CASA Draft Compact

15-Year Emergency Policy Package
to Address the Bay Area's Housing Crisis

11.13.18

Contents

Compact Element #1: Just Cause Eviction Standards			
Desired Effect: Just cause would protect tenants from arbitrary evictions. Studies show that eviction can cause health issues, emotional trauma, school disruptions for children, longer and more costly commutes and reduced wage earnings for adults. By preventing no-cause evictions, just cause eviction protections promote tenant stability—particularly in low vacancy and expensive housing markets—and limit eviction-related monetary, health, school and other costs. Eviction-related costs can pose a particular burden for tenants who are low and fixed income, have physical disabilities, or are elderly.			
Scale: State legislation applied to 9 Bay Area counties			
Models: New Jersey statewide Just Cause Law; Large cities in CA (SF, Oakland, San Jose, LA)			
References: Action Plan 2.1			
Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Permissible causes for eviction	Fault: • Failure to pay rent • Substantial breach of a material term of the rental agreement • Nuisance (define) • Waste (define) • Illegal conduct (define) No fault: • Owner-Move-In (OMI). Owner defined as owner and immediate family. • Withdrawal of unit from rent or lease market (e.g., Ellis Act/condominium conversion) • Unit Unsafe for Habitation: Recovery of unit for health and safety reasons • Demolition or substantial rehabilitation		
Coverage	Applies to all rental units except the following: • Government owned and government subsidized housing units or housing with existing government regulatory 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)	• Only applies after a tenant has been in occupancy with or without a lease for some period of time in 12 months • Need to determine if any adjustments should be made for small landlords that	

	• Housing accommodations in a nonprofit hospital, convent, monastery, church, religious facility, or extended care facility • Dormitories owned and operated by an institution of higher education or a high school or elementary school • Unit where tenant shares a bathroom or kitchen facility with the owner who maintains their 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 In the event that a local ordinance conflicts with a state or federal ordinance, the others should prevail. Housing is exempt from any fees that might be levied by the localities to implement this program or cap to some nominal amount.	own few units, and if so, what mechanisms would be used to ensure that such small landlords could be distinguished from larger landlords that own many small buildings in separate ownership structures.	
Notice Requirements	Tenant Rights: The owner must 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. Evictions: The grounds for eviction must be set forth in the notice to terminate tenancy. If the reason for the termination is for cause, the owner must provide an initial notice with an opportunity to cure before the notice of termination. This should only be for insufficient funds, nuisance or other types of curable lease violations. 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	Eligibility: Applies to all no-fault causes where Tenants have been in occupancy for 12 months Owner move-in shall not be required to pay relocation assistance. Timing: Provided directly to the tenant at the time of service of the notice to quit where Tenant has been in occupancy for 12 months. Notice: The landlord shall notify the tenants of their rights under this section at the time of service of the notice to quit, including relocation payments owed based on unit size. Amount: Set amount per tenant household tiered relocation based on bedroom size. Use San Jose model.	• Should relocation assistance be means-tested? • If so, how would it be administered?	
Preemption of Local Ordinances	This law does not preempt more restrictive local ordinances.		

Compact Element #2: Emergency Rent Cap			
Brief Summary: Establishes reasonable annual increases in rent.			
Desired Effect: High impact. An emergency rent cap would prevent extreme rent 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			
Scale: State legislation applied to 9 Bay Area Counties			
Models: Existing State Anti-Gouging Law in States of Emergency (cite)			
References: Action Plans 1.1, 1.2, 1.3			
Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Annual Rent Increase Limits	For an Emergency (15-year) period, no landlord shall increase rent by more than the allowable increase, as defined below, in any year of tenancy (yearly increase). Between 5% + CPI, notice of allowable rent increase to be provided annually by Regional Agency. Cap applies to face rate, and shall not control reimbursement of expenses or amortized returns on capital improvements	• Annual rent increase limits • Should it be a flat rate - easier for everyone to track? • What is the limit to pass thru capital improvements to renters?	
Vacancy Provision	Vacancy de/control. Cap applies to renter not unit.		
Coverage	Exempted from rent cap: • Affordable housing properties governed by regulatory agreements from the State of California, the CA Tax Credit Allocation Committee, the CA Debt Limit Allocation Committee, and the Federal Department of Housing and Urban Development and the US Department of Agriculture • Owner occupied properties with ADUs. • Dormitories		Costa Hawkins is irrelevant to state legislation and does not limit coverage in this instance

