

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: January 3, 2019  
To: Regional Planning Committee  
From: Executive Director  
Subject: **CASA Compact Report**

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 12<sup>th</sup>, 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 next year.

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 19<sup>th</sup> 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 will receive the report on the CASA Compact at its meeting on January 10<sup>th</sup> and the Executive Board at its meeting on January 17<sup>th</sup>.

Later this month, I will recommend that the Executive Board authorize President Rabbitt to sign the CASA Compact for the following five reasons:

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

## CASA Compact Report

January 3, 2019

Page 2

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 next 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 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


**CASA Compact Report**

January 3, 2019

Page 3

of their integrated planning department to help develop such an ambitious and ground-breaking policy package.

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



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Steve Heminger

**Attachment**

CASA Compact