would be spent in the county of origin, which provides no guarantee that a single affordable housing unit would be produced in the City of Santa Clara. Furthermore, the CASA Compact contains few, if any, details about how funding decisions would be made.

The City of Santa Clara requests that the Cities Association of Santa Clara County advocate for more dialogue with ABAG and MTC on formulating strategies to produce, preserve, and protect affordable housing. The current CASA Compact has several items of concern that need to be restructured or eliminated through collaboration with local jurisdictions, regardless of whether these are proposed by other state legislators or not. We are hopeful these concerns will reach the MTC Executive Board and result in broader outreach and communication with local agencies by CASA and MTC staff. If these concerns cannot be addressed, then the City of Santa Clara cannot support the CASA Compact.

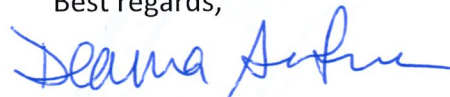
Best regards,



Lisa M. Gillmor

Mayor

Best regards,



Deanna J. Santana

City Manager



1 North San Antonio Road
Los Altos, California 94022-3087

SENT VIA EMAIL

December 17, 2018

Mr. Jake Mackenzie, Chairperson: blumacjazz@aol.com
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Re: CASA Compact

Dear Chairman Mackenzie,

The City Council of Los Altos respects the work of the Steering and Technical Committees to develop the CASA Compact. Sadly, the efforts of housing experts, advocates and other interests who have worked diligently have failed to include input from cities that comprise more than two-thirds of the Bay Area population. As a consequence, the Compact contains funding mechanisms that are not feasible and changes local land-use authority that are counter-productive and unacceptable. The proposals ignore the diversity and unique circumstances that need to be addressed by each city.

To that end, we ask that you vote 'no' until input from the cities, and their recommended modifications, can be incorporated into the Compact.

It is apparent that the CASA Compact includes funding strategies that are not feasible. The proposal suggests that \$1.5 billion annually could be derived from a variety of sources, several of which are new voter-approved taxes. Santa Clara County recently voted to increase property taxes for this purpose (Measure A).

Among the problematic proposals are those that would divert property tax reviews from cities to a central fund, with a new and costly administrative bureaucracy not subject to voter control, and with no guarantee that the funds would have the intended benefits. There will be predictable and negative effects that would place unacceptable burdens on our residents and adversely affect city services.

- In Los Altos, 65% of our revenues are derived from property taxes. Diverting a portion of these needed revenues to a region-wide housing effort would adversely impact our ability to deliver essential public safety and other municipal services.

- Los Altos has only 4% of its land devoted to commercial development. Yet our seven small commercial areas contribute to “...maintaining a balance of land uses [that] ensure fiscal stability and also create a desirable community in which people can reside, work, shop, and recreate.” (General Plan, Land-Use Element) State mandates already are resulting in the replacement of this meager commercial development with multi-family housing. The consequence of further conversion will be greater and unwise reliance on property taxes (with a portion taken by the proposals in the Compact), displacement of local jobs, greater commutes, and more vehicle use for shopping and services.
- The Compact also discusses tax abatement as a means to incentivize housing development. As with the diversion of property taxes, the Compact is not clear as to which taxing districts would be impacted – cities, counties, school districts, etc. Under any scenario, such an effort requires current residents to subsidize needed services such as police, fire, and possibly schools, for the new residents, just to ensure that developers adequately profit from their housing AND commercial projects elsewhere in the region. We believe proposals such as this require significantly more review and vetting by local agencies to fully understand the impacts before being adopted.
- It is uncertain how proposals regarding housing along transit corridors will affect current residential development. Although we agree that some housing is best located in these areas, we cannot support such a proposal until we understand how to mitigate the negative impacts on adjacent, fully developed residential neighborhoods and on city services that would result from such development.
- The Compact overstates the benefits of transit-oriented development and the ability of transit systems to truly accommodate the increased density advocated in the Compact. There is no evidence and little optimism that hoped-for diversion of new residents to transit will occur.
- There are carve-out exceptions for innovative projects and approaches that various cities have already implemented. Yet the Compact mandates a tops-down, one-size-fits-all set of “solutions” that would stifle such innovations in the future. This is contrary to the goal of providing more housing.

Many cities are taking such innovative actions and are responding to recent legislation. In Los Altos, a city that is fully built out and projected by LAFCO to grow less than 0.4% per year, we have:

1. Increased the required amount of inclusionary housing in multi-family developments;
2. Allowed accessory dwelling units in single-family zones without regard to the size of the property;
3. Enacted a local density bonus law to provide a simpler path for developments that include below market rate housing;
4. Approved projects (with more in the pipeline) that convert existing commercial parcels to inclusionary multi-family housing;
5. Instituted an affordable housing impact fee and a commercial linkage fee that the City can use to assist in the future development of needed affordable housing; and

6. Agreed to join other cities in Santa Clara County to review the possibility of forming a RHNA sub-region in an effort to work collaboratively with our neighboring cities to achieve our collective housing goals in a cooperative fashion that respects the various circumstances unique to each city.

We appreciate the efforts of MTC and ABAG to convene the CASA committees and develop these recommendations, but until we have a more thorough review of each of the proposals, a more robust dialog among all the cities in the region, and proposals that allow cities to retain control of their own jurisdictions, we ask MTC to join us in not supporting the CASA Compact.