Banking and Capital Improvements	Landlord can bank up to 4 years of unused rent increases and take these unused rent increases future years. Following year(s) where rents have not been raised, landlord may draw on banked unused rent increases, and may annually increase rents above the cap for a certain number of years. Even when drawing on banked unused rent increases, there shall be a cap on annual rent increases to recognize "annual household payment shock," for example between 1.5x-2x otherwise applicable annual cap up to maximum annual increase of within a range of 10-15%.	Cap applies to face rate, not expense pass-throughs or capital improvement reimbursements and returns (details of pass-through allowances to be determined). Return on investment of CPI +5%	Some protections need to be in place so that landlords cannot "bank" an unreasonable amount of rent increases and then issue an exorbitant aggregated rent increase all at once.
Preemption of Local Ordinances	This law does 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.		

Compact Element #3: Right to Legal Counsel for Eviction Proceedings			
Brief Summary: All tenants facing eviction would have the right to legal counsel, leveling the playing field and protecting tenants from illegal evictions.			
Desired Effect: Access to a lawyer can be the difference between losing a home and keeping it. Ensuring that all tenants facing eviction have the right 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. With proper implementation, research suggests that the right to legal assistance for eviction proceedings can reduce evictions by 77% to upwards of 94% (according to a pilot program in California) and lead to a net savings for local jurisdictions. (e.g. in New York City cost savings are estimated at $2 for every $1 spent on legal assistance)			
Scale: State legislation supported by regional funding			
Models: SF Prop F passed in June, New York City			
References: Action Plan 3.1			
Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Coverage	• All tenants who are faced with legal proceedings to evict them from their residence have the right 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. If impact of legislation is that courts are over-burdened, local or regional agencies may need to establish renter's courts funded by regional funding sources. • Landlord obligation limited to providing an addendum notice of this rights in lease and eviction notice. Landlord has no payment or any other obligations. Tenant failure to exercise right to counsel will not impede eviction proceedings for landlord.	• Cap on cost: per matter or hourly. • Free counsel should be means-tested.	• The term "legal representation" shall 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. • Short-term rental assistance is included in Element #10: Funding and Financing for the CASA Compact
*Funding (alternative pathway to achieve right)	Generate significant funds to fund regional right to legal counsel. Pro-bono counsel for tenants shall be encouraged.		Tenants Together's recent report, *California Evictions Are Fast and Frequent* found the following 3-year averages for unlawful detainer filings by county: (1) Alameda - 5,467; (2) Contra Costa - 3,928; (3) Marin - 432; (4) Napa - 277; (5) San Francisco - 3,275; (6) San Mateo - 1,516; (7) Santa Clara - 3,515; (8) Solano - 2,321; and (9) Sonoma - 1,195, for a total of 21,926 unlawful detainer filings per year. It should be noted that this number does not include the number of eviction notices prior to the filing of unlawful detainer eviction lawsuits. Therefore, if the region were to provide a right to legal

			counsel, the number of cases could be much higher; however, as a counterpoint, a right to legal counsel would likely deter landlords from serving tenants with illegal eviction notices.
Providers	Regional Housing Enterprise identifies and funds local service providers to provide legal representation. Bay Area Metro funds and conducts education efforts to notify residents of this right.		NYC's has a coordinator who designates existing organizations that have "the capacity to provide legal services" Annual or bi-annual review of the program

