

## Memorandum

TO: Joint MTC Legislation Committee and  
ABAG Legislation Committee

DATE: February 1, 2019

FR: Executive Director

RE: CASA Local Outreach & Legislative Engagement / Update

### Local Government Outreach

Following direction from the MTC and the ABAG Executive Committee, staff has been very busy over the last month and a half presenting the CASA Compact to local elected officials and staff in various forums, including sub-regional division meetings of the League of California Cities, joint meetings of city councils, county conferences of cities, and county transportation agencies, economic development organizations, and others (see Attachment A). Key messages that have been heard to date include:

- Concern about the potential redirection of local funds (e.g. sales tax, local parcel tax) and associated impacts to local services
- Concern over loss of local control over zoning decisions
- Concern about a “one-size-fits-all” approach to upzoning (CASA Compact Item 5)
- Concern that creating a new regional agency to help address the housing crisis is duplicative and a waste of resources (CASA Compact Item 10)
- Concern about loss of local control over fee rates due to the various local infrastructure and services that are paid for by fees (schools, parks, etc.) and potential legal implications associated with nexus studies (CASA Compact Item 7)
- Concern the CASA Compact only addresses the “supply side” of the jobs/housing balance equation; we need to also think about limiting the “demand side,” i.e. job growth.
- With respect to the 75 percent of funds that the CASA Compact states will be returned to the *county* where funds are generated, how will funds be distributed *within* the county?
- Need to do a better job bringing transportation to where the affordable housing is already located, (Central Valley), not just building housing where the jobs are.
- Need to address concentration of new jobs in S.F./West Bay and more affordable housing in East Bay by creating new policies and incentives to encourage job growth in East Bay to decrease commuting and greenhouse gas emissions.

### Engagement with Local Elected Officials on CASA Legislation

The ABAG motion authorizing President Rabbitt to sign the CASA Compact requested that staff develop a task force of elected officials throughout the Bay Area to provide feedback on specific legislation related to CASA. Staff recommends we convene an ad hoc committee of local elected

officials representing the region's geographic diversity and including representatives of small, medium and large cities who are not currently serving on MTC or the ABAG Executive Board to meet monthly or as needed, by phone or in person, to be briefed on and provide input regarding CASA-related legislation. We seek your suggestions on the general composition of such a group.

### **Ongoing Outreach and Public Information**

Understanding that there will continue to be requests for further outreach to local government and other organizations over the coming months, but there is also a basic institutional limit on what is actually feasible, we recommend the following steps:

- ABAG and MTC continue to have Joint Legislative Committee meetings for the foreseeable future and that CASA related items updates be featured each month.
- Provide an opportunity for CASA to be discussed by the full boards at MTC and the ABAG Executive Board.
- Staff will create a monthly CASA related newsletter, summarizing these updates and use our list serves to inform members of the Commission and the Executive Board.
- Staff will share newsletter with other interested stakeholders, such as city and county staff, county congestion management agencies and transit agencies.
- Continue to participate in events convened by the League of California Cities during the legislative session.

### **Legislative Update**

Few new bills have been introduced or amended related to housing since our January update but we anticipate a flurry of additional activity towards the end of the month due to the February 22<sup>nd</sup> bill introduction deadline. At the time this memo was finalized, the Bay Area caucus had just held a retreat during which the CASA Compact was presented and discussed. MTC Chairman Mackenzie and ABAG President Rabbitt were invited to speak, along with the three CASA Co-Chairs.

A key theme of the discussion was the goal of recognizing that CASA is a Compact of divergent interests and the importance of seeking to move the entire package forward in Sacramento. Bay Area members at the retreat seemed to share this goal while also recognizing the enormity of the housing challenge that has built up over decades, and the similar scale of the political challenge before them. Attachment B is an update of the table of CASA-related bills from last month, this time including more detail and noting some differences relative to the CASA Compact.



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Steve Heminger

### **Attachments:**

- Attachment A: CASA Local Government Outreach Schedule – Last Updated: 1/28/19
- Attachment B: CASA-Related Bill Summary, February 1, 2019

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**CASA Local Government Outreach Schedule – Last Updated: 1/28/19**

<b>Meeting Date</b>	<b>Organization</b>
December 12, 2018	Alameda County Mayors' Conference
January 9, 5 pm	League of Cities/North Bay Division (includes 4 North Bay Counties) meeting Homeward Bound
January 10, 7 pm	Contra Costa Conference of Mayors
January 10, 7 pm	Santa Clara County Cities Association Meeting, Sunnyvale City Hall, 456 W Olive Ave.
January 17, 8 am	Home for All Steering Committee (San Mateo)
January 24, 7 pm	East Bay League of Cities Meeting, Walnut Creek
January 29, 10 am	East Contra Costa (EC <sup>2</sup> , a collaborative of cities, the county, chambers and special districts), Oakley City Hall
January 30, 11:30 am	Peninsula League of Cities Division
January 30, 5:30-7:30 pm	Cities of Fremont/Hayward City/Newark/San Leandro/Union City
January 31, 2 pm	Alameda County Transportation Commission
February 20, 1:30 pm	Napa Valley Transportation Authority
February 21, 12-1:30 pm	City Managers Group of Contra Costa, City of Walnut Creek, City Hall on the 3rd floor
February 22, 6 pm (tentative timing)	San Mateo County Council of Cities
February 25, 5:30 pm	Solano City & County Coordinating Council
February 26 –12:30 pm	East Bay Leadership Council, Housing Committee, Walnut Creek
February 27, 7:00 pm (tentative timing)	Marin County, Council of Mayors and Councilmembers, Sausalito
March 1, 11:30 am – 1:00 pm	East Bay Economic Development Alliance,
March 7	Contra Costa Mayors' Conference Meeting in San Ramon

**CASA-Related Bill Summary, February 1, 2019**

<b>CASA Compact Item</b>	<b>Related Bill(s)</b>	<b>Summary</b>
1. Just Cause Eviction		
2. Rent Cap	AB 36 (Bloom)	Spot bill*
3. Rent Assistance & Legal Counsel	SB 18 (Skinner)	The “ <i>Keep Californians Housed Act</i> ” authorizes an unspecified appropriation from the budget for the Department of Housing and Community Development (HCD) provide grants to local agencies to provide rental and legal assistance.
4. Accessory Dwelling Units (ADUs)	AB 68 (Ting) Coauthors: Gloria/Skinner/Wiener	Prohibits local ADU standards from (1) including requirements on minimum lot size, floor area ratio or lot coverage; (2) mandating off-street parking spaces be replaced when a garage or carport is demolished in construction of an ADU; and (3) clarifies definition of an “owner occupant” for purposes of local requirements for owner-occupancy; (4) requires an ADU (attached or detached) of at least 800 square feet and 16 feet in height to be allowed. Reduces the allowable time to issue a permit from 120 days to 60 days. Provides that if a local agency has not adopted an ordinance consistent with its provisions, the local agency shall approve permits for a “junior ADU”** ministerially
	AB 69 (Ting)	Spot bill
	SB 13 (Wieckowski)	Spot bill indicating intent to reduce impact fees on ADUs
5. Minimum Zoning	SB 