Sincerely,



Lynette Lee Eng
Mayor

- c: Los Altos City Council: council@losaltosca.gov
Chris Jordan, City Manager: cjordan@losaltosca.gov
MTC Commissioners: rleyva@bayareametro.gov
CASA Co-Chairs: casa@bayareametro.gov
Andi Jordan, Cities Association of Santa Clara County: executive_director@citiesassociation.org
Honorable Jerry Hill, State Senate: senator.hill@senate.ca.gov
Honorable Mark Berman, State Assembly: mark.berman@asm.ca.gov; ellen.kamei@asm.ca.gov
Honorable Jeannie Bruins, Metropolitan Transportation Commission: jbruins@losaltosca.gov
Honorable Joseph Similtian, Santa Clara County Board of Supervisors:
supervisor.simitian@bos.sccgov.org
Seth Miller, California League of Cities: smiller@cacities.org



TOWN OF COLMA

1198 El Camino Real • Colma, California • 94014-3212

Tel 650.997.8300 • Fax 650.997.8308

January 16, 2019

Via Electronic Mail

Honorable David Rabbitt, President
Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Re: CASA Compact

Dear President Rabbitt,

The Town of Colma is committed to building housing, but, like many jurisdictions, lacks land resources to do so. The Town is one of the few jurisdictions in the state that has satisfied its RHNA housing requirement until the year 2023, with new construction within the low and very-low affordability range. The Town has strong concerns about provisions of the CASA Compact that were prepared without consultation with local Bay Area jurisdictions, and the implications for inappropriate development that usurps local review. Therefore, we urge the ABAG to not support the CASA Compact as written. More time is needed in order for jurisdictions with land use authority to provide feedback addressing their diversity and unique circumstances. These needs can be incorporated into any compact or policy resulting in a successful housing initiative proposal that reflects the partnership of diverse cities in the Bay Area.

As stated in a December 11, 2018 letter from the Interim City Manager of Cupertino to MTC Representative Jeannie Bruins, the Town of Colma shares the same concerns with the CASA Compact Draft, as follows:

1. *Minimal outreach to local governments* - Local government representation in CASA is limited to the three largest cities in the region and three local jurisdictions (out of over 100 local agencies). Consensus on the CASA Compact has been built around builders, non-profit agencies, labor unions etc. However, most of the affected agencies have not been consulted on the Compact or its elements. It should be noted that many of the action

Joanne F. del Rosario, Mayor

John Irish Goodwin, Vice Mayor

Diana Colvin, Council Member • Helen Fisicaro, Council Member • Raquel P. Gonzalez, Council Member

Brian Dossey, City Manager

items would impact all local agencies in California including those that may not have finances or staffing to implement the mandates;

2. *Preemption of local control over zoning regulations, inclusionary requirements and design review* - Aggressive density, height, open space and setback standards, suspension of inclusionary requirements if adequate housing not constructed, requiring jurisdictions to grant waivers/reductions to inclusionary requirements. Additionally, local jurisdictions ability to conduct design review would be severely limited to objective standards including disallowing any reductions in established height allowances for architectural articulation;
3. *Freezing fees, community benefits etc. at time of application for 100% affordable projects and at time of completeness for other projects* - While fees in Colma are generally frozen to time of completeness, like many other cities, community benefits are generally negotiated or conditioned through project review and finalized at application approval by the City Council. This would limit the ability of cities to negotiate community benefits. All community benefits would have to be established prior to any proposed development;
4. *Overreach in land use regulations by the Regional Transportation Commission* – In addition to a statutory housing overlay near transit, MTC is proposing to establish a new index to evaluate areas based on 5-factors identified by MTC which would allow implementation of state mandated zoning regulations for density, open space, height and parking well beyond the transit focus areas;
5. *Added fiscal pressures on local government due to statutory streamlining requirements and tax relief measures* - Statutory streamlining deadlines (similar to existing SB 35 timelines) by project size could require local agencies to incur expenses to hire additional staff to ensure timely project review. However, a potential 15-year tax relief could impact the General Fund further burdening local agencies. In addition, local agencies would be restricted from charging existing fees if erroneously not identified during the entitlement phase of project;
6. *Suspension of inclusionary requirements* - The legislative agenda proposes a suspension of inclusionary requirements in the event that a finding cannot

be made within the first 30 calendar days that inclusionary requirements are not thwarting housing development. Construction of housing cannot be guaranteed by cities upon project approval, since housing development decisions are made by the development community.

7. *Establishment of a Regional Housing Entity (RHE) that determines disbursement of funds* - this is a concern particularly if a smaller jurisdiction, like Colma, generates much of the revenue. E.g. a gross receipts tax in Colma could generate substantial revenue, but only a small portion of that can be expected to be allocated to the Town;
8. *Appropriation of local finances* - Colma, like several other cities in the region, already has a commercial linkage fee. With establishment of the RHE, it appears that this would be appropriated. This would not allow funds to be used locally where they are needed;
9. *Governmental structure of the RHE* - the proposed structure of the RHE is expected to be similar to the MTC structure. If this is heavily weighted toward the interests of bigger cities in the region, very little of the funds generated by smaller cities, like Colma, can be expected to be allocated back to the cities of origin;
10. *Concerns about use of local agency funds* - Concern raised by one of the ABAG Board members. Require cities to fund legal representation in the event of all kinds of evictions - including just evictions such as not having paid rent.

The cities in San Mateo County have a decade long history of creating innovative housing solutions. San Mateo County was the first in the state to create a sub-region for housing allocation through the Regional Housing Needs Allocation (RHNA) process and has recently established the collaborative Home for All initiative. These examples and others in Bay Area are a clear sign that we still do not need a top down approach from a new unelected body that can affect the health, livelihood and welfare of our residents.

Colma and the jurisdictions in San Mateo County look forward to a dialogue with ABAG and MTC on formulating strategies to produce, preserve and protect affordable housing. However, the current CASA Compact has several items of concern that need to be restructured or stricken, regardless of whether these are proposed by other state legislators or not. As the President of ABAG, we encourage

you to conduct broader outreach with local agencies by CASA and MTC staff before any additional actions are taken on the CASA Compact.

Please feel free to contact me or our City Manager, Brian Dossey, if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John Irish Goodwin', with a stylized flourish at the end.

John Irish Goodwin
Vice-Mayor



January 16, 2019

Executive Board
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

RE: City of Hayward Response to CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area

Dear Executive Committee Members:

The City Council of the City of Hayward applauds the leadership of the CASA Compact Coalition to propose detailed and aggressive regional policy initiatives to address the housing crisis in the San Francisco Bay Area. Hayward, like other cities in the Bay Area, is experiencing rising housing prices, severe housing instability for its most vulnerable populations, displacement of existing residents of all incomes, and increasing homelessness, and agrees that a concerted regional approach is necessary to successfully address many of these challenges.

Consistent with the CASA Compact document, Hayward has already taken or is taking many of these actions, including adopting development standards for high density development around its Bay Area Rapid Transit (BART) stations and downtown, a rent stabilization ordinance, an inclusionary housing ordinance, an accessory dwelling unit ordinance, and plans and transactions for the disposition of significant public lands for affordable housing.

As the Executive Committee considers the CASA Compact and works with stakeholders and State lawmakers to implement these initiatives, the City of Hayward respectfully requests that the following comments be considered:

- **Local Government Perspective.** Local governments have a unique perspective in providing frontline services and programs to the residents of the Bay Area. Please find realistic ways to engage all local jurisdictions in a meaningful way in the CASA Compact review process and be open to learning from our points of view as these initiatives move forward. Hayward is happy to support ABAG staff in organizing and offering its facilities for sub-regional forums and joint City Council meetings among its neighboring cities as well as being a resource to ABAG staff in developing a reasonable approach to engaging local governments.
- **Minimum Zoning Standards Near Transit.** Although Hayward has already adopted or is adopting high density standards for residential development near its two BART stations,

OFFICE OF MAYOR BARBARA HALLIDAY

777 B STREET, HAYWARD, CA 94541-5007
TEL: 510/583-4340 • FAX: 510/583-3601 • TDD: 510/247-3340
EMAIL: barbara.halliday@hayward-ca.gov

Hayward requests that minimum zoning standards that take a “one size fits all” approach be avoided. Please consider the following comments:

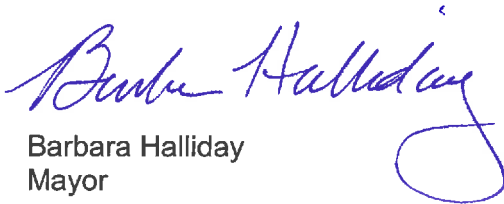
- Higher density multi-family housing in Hayward is teetering on feasibility and the proposed minimum zoning standards and other requirements may not be financially feasible in all sub-regional markets, which could result in undeveloped vacant land. Nothing in this case is not better than something. Please consider how to account for these differences in local market conditions.
- The East Bay needs jobs to counter traffic congestion, lengthy commutes, and at capacity transit systems; therefore, consideration should be given for incentivizing commercial development and jobs in and around East Bay BART stations. Please do not adopt policies that discourage attracting jobs in the East Bay.
- If cities are already “doing the right thing” by achieving their Housing Element goals, meeting their Regional Housing Needs Allocation, and approving transit-supportive projects, please consider providing local jurisdictions with flexibility in applying the minimum development standards.
- **Financial Incentives for Select Housing.** Hayward supports incentivizing the production of middle income housing, as many of our residents fall into this income category. That said, Hayward struggles with fiscal challenges and balancing our budget every year due in part to limited revenue growth and increasing pension and health care costs. We need to be careful about providing financial incentives that adversely impact our tenuous budget situation. Without changes to Proposition 13 property tax limitations or other relief from local fiscal challenges, property tax abatement from the City’s local share of tax revenue should not be considered. Additionally, State and regional attention should be paid to how to reduce the cost of housing production.
- **Requiring Housing on Public Lands.** Hayward owns a significant amount of public land for development and has made developing mixed income housing a priority, including a significant amount of deed restricted affordable housing. That said, in developing large-scale public land opportunities, cities often juggle a variety of community desires and goals, including attracting commercial uses that generate jobs for local residents and sales tax revenue to support services, as well as developing parks and trails that provide active transportation opportunities. Please do not create a housing presumption on public land that eliminates the City’s ability to balance a number of land uses and public needs and benefits, making it harder to obtain approval of any development project.
- **Funding and Financing the CASA Compact.** While Hayward is open to exploring creative ways to finance the proposed initiatives, as described above, the City is not supportive of measures that reduce local property taxes or other General Fund monies without relief from Proposition 13 limitations or policies that make it more expensive to develop commercial development in the East Bay (i.e., commercial linkage fees), where we should be encouraging new job centers. Additionally, the CASA Compact discussed labor standards for projects receiving public funding, including using trained apprentices.

To the extent practicable, apprenticeship programs should make every effort to attract individuals, who are facing housing instability and are vulnerable to displacement and/or eviction.

- **Regional Housing Enterprise.** Although establishing a Regional Housing Enterprise (RHE) may make sense given the potential for a new financing authority on a regional level, there are concerns that the RHE, along with ABAG and the Metropolitan Transportation Commission, as well as the numerous regional transit agencies in the Bay Area, will create too much regional bureaucracy, especially as land use and transportation issues become even more linked. ABAG and MTC recognized these overlaps as part of the recent merger. Why would we create additional regional agencies when the trend is towards consolidation? Please evaluate ways to avoid greater government bureaucracy in implementing these housing initiatives. Consider addition of dedicated staff within existing agencies that already have these issues as a focus.
- **Calls for Action.** Hayward strongly supports the Calls for Action in the CASA Compact to address housing finance, homelessness, redevelopment and the fiscalization of land use.

The City Council of Hayward is grateful for the CASA Compact Coalition's leadership on these important and difficult issues. Hayward looks forward to working with the CASA Compact Coalition, ABAG, MTC, State lawmakers, and other stakeholders in implementing aggressive regional policy initiatives to address the housing crisis in a way that is compatible with the complexity and diversity of local realities.

Sincerely,



Barbara Halliday
Mayor

cc:

Steve Heminger, ABAG Executive Director
Hayward City Council
Hayward City Manager



TOWN OF LOS GATOS

OFFICE OF THE MAYOR AND TOWN COUNCIL
(408) 354-6801
Council@LosGatosCA.gov

CIVIC CENTER
110 E. MAIN STREET
LOS GATOS, CA 95030

Steve Leonardis, Mayor
Marcia Jensen, Vice Mayor
Rob Rennie, Council Member
Marico Sayoc, Council Member
Barbara Spector, Council Member

December 19, 2018

Honorable Jake Mackenzie, Chair
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

RE: CASA Compact

Dear Chair Jake Mackenzie:

The Town of Los Gatos appreciates the hard work of the CASA Steering and Technical Committees to identify recommendations to address the related issues of housing production, displacement, and housing stock preservation. We especially appreciate the attention given to protect our most vulnerable populations within the region.

The Compact, however, raises significant challenges in its implementation due to its extraordinary costs and significant impact on local government operations. For this reason, we strongly recommend that MTC not sign the Compact on December 19, 2018 and instead, work with all interested cities and stakeholders in the Bay Area to refine the recommendations so they can be implemented fairly. If the Commission votes to move forward, the Town of Los Gatos offers the following specific comments:

- Cities and towns are important partners as we work together to address the housing needs. It is unfortunate that the CASA process did not engage cities and towns in the development of the recommendations to understand the importance of local control to tailor housing policy and action that delivers affordable housing.

For example, due to local political will, the Los Gatos Town Council has taken proactive steps that have resulted in the production of affordable housing. For example, the Town has a successful, longstanding inclusionary zoning program that has created a supply of affordable, deed-restricted units. In addition, the Town modified its regulations for accessory dwelling units and within the first year, approvals have more than doubled.



Therefore, it is critical that individual communities retain the ability to plan and implement meaningful measures that achieve affordable housing.

- The housing situation is complex and the production of housing relies primarily on private market forces to make land and financing available. In Los Gatos, the Town recognizes that more affordable units are needed and have requested more or deeper affordability. Unfortunately, these requests are met with developer statements that to do so would render the housing development financially infeasible. We have also learned that some builders are not interested in competing for tax credits or applying for available funding for affordable housing. This indicates that stronger market interventions are needed to create financial incentives for the homebuilding industry to propose and build affordable housing.
- We agree that the California housing challenge is a statewide priority. As such, the recommendations pertaining to surplus state lands should be expanded to other public agency lands, including but not limited to Transit Districts and other Special Districts.
- While the Bay Area has debated regional planning for decades, does it make sense to create another single purpose entity called the Regional Housing Enterprise? If there is interest to do so, the Enterprise should be expanded to include the voice of smaller communities. One size does not fit all within the Bay Area and it is critical that a menu of strategies be created that can be applied and tailored to local conditions.
- Many of the recommendations include State legislation that would pertain to the nine County Bay Area only. While this might be a strategic approach on one level, on another it neglects the fact that the housing challenge is a State-wide concern. If specific recommendations are determined to be useful in the Bay Area, then they should work State-wide (e.g., just cause evictions, etc.).
- The recommendations include a wide variety of funding concepts that need to be further defined and prioritized as it is doubtful that the State Legislature can or will approve all of the mechanisms. In particular, top-down commercial linkage fees need much more work and local communities need to be part of the dialogue in the creation of such fees. For example, the major employers in some communities are schools and hospitals. Would there be exemptions for these types of employers? Would the dollars collected in a local community flow to that community?

- In addition, Santa Clara County voters recently stepped up and approved a measure to create a funding source for affordable housing. It would be challenging to bring new and additional tax measures to the voters before the current measure can demonstrate tangible results.

We appreciate the opportunity to provide these comments to you as the Commission considers this important topic. Please let us know if you have any questions or need additional information by contacting Town Manager Laurel Prevetti at 408/354-6832 or LPrevetti@LosGatosCA.gov.

Sincerely,



STEVE LEONARDIS
Mayor

SL:jj

cc: Town Council
Jeannie Bruins, MTC
David Rabbitt, ABAG
Senator Beall
Assembly Member Low
Seth Miller, LCC

ABAG Regional Planning Committee

January 10, 2019

Summary of Comments on Report on CASA Compact

Overall

- Commend the CASA process for bringing stakeholders who otherwise have adversarial positions to the table, which by itself is a good outcome.
- Commend the CASA process for getting results.
- Appreciate the hard work that went into developing the CASA Compact, and for maps that show where some of the policies would apply, geographically.
- Commend the CASA process but unclear how the Compact will be implemented. Provide more information on next steps.
- Unclear how the Compact will remain a package if/when state legislators introduce separate bills for different elements.
- Acknowledge the hard work that went into this effort but do not see previous comments reflected in the CASA compact.
- The region's small and medium sized cities were not represented in the CASA process. The ABAG Executive Board did not weigh in on the selection of the CASA co-chairs and committee members.
- Do not support CASA Elements 4 to 10. One size does not fit all.
- CASA committees should have included elected officials.
- Don't agree with everything in the Compact but also don't disagree with all of it.
- Everyone played a part in creating the housing crisis and therefore everyone must help solve it. Drive home this message when reaching out to the public.
- The Bay Area needs a regional approach but the solutions must be local.
- Support the three P framework (the three Ps represent protection, preservation and production).
- Unclear what impact the Compact will have if fully realized, especially on other resources and services. Was there any modeling done on potential impacts/benefits?
- CASA should have done more outreach and engagement, especially to local governments.
- Support the three P framework.
- The Compact is a good starting point for ongoing dialogue on solutions.
- The Compact is still evolving so ongoing engagement of local and regional elected representatives is essential to get the legislation right in Sacramento.
- Overall, support the regional effort.
- The various Leagues of Women Voters have followed the CASA process from the beginning.
- The League of Women Voters commented support for the housing committee letter and emphasized the need for public outreach.

ABAG Regional Planning Committee

Summary of Comments on Report on CASA Compact

January 10, 2019

- Important to reach out to the public with more information about the housing crisis and the need for CASA strategies, so they can become advocates for the Compact. There is a lot of misunderstanding and misinformation in the absence of official information on CASA.
- Should consider “double-joining” various bills on different CASA Compact elements, as they move through the legislative process in Sacramento.
- Add more CASA-related agenda items for future RPC meeting.
- The RPC chair and vice-chair will present a summary of the discussion to the ABAG Executive Board on January 17th.

Job Growth

- Unclear if the job numbers presented (on slide 3 of the presentation) include replacement jobs that were lost during the Great Recession, or if these are net new jobs.
- Many retail jobs were created in Marin but these workers cannot afford to live in Marin.

Potential Funding Sources

- Unclear whether the return to source provision for new revenue in Element #9 will create more imbalances. For instance if most of the new revenue is collected from employers, then job-rich areas such as the peninsula would keep a large share of the new revenue even though the need for this new revenue is greater in the south bay.
- Look at how the city of Bilbao (Spain) charges a vacant home tax, which could be a potential model for the Bay Area.
- Unclear whether Proposition 13 is in conflict with a vacant home tax in California.
- Revenue-sharing will wreck local government finances that are already stretched thin.
- Voters in Contra Costa County are unlikely to approve a new sales tax measure for housing.
- Many unoccupied second homes are located outside the Bay Area. So, a vacant homes tax should be adopted statewide.
- Consider other revenue sources such as “Split Role” for commercial property tax (as it related to Proposition 13) and resurrect the redevelopment agencies.
- Agree with the need for raising new revenue, but disagree with the menu of options listed under Element #9. Employers need to do more to solve the housing crisis. A “Split Role” for commercial property tax could raise new revenue. Local jurisdictions that are “property-tax poor” cannot support a regional revenue sharing proposal. These jurisdictions have an incentive to zone for more commercial to generate the revenue to serve existing residents. They need more, not less revenue to provide services such as schools and emergency services for new residents.
- Solano County cannot generate enough new revenue like San Francisco and the peninsula can. Based on past performance, a new revenue measure will likely fail in

ABAG Regional Planning Committee

Summary of Comments on Report on CASA Compact

January 10, 2019

Solano County. Solano County voters will likely not support just 75 percent return to source.

- Need more accountability for Regional Measures 1, 2 and 3.
- Local governments do not generate nearly enough property tax revenue to cover existing services. A revenue sharing proposal will not work.
- Unclear how the revenue of cities that have already adopted one or more new revenue idea listed under Element #9 would be impacted.

Production Initiatives

- Unclear why Element #5 proposes to raise height limits near transit while leaving local zoning for density unchanged.
- Encourage developers to provide affordable housing units on site instead of paying in-lieu fees, which often remain unutilized at the local level. Building affordable units on site will also create mixed-income communities.
- Consider providing an incentive, like credits for Regional Housing Needs Allocation (RHNA), if a jurisdiction contributes its in-lieu fees towards a regional pool for building affordable units elsewhere.
- Note that in the Twin Cities region the city of Minneapolis recently eliminated single-family zoning, but still needed an approval to do so from the regional body.
- When describing Element #5, clearly state that a project can go as high as 75 feet if it takes advantage of the state density bonus.
- Unclear how land use and zoning will be impacted at the local level from one year to the next if the up zoning proposed by Element #5 is tied to high-quality bus service. Transit service does not have secured funding nor is it determined by local governments.
- To solve the housing crisis, either require employers to provide new housing when adding new jobs, or limit job growth in the region.
- Eliminate the requirement for up-zoning near high quality bus service in Element #5. Both the available funding as well as routes and service levels can change year over year, creating confusion and uncertainty.
- Without the protections strategies already in place, Elements 5, 6 and 7 have the potential to accelerate displacement in Sensitive Communities. Equity advocates have raised this issue before.

Regional Housing Enterprise

- Instead of creating a new regional entity, consider giving the charge to a consolidated board of the MTC and ABAG (board consolidation will be discussed by the two organizations later this year).
- Support creating the Regional Housing Enterprise (RHE). Creating an institutional home for a major regional effort such as CASA will ensure local accountability (a premise that

ABAG Regional Planning Committee

Summary of Comments on Report on CASA Compact

January 10, 2019

is supported by a statewide assessment conducted by the Schwarzenegger administration in the early 2000s).

- Support the idea of creating a RHE, but need to build in flexibility into the proposal. One, on governance, to potentially merge with a future consolidated MTC/ABAG board if that were to happen (and thus prevent creating a new regional agency); and two, on its scope, to potentially provide a technical assistance on topics in addition to housing.
- If the roles and responsibilities of a regional financing entity are clearly laid out upfront, it would eliminate the need for creating a new regional agency.
- Do not support creating a new regional agency. ABAG can serve the role envisioned for the RHE.
- Concerned that eventually the RHE will secure state approval over local land use authority, even if it is currently not part of the proposal.
- The RHE could serve as the third leg of the stool (the other two being MTC and ABAG). This possibility should be considered during the board consolidation discussion, which will conduct a lot more outreach to local jurisdictions.
- ABAG's existing financing arm could serve the role of a RHE, which would also bring a broad range of financing services under one umbrella within ABAG.
- The RHE proposal in Element #10 may serve as an incentive for MTC and ABAG boards to more favorably consider the integration of the two boards.



City Council

Gina Belforte
Mayor

Joseph T. Callinan
Vice Mayor

Susan Hollingsworth Adams
Jake Mackenzie
Pam Stafford
Councilmembers

Darrin Jenkins
City Manager

Don Schwartz
Assistant City Manager

Michelle Marchetta Kenyon
City Attorney

Karen Murphy
Assistant City Attorney

JoAnne Buerger
City Clerk

Betsy Howze
Finance Director

Tim Mattos
Public Safety Director

John McArthur
*Director of Public Works and
Community Services*

Mary Grace Pawson
*Director of
Development Services*

Victoria Perrault
Human Resources Director

January 16, 2019

Senator Bill Dodd and Assemblymember Cecilia Aguiar-Curry
California State Senate
State Capitol, Room 5063
Sacramento, CA 95814

RE: CASA Compact – Letter of Opposition from the City of Rohnert Park

Dear Senator Dodd and Assemblymember Aguiar-Curry,

The Rohnert Park City Council authorized me to send a letter on their behalf after raising concerns with the elements included in the CASA Compact.

According to the California Department of Finance, California's population grew by 0.8% in 2017. Rohnert Park's population grew by 2.6%, which is three times the state's growth. Why? Because Rohnert Park is building housing. Here is a list of recent housing accomplishments:

- Approved plans including CEQA analysis for over 4,000 housing units (which is 25% growth)
 - Over 2,000 of the approved units are within designated Priority Development Areas near transit
- Broke ground on an affordable housing project with 218 affordable units for low and very low income families
- Broke ground on a mixed-use, transit oriented redevelopment adjacent to the SMART train station with over 400 units
- Sold at least seven underutilized city properties for housing, resulting in the creation of over 550 housing units.

Keeping up with the pace of construction in Rohnert Park is fully expending our staff resources. The council is concerned that some elements of the CASA Compact seeking to put burdensome reporting and regulatory requirements on our planning and building staff will distract us from our currently successful creation of homes. While there is clearly a demand for more housing, the CASA Compact elements misdiagnose the symptoms and the cures. Please don't punish all jurisdictions for the actions of those unwilling to do their part for housing affordability.

We would like to emphasize one of the calls-to-action in the CASA Compact that could make a difference: increased construction labor force. We see an extreme shortage in skilled trade subcontractors. Education and training lie squarely in the state's mandate and the free community college program would make this training available for all interested workers.

Another useful and relatively inexpensive program to actually accelerate construction would be a construction loan guarantee program. Instead of giving away funds to affordable housing projects, some of the funds could be used to act as a secure backstop

for private banks who are still reluctant to fund construction financing after the 2008 downturn. This could be for all housing projects, not just income qualified projects. In only a few instances would the state actually need to step in on a failed project. We see developers struggling to convince local lenders to finance construction of homes. The state could make a big difference in this area.

The CASA Compact proposes a tax on businesses' gross receipts. To tax on gross receipts versus net receipts is a grave error. Our businesses must be allowed to deduct fixed and variable costs from gross receipts before paying additional taxes. A tax on gross receipts will reduce a company's ability to have adequate cash flow to invest in equipment, hire additional workers or give raises.

When the state is at its best, it is putting resources where it wants outcomes. In the past, the state put 20% of redevelopment money into low and moderate income housing, and cities built it. To restore the construction of low and moderate income housing there needs to be funding. This is a statewide issue—as is homelessness—and the funding and programs need to come from the state, not from financially strapped local governments.

We appreciate both of you as our representatives and know you will work with your biggest home builder...Rohnert Park...to come up with workable solutions for addressing the state's housing needs.

If you have any questions, then please do not hesitate to contact me.

Sincerely,


Gina Belforte
Mayor

cc: Rohnert Park City Council
Metropolitan Transportation Commission
Association of Bay Area Governments



January 16, 2019

Hon. David Rabbitt, President, and Members of the Executive Board
Association of Bay Area Governments (ABAG)
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Via email to: Fred Castro, Clerk of the Board – fcastro@bayareametro.gov

RE: Sierra Club Comments re Authorization to Sign CASA Compact
Meeting of January 17, 2019, Agenda item #12

Dear Supervisor Rabbitt and ABAG Board Members:

On behalf of our nearly 60,000 members in the nine-county Bay Area Region, the Sierra Club supports – in general – the concepts outlined in the “CASA Compact” on your Agenda. We recognize that the selected participants in the CASA proceedings tried their best to find consensus recommendations to move the Region on a path toward comprehensive housing improvements, but in several important respects, we believe that they did not go far enough.

First, we extend sincere appreciation for that manner in which ABAG’s culture of public responsiveness has professionalized the entire SB 375/Plan Bay Area process. The willingness by staff trained by ABAG to receptively involve stakeholders and to work for community betterments has been a welcome opportunity for the public.

The Sierra Club is currently in the process of finalizing an update to our National Urban Infill Policy. As approved by the Board of Directors last year, the policy states in part:

“The Sierra Club believes affordable housing is a human right.”

The Club Policy identifies the desirability of outcomes very similar to Plan Bay Area’s Priority Development Areas (PDAs) in furtherance of “mitigat(ing) the drivers of climate change” and “reducing urban related carbon emissions.” Or, as one activist wrote – “the greatest threat to our natural environment is unhoused, unsafe, unhappy people.”

The Sierra Club fully supports the objectives of SB 375 and the Bay Area's Sustainable Communities Strategy (SCS), which are founded on healthy, successful PDAs. We have written to MTC on this matter several times. Surprisingly, the CASA Compact contains only a single reference to PDAs, and this is only in Element #4 regarding Accessory Dwelling Units. Good PDAs need to be a much larger component of housing improvement and availability in the Region.

The ABAG "PDA Showcase" (<http://gis.abag.ca.gov/website/PDAShowcase/>) is a very helpful tool that allows the public and interested researchers to review the current status of PDAs throughout the region, but it is too often unavailable. A recent attempt to use the site yielded a screen that said "The Priority Development Area Showcase will be offline while a replacement application is developed. The new application is expected to be completed in Spring 2019." Please make sure that this Showcase is maintained more reliably.

The Sierra Club fully recognizes that municipalities themselves do not build housing. They create and enforce the conditions and circumstances that encourage or discourage developers. As such, Regional policies should work collaboratively so that people of all incomes, ages, races, identities, and abilities—whether homeowners, tenants or currently unhoused—can live in settings that foster active transportation, adequate community services and recreation, and healthy environments.

The Sierra Club supports location of increased housing near vibrant transit service, but this must not come at the expense of CEQA and other environmental protections. And it means that MTC must become more vigilant in its mission of ensuring adequate, usable frequencies and coverage of transit service so that people can walk and bike to local destinations and activities.

The need for good transit service also means that fund sources for CASA and PDA improvements must come from broader sources than transportation funds. The Sierra Club supports use of innovative funding that is not regressive. This is part of the Sierra Club's commitment to supporting vulnerable populations and sensitive communities.

As a resource, we suggest your review of Sierra Club California's "Housing Policy: Meeting Our Housing Needs and Protecting the Environment" available at:

https://www.sierraclub.org/sites/www.sierraclub.org/files/sce/sierra-club-california/PDFs/SCC_Housing_Policy_Report.pdf

This report was developed to clarify the Statewide Club's understandings regarding the impacts of legislation such as SB 827 (Weiner) last year, as well as related bills in upcoming sessions. It primarily identifies the history and a diagnosis of the State's housing crisis; further work will address possible solutions. Because of the then-pending legislation, the report uses the term "station" to refer to locations where robust transit service levels can provide a viable nexus for housing densification. In addition to rail and other fixed-guideway services, such locations may, where appropriate, be based on well-established urban bus lines with frequent headways and strong ridership.

We support, and urge you to also consider, the recommendations sent to the CASA Steering Committee in December from the Six Wins for Social Equity Network:

<https://urbanhabitat.org/sites/default/files/December%202018%20Letter%20Regarding%20CASA%20Compact.pdf>

with the earlier letter referenced therein at:

<https://urbanhabitat.org/sites/default/files/January%202018%20Letter%20from%20Bay%20Area%20Advocates.pdf>

Further, we emphasize that there should be no displacement of existing residents in the Bay Area, especially those living inside PDAs.

We also request and recommend greater attention to the Region's Jobs–Housing Imbalance. Neither the Compact nor the recent presentation to the Regional Advisory Working Group (RAWG) on “The Future of Jobs” identify any substantive analysis or approach to solving this critical part of the Region's environment and the excess of Vehicle Miles Traveled.

Local jurisdictions, especially in their permitting decisions, should satisfy their responsibility to balance levels of professional, service, and (where appropriate) manufacturing jobs with levels of housing to accommodate the households and incomes of such workers. Priority Development Areas are crucial to allowing residents to live in close proximity to all levels of such jobs.

As noted in November 2018's “Progress Report on the Sustainable Communities Strategies in California” by the Air Resources Board (Appendix A), the “Jobs–housing balance is a parameter that analyzes the distribution of employment opportunities and housing available across a geographic area. Literature has reported that keeping job–housing balance at the regional level is beneficial to reducing VMT.” The ARB also designed a Jobs-Housing Imbalance Index for the period 2005 to 2016. For five multi–county regions in the state, the “data shows that in the MTC, SACOG, and AMBAG regions, the jobs-housing ratios are becoming more imbalanced during the reporting period, especially in MTC.”

Further, the Sierra Club has deep concerns about proposed Element #10, the “Regional Housing Enterprise.” Public trust simply does not exist towards the Metropolitan Transportation Commission, and until its new regime is established and fully vetted, they deserve no new authority. The Region deserves a more credible coordinating body.

We note that the Preamble to the CASA Compact states in part:

“Each signatory to the Compact pledges to support the entire agreement and all of its provisions.”

Given that MTC has already placed conditions and qualifications on its authorization for their Chair to sign the document, we question if-or-how this statement remains valid.

Successful implementation of the Compact's beneficial proposals will require greater public understanding, as well as acceptance by more elected officials. The Sierra Club is willing to assist in this effort, to the extent possible.

If you have any questions regarding our comments, please do not hesitate to contact Matt Williams, Chair of the SF Bay Chapter's Transportation and Compact Growth Committee, at mwillia@mac.com.

Sincerely,



Bruce Rienzo
Loma Prieta Chapter Chair



Victoria Brandon
Redwood Chapter Chair



Igor Tregub
San Francisco Bay Chapter Chair

cc: California Air Resources Board
California State Transportation Agency
Association of Bay Area Governments
Sierra Club California

December 10, 2018

Mr. David Rabbitt, President
Association of Bay Area Governments
375 Beale St. Ste. 700
San Francisco, CA 9410

Subject: Vote No on the CASA Compact

The City of Sunnyvale appreciates MTC and ABAG's dedication in seeking solutions to increase the supply of affordable housing. However, there are fundamental concerns with the recently released CASA Compact ("Compact") that should be corrected. While Sunnyvale believes there are some worthwhile proposals within the draft Compact, it is unacceptable in its current form. The proposed funding mechanisms and changes to land use authority are a direct assault on cities.

Sunnyvale does not believe that a 'one size fits all' policy is appropriate for meeting the housing demands in the Bay Area region. In addition, Sunnyvale considers itself a regional leader in addressing housing needs, however, not all approaches are appropriate for all communities. There are physical geography differences, local challenges, infrastructure constraints, and fundamental community values that shape the way regulations are formulated in each community.

Funding Proposal

We have several concerns with the funding strategies proposal. To fund the CASA Compact at a rate of \$1.5 billion per year for 15 years, the Compact identifies using a variety of sources. Six of the ten funding mechanisms identified in the Compact rely on new voter approved taxes. Only one of these, the commercial linkage fee, recognizes that these fees are already in place in many cities. We believe that without the support of cities on new voter approved taxes, the chances of these passing are very limited. The end result would be no progress on housing issues.

In 2016, Santa Clara County voters passed Measure A. This was a new parcel tax that is devoted specifically to affordable housing. The Sunnyvale City Council voted to endorse the measure and it passed with 67.8% support countywide. After Santa Clara

Glenn Hendricks
Mayor

Larry Klein
Vice Mayor

Jim Griffith
Councilmember

Gustav Larsson
Councilmember

Nancy Smith
Councilmember

Russ Melton
Councilmember

Michael S. Goldman
Councilmember

County voters already voted to raise property taxes on themselves to support affordable housing, it would be difficult to support an additional regional measure that raises property taxes again and applies equally to all counties. CASA proposes two measures that would raise property taxes, a \$48 per year parcel tax, and general obligation bonds. According to the Secretary of State website, as of October 2018, Santa Clara County has the most registered voters of the nine Bay Area Counties with 22% of the total. CASA's one size fits all proposals to increase property taxes will not be successful without local support from cities and counties.

Most concerning is CASA's funding proposal for a "Revenue Sharing Contribution," which would divert 20% of property tax growth across the region. The Compact is not specific about whether this applies to cities, counties and school districts. In Sunnyvale, property taxes are the largest (46%) and most stable source of funding for our General Fund. This funding is needed to pay for core services such as police, fire, libraries, and street maintenance. Our expenses for these core services and others increase every year and we count on revenue growth (especially property taxes) to balance our budget. CASA's Revenue Sharing proposal would result in significant cuts to core services in every Bay Area city. If CASA's proposal also applies to school districts, the chances are remote that it will be supported by Sunnyvale voters who value quality education.

The draft Compact also proposes that of the funds collected, 75% would be spent in the county of origin. As proposed, Sunnyvale residents and businesses would pay millions in new taxes each year, face reduced services, and have no guarantee that a single affordable housing unit be produced in Sunnyvale. Furthermore, the Compact contains few if any details about how funding decisions would be made. Based on adopted fiscal management policies, the City of Sunnyvale will strongly oppose funding mechanisms that would result in reduced local services.

Consideration for Local Housing Programs and Accomplishments

Sunnyvale has worked hard to develop numerous tools and programs to finance and support the development of affordable housing. In the early 1980s the City embarked on a series of planning and housing programs to increase the housing supply, increase the availability of affordable housing and decrease the number of potential jobs. These efforts included:

- Rezoning industrial and commercial properties to allow for additional housing three phases over 13 years;
- Implementing controls on the intensity of industrially zoned developments and require payment of a housing mitigation fee for developments approved by Use Permit to exceed 35% floor area ratio (FAR);
- Allowing higher density housing in transit rich areas such as Downtown and Lawrence Station;
- Allowing the development of accessory living units on single-family and duplex properties of minimum size;
- Allowing housing in all zoning districts;
- Preserving the mobile home parks by creating a Mobile Home Park General Plan designation (previously, most mobile home parks had an underlying industrial general plan designation);
- Requiring inclusionary affordable dwelling units (Below Market Rate);
- Requiring housing mitigation fees for net new non-residential development regardless of zoning district;
- In compliance with State requirements, removing barriers to obtaining approvals for new residential development;

Sunnyvale's very successful Below Market Rate (BMR) housing programs have resulted in the development of over 1,300 BMR units (rental and ownership). The City of Sunnyvale has awarded millions of dollars to leverage affordable housing units built by non-profit housing partners. For example, in November 2018, Sunnyvale approved a development agreement for 90 all affordable units on City-owned land with at least 25% of units dedicated to the developmentally disabled. Local achievements like this are ignored by the CASA Compact. The local creativity it takes to deliver a complex project like this would be lost with a one size fits all regional housing program.

The City of Sunnyvale is a community of about 59,000 housing units with a General Plan land use build out of 72,460 units. There are currently over 4,000 units in the development pipeline (under construction, approved and pending) and the City is studying the addition of over 6,000 dwelling units to area land-use plans. The CASA Compact, as proposed, fails to recognize cities like Sunnyvale who have worked aggressively to meet affordable housing goals.

The City of Sunnyvale is mindful that the need is great and that all cities and counties must continuously find new solutions that contribute to addressing our region's housing needs. Please do not support the proposed CASA Compact that diverts or strips local revenues and penalizes cities who are diligently and successfully addressing housing production and affordability. We urge you to engage with cities in the region to develop a housing proposal that most in the region could support.

In summary, the City of Sunnyvale does not support the proposed CASA Compact and I urge you to vote no to support this proposal. If you wish to discuss further, please do not hesitate to contact me.

Sincerely,



Glenn Hendricks
Mayor, City of Sunnyvale

cc: Honorable Jerry Hill, State Senate
Honorable Mark Berman, State Assembly
Honorable Jeanie Bruins, Metropolitan Transportation Commission
Honorable Dave Cortese, Santa Clara County Board of Supervisors
Honorable Joseph Simitian, Santa Clara County Board of Supervisors
Honorable Cindy Chavez, Santa Clara County Board of Supervisors
Honorable Susan Ellenberg, Supervisor-elect, Santa Clara County Board of Supervisors
Sunnyvale City Council
Kent Steffens, City Manager
Cities Association of Santa Clara County