Compact Element #4: Remove Regulatory Barriers to ADUs and Tiny Homes

Brief Summary: Existing single family homes make up a significant portion of the region and according to studies by the Terner Center are under-occupied to their originally designed capacity. 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. This Compact item proposes to extend these best practices to every jurisdiction in the region by amending existing state ADU law to remove regulatory barriers to building 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: Extremely High Impact; Short Term. Assuming 20% of 1.5 Million single family homes in Bay Area = 300,000 new homes distributed into existing neighborhoods. In PDAs alone would be 50,000 new homes. Distribute green, more affordable homes quickly and uniformly in region. State must reduce zoning barriers to: (1) Create significant, rapid increase in less costly homes including stabilizing vulnerable households including seniors, disabled, and lower income homeowners in all existing neighborhoods (Missing middle housing, Preservation); (2) Reduce GHG by improving utilization of buildings/land build more small, infill, low GHG/sustainable homes (3) ease codes for ADUs and Tiny Homes . Help expand and stabilize labor force and construction.

Scale: State legislation applied to 9 Bay Area Counties

Models: Arlington VA, Portland OR, Seattle WA, Vancouver BC, State of Oregon Tiny Homes Code.

References: Action Plans 10.3, 10.4
UCB Chapple 2015; UCB Terner Center 2017; Legislative history SB 1069, AB 2890

Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Ministerial Approval	Allow ministerial approval regardless of zoning standards for: • Both an ADU and a Junior ADU (JADU), not required to be smaller than 800 sq ft in any zone that allows residential uses; in existing or proposed structures including in rear yard cottage not to exceed 800 sq ft , 16’ tall , with 4’ in side or rear yard setbacks • Existing unused spaces in multi-family structures or yards may be converted to multiple ADUs. • ADUs receiving ministerial permits cannot be rented for less than 30 days; subject to local non-zoning housing standards not addressed in this law • Encourage non-safety code forgiveness • Provide that remedies for successful project applicant legal challenge include same as in HAA. • Apply HAA’s provisions for determining project consistency (if there is substantial evidence to support a consistency determination it is deemed consistent) • Allow division of existing homes by 50% where ADU may be 800 sq ft		

Owner Occupancy	If Owner Occupancy for either the primary home, ADU, or JADU is locally required, reasonable annual monitoring based on published documents. Owner occupancy requirements shall be encouraged by local agencies.		
Impact Fees	Limit impact fees to (1) being 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	• Create small homes building code 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 • Use of unlicensed contractors under "owner builder" permits shall be discouraged by requiring a statement of owner liability be provided at time of building permit issuance under any small homes building code and any other building permits issued for ADUs. • Sprinklers shall be required for ADUs if required under the building code for comparable home construction		

Compact Element #5: Minimum Zoning for Housing Near Transit			
Brief Summary: This item proposes to create inclusive mix of homes near key transit locations to fit into all existing neighborhoods and around existing buildings to preserve existing neighborhoods and residents. Mid-size building forms shall be allowed in all high quality transit corridors to create "invisible infill" (up to 36' tall such as duplexes, triplexes and quads) which are typically built by smaller builders, on smaller lots, in and around existing homes to reduce displacement of existing residents. Around major transit stops, and for market-rate housing outside of sensitive communities (see CASA Geography of Inclusion) additional height up to 75' shall be encouraged to create more zoning for mixed income developments and further advance regional goals of both concentrating housing near transit and creating more inclusive communities. Combined with tenant protections and protections against loss of existing affordable homes, the Bay Area can achieve inclusion and climate change goals without displacing vulnerable residents.			
Desired Effect: High Impact, Medium to Long term but essential to achieve compliance with PBA and SCS. Required precursor to increasing housing production of market rate, affordable, homeless, and all forms of housing. Essential to create inclusive communities in critical transit served locations.			
Scale: State legislation applied to 9 Bay Area Counties			
Models: Portland OR, Seattle WA pre-zoning infill neighborhoods			
References: Action Plans Referenced: 8.2, 10.3, 10.5, 10.6 , SB 827			
Bucket / Category of Detail	*Summary:*	*Areas for Further Negotiation*	*Additional Commentary*
Relationship to legislation under development	This CASA policy is already in legislative drafting process and should incorporate principles that have been developed by CASA. Many other stakeholders from around the state have engaged as well, and details will be resolved through the legislative process, including labor standards issues. CASA offers the following major points of input on that legislation.	See below.	
Densities Near Transit	• Upzoning to "mid-range" housing forms should be applied to high-quality transit corridors, including bus lines with 15-minute headways at peak periods (as defined in SB 375). This is important to reach a broader geography and promote inclusion in high opportunity areas that may not have rail or ferry service as their primary means of public transit. • Upzoning above mid-range building forms (between 36' and 75' tall) should be applied to areas around major transit stops**,** including rail stations, ferry terminals, and intersections of major bus routes (as defined in CPRC Section 21064.3) • Housing overlay to mid-range densities should be created on low FAR (less than FAR 1.5) on commercial and institutional sites in transit corridors.		

Zoning Standards for Each Density Level	Mid-range density standards: Local jurisdictions shall not adopt local zoning standards to limit density, lot size, parking or open space, building location or envelope, except generally as described below. • Building height – Maximum allowed height shall not be less than 36' except in the rear 20' of the lot where the maximum allowed building height may be reduced to 15'. • Yard setbacks – Minimum required yard setbacks shall be no more than 10' in the front, 5' in the side, and 10' in the rear [unless building height is 15' or less]. • Unit size – Maximum allowed unit size shall not be larger than 2,000 square feet. High-density standards: no zoning standards to limit density, minimum lot size, parking or open space, building location or envelope on a lot, except the following may be regulated: • Building height – Maximum allowed building height shall not be less than 75' • Yard setbacks – Minimum required yard setbacks shall be no more than 10' in the front, 4' in the side, and 10' in the rear.		
Inclusionary Standards and No Net Loss	• On-site affordable housing shall be required, similar to current State Density bonus laws, for projects more than 20 units. • Strong tenant protections, no net loss, and demolition controls shall be included. • Back-end fee on "high price units" units sold or rented at values above what "missing middle" families may pay fee upon sale or refinance to encourage more missing middle housing and capture some % of value from high priced units (TBD).	What percentage of affordable housing, what income levels, definition of no net loss. One option: set at last version of SB 827. "Back end" fee on units sold/rented at prices in excess of middle income. How to set and administer this fee.	
Sensitive Communities	• Heights above mid-range building forms (between 36' and 75' tall) should be deferred for market rate projects in "Sensitive communities" to allow for these communities to develop their own plans/rules, unless there has been a recent local plan that meets minimum standards, in which case that plan shall govern. No local action required under CEQA for "opting in". • Exempted: Sites occupied by a Mobile Home Park, Public Housing, or Single Room Occupancy built prior to Effective Date shall not be eligible.	Determine period of "deferral" for sensitive communities and how to define expected community engagement process and ultimate planning densities on transit for completed plans. Definition/ Map of sensitive communities (see geography proposal)	
Labor Concerns	How to set and administer fee on "high price units."	Labor standards are key within the Bay Area (TBD), particularly on projects greater than 20 units (TBD).	
Other Standards	• Apply HAA's provisions for determining consistency and remedies.		

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

Brief Summary: As cited by the National APA "Policy Principles for the Nation's Housing Crisis" (March 2018) local government planning practice for housing approvals must be reformed to restore direct reliance on adopted plans and zoning and create transparency, predictability, reliability and timeliness to the discretionary review especially for multi-family and affordable housing which typically meets with local opposition despite clear regional and state and human needs. This Compact item amends State Law to create uniform and predictable good government practices for all housing approvals including disallowing backsliding to avoid compliance with State law and creating certainty and transparency in how rules and impact fees are set and enforced. Required to establish fair, transparent local agency practices needed to accelerate housing approvals at all income levels as precursor to any effective streamlining activities –see separate Compact Element #7 (SB 35).

UCB Terner Center 2017 https://ternercenter.berkeley.edu/blog/it-all-adds-up-the-cost-of-housing-development-fees-in-seven-california-cities,

Desired Effect: High Impact; Short Term impact on housing approvals for all income levels

Scale: State legislation applied to 9 Bay Area Counties

Models: APA "Policy Principles for the Nation's Housing Crisis", March, 2018.

References: Action Plans Referenced: 12.1. https://www.law.berkeley.edu/wp-content/uploads/2018/02/Getting_It_Right.pdf

Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Local Jurisdictional Requirements	• No Backsliding: Disallow height and density reductions, limits, and moratoria in already residentially zoned areas to avoid compliance with State housing law especially the HAA. • Requirements in writing at application for plan/zoning compliant projects: Rules, fees, codes, and standards must be made available on a written form with clear mechanisms for determining rules, fees, inclusionary standards, community benefits or cannot be requested/agreed to as a condition of approval. • Lock fees and rules and community benefits at application completeness. Lock fees and rules for 100% affordable projects as of the date of application. • Completeness shall be defined as completing requirements of initial written form provided to all applicants • Historic status must be determined prior to project application completeness based on published reports. • Limit on hearings: Allow no more than 3 de novo public hearings on a housing (note to be effective also requires Compact Element #7, SB 35) project (with possibility of appeals).	Need standards to isolate moratoria designed to downzone or avoid state housing law, versus address an immediate local emergency that impacts safety or low income families.	Note that AB 2753 (Friedman) requires density bonus standards to be issued at Application Completeness, creating precedent for this approach

	• Use it or lose it provision such that streamlined permits expire if not used in a timely way (eg 24 months) • Apply HAA standards for project consistency, remedies		
Establish uniform, transparent standards for impact fees and other impositions Align Density Bonus, Impact Fee, and Inclusionary rules	Implement fee impact recommendations of Terner Center: • Develop clear, consistent methodology for region for all impact fees. Require evaluation of total fees, exactions, impositions, locally imposed requirements in excess of state building code (not labor costs) • Delay payment: Allow payment of up to 50 percent of impact fees at project completion or up to 100 percent of the fees at project completion with financial security at permit issuance. • Disallow charging separately/additively for inclusion under various State enabling laws (density bonus, inclusionary, mitigation fee act).	Require in-lieu fee option for inclusionary requirements imposed without the density bonus.	Analytics developed for CASA by the Terner Center for Housing Innovation demonstrate that the region's currently high construction costs combined with high impact fees and inclusionary zoning make a standard mid-rise housing project in the Bay Area economically infeasible without economic offsets. Reduced impact fees, securing a density bonus, tax abatement are examples of economic offsets that may be needed to keep projects viable. Allowing mitigation fees and inclusionary requirements to be additive to the density bonus, however, will suppress housing production so these requirements must offset each other. Terner Center also found that in most cases, to achieve local inclusionary targets, additional offsets on top of the density bonus would be needed such as tax abatement, fee relief, and adjusted income/affordability targets. See Compact #7, SB 35, for economic offsets to offset locally added costs

Compact Element #7: Make State Housing Streamlining Laws Work (SB35)

Brief Summary: SB 35 was intended to streamline zoning compliant housing by providing a CEQA exemption (by making projects "ministerial") for projects with fully skilled and trained labor and on-site affordable and with clear "no net loss" standards. Since its adoption it has not been widely used due to high added costs of mandatory inclusion and labor standards, and concern about "ministerial" review. The inability of most housing projects to pay these added costs on top of rising construction costs and high fees was documented by the Terner Center for CASA. Amendments are needed to improve effectiveness so more projects to make use of this section to achieve desired housing goals while also increasing overall housing production and stabilizing the construction labor force.. This Compact item 1) adds economic offsets to pay for on-site inclusionary and labor standards 2) replaces "ministerial" standard with a clear CEQA statutory exemption and thereby 3) restores reasonable local discretionary review limited to 1 year to ensure that projects meeting desired inclusion and workforce goals are widely viable and rapidly approvable.

Amendments proposed:

- Require on-site affordability, regardless of RHNA compliance, with Sensitive Communities providing affordability at current law levels.
- Restore reasonable, limited discretionary review to occur in 1 year by establishing clear CEQA statutory exemption**.** Good government reforms can improve local government housing standards for all projects, but cannot achieve 1-year approval timelines without CEQA statutory exemption available only under SB 35.
- 15-year tax abatement (modeled on New York) and other economic offsets to pay for added requirements
- No net loss and demolition protections per current law
- Small project (20 unit) exceptions to labor standards and on-site affordability

Scale: State legislation applied to 9 Bay Area Counties

Models: New York

References: SB 35; Action Plans Referenced: 12.2, 12.3, 17.1, 17.2

Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Clarifications to Existing Law	Provide Statutory exemptions under CEQA and restore limited local discretionary review (below) • Time limited to 12 months and 3 de novo hearings • Affordability required regardless of RHNA compliance: affordability levels shall be set to create inclusion and economic conditions that allow projects to proceed: o _____%_on-site required o _____affordability rate required o In sensitive communities, affordability shall be 50% on-site.	• Deferrals for provisions for communities of concern regarding affordability levels, economic offsets and tools; • Labor standards and residential wage rates; • Affordability Levels • Monitoring of Inclusionary Standards: State must monitor inclusionary standards in this policy and under Palmer Fix to ensure that IZ does not suppress housing production which would exacerbate housing crisis. Local	

	• Grandfathering Existing inclusionary Programs that shall not be additive to SB 35 levels • Small project exceptions: Housing developments of less than 20 units or 20,000 square feet, are eligible without added labor standards or on-site inclusionary • HAA protections apply (determinations and remedies) • Deferred inclusionary compliance: Some % (TBD) of on-site affordable housing may be provided as a back-end fee on units sold or rented at values above what "missing middle" families can afford to encourage more missing middle housing and capture value from high priced units (TBD).	agencies shall make an annual finding that local inclusionary rates over and above SB 35 standards are not suppressing housing production under SB 35 supported by evidence in the record including an annual hearing on local inclusionary standards, analysis of development pipeline, permitting, subject to standards of review used in the Housing Accountability Act. Exception to this requirement shall be made for Sensitive Communities.	
Economic Offsets to pay for goals desired of housing	Allow economic offsets including (final details TBD): • Add 15-year tax relief modeled on NY program to SB 35 projects "reverse redevelopment" • Density Bonus • Parking reductions • Relief from strict liability standards for ownership housing (TBD) • Impact fee caps (TBD) • Alternative means and methods (such as payments to local fund) for achieving locally imposed environmental and green building standards in excess of State building Code (TBD)	• Confirm 15-year time period for real estate tax abatement; • Limits/requirements on use of real estate abatement;	

Compact Element #8: Greater Use of Public Land for Housing Production

Brief Summary: Promote increased utilization of public land for affordable housing through enhancements to a variety of legislation, regulatory tools and regional coordination and planning actions including strengthening the surplus land act, amending housing element law or amending the regulatory certification process, and embedding coordinating, technical support and monitoring functions in a regional housing entity. Goals are to achieve:

A. Barrier reduction to developing on public land by ensuring that land is adequately zoned
B. Create mechanism for coordination/monitoring of regional public land supply
C. Provide technical support and draft legislation that encourages public land to be re-used for housing.

Desired Effect: Encourage the reuse of public land, especially if adjacent to public transit, for the creation of mixed-income or affordable housing development.

Scale: State legislation applied to 9 Bay Area Counties; may impact housing element law; to be addressed in coordination with other CASA policies.

Models: Puget Sound Region of WA including Seattle; https://www.psrc.org/public-land-affordable-housing; https://seattle.curbed.com/2017/9/29/16387686/surplus-public-land-affordable-housing
Enterprise Report: https://www.enterprisecommunity.org/download?fid=3257&nid=3739
MTC's Public Lands Study: https://mtc.ca.gov/sites/default/files/Public%20Lands%20Affordable%20Housing%20ActionPlan%20Sept%202018.pdf

References: Action Plans 16.1; 16.2

Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*

Legislative Actions	More public land must be allocated to housing quickly	• Support reforms introduced in AB 2065 (Ting) in 2018)
		  o Respond to the issue of charter cities and the requirement that all cities comply with State surplus lands law
		• Amend State Housing Element Law to:
		  o Require that jurisdictions include a full inventory of publicly-owned surplus and underutilized sites within their boundaries.
		  o Require that Housing Elements include a discussion of the jurisdiction's policies and plans to encourage the development of affordable housing on these sites.
		• Direct the State Department of General Services to develop a comprehensive list of surplus and underutilized State-owned properties in the nine-county Bay Area. TBD
		• Encourage State agencies to make surplus and underutilized property available for affordable housing.
		• Amend State law time frames for surplus land disposition to expedite the process to no more than 36 months.	

Regulatory Changes	More public land must be allocated to housing quickly	• Give projects that propose affordable development on public land more points in the competition for affordable housing funds (LIHTC, AHSC, other HCD programs). • Review State's 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 (e.g. New York allows for vertical mixed use with ground floor public uses). Is there a way to also require schools, special districts, and regional agencies to identify sites available for development?	
Definitions	Need a definition of underutilized sites		
Labor Standards	Public lands released for housing shall include policies that help expand the trained labor pool available for housing construction including requirements for trained apprentices and prevailing wages.		

Compact Element #9: 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.			
Scale: State legislation applied to 9 Bay Area Counties			
Models: New York City Housing Development Corporation (housing finance); Twin Cities (revenue-sharing)			
References: The entire CASA Compact			
Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Board Structure and Governance	CASA may recommend establishing a Regional Housing Enterprise (RHE) to coordinate and lead implementation of the CASA Compact. State law may establish an independent board, with broad representation to MTC, ABAG and key stakeholder groups that helped develop the CASA Compact.		
Authority	The state may 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 but will collect and monitor progress on implementing the CASA Compact.		

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 may coordinate with MTC/ABAG to collect relevant 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 state 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.		
Staffing	The RHE may 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.		

Compact Element #10: 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. Allocate up to 10 percent of the new revenue for local jurisdiction incentives, up to 10 percent for protection strategies, up to 20 percent for preservation, and a minimum of 60 percent for the production of subsidized units for lower-income households (extremely-low, very-low and low-income). Distribute 75 percent of the new revenue back to the county of origin (return to source) and use the remaining 25 percent for a regional program (revenue-sharing), while maintaining the allocation shares listed above. Disbursement of regional as well as county-level revenue would be subject to performance and outcomes, to be developed by a Regional Housing Enterprise (RHE). Any unused revenue would revert to the regional pot, after a specified time period.			
Desired Effect: The Compact identifies a range of strategies to protect tenants, preserve affordability and produce new units. Many of the strategies, such as "Right 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, are unfunded mandates for the RHE without an infusion of new revenue.			
Scale: State legislation applied to 9 Bay Area Counties			
Models:			
References: The entire CASA Compact			
Bucket / Category of Detail	*Summary*	*Areas for Further Negotiation*	*Additional Commentary*
Funding gap	CASA estimates that the funding gap to implement the Compact is $2.5 billion per year over the next 15 years. CASA proposed to meet $1.5 billion of this deficit with regional and local self-help measures. The remaining will be funded through federal and state sources.		
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 (or pain). These sources may include property owners, developers, employers, local governments and taxpayers. The Compact will identify a menu of options, which may include: • Vacant Homes Tax levied on property owners; • Parcel Tax levied on property owners (residential and commercial); • Commercial Linkage Fee charged to developers; • Gross Receipts Tax levied on employers; • Head Tax levied on employers; • Revenue Set Asides for Redevelopment Agencies (local governments);	See funding charts for evolving details to be negotiated.	

	• Revenue Sharing Contribution into a region-wide housing program for local governments; • ½-cent Sales Tax; and • 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; • Up to 10 percent for tenant protection services; • Up to 20 percent for preservation; and • A minimum of 60 percent for subsidized housing production.	Should the state modify Prop 13 allocation formula to reward cities building housing to reduce fiscal zoning incentive and allow reductions in impact fees to fund local government housing-related infrastructure.	
Distribution formula	New revenues would be distributed by the following shares: • 75 percent to county of origin (return to source); and • 25 percent to a regional program (revenue-sharing). Total expenditures would still meet the allocation formula (see above), and be subject to objective performance standards and outcomes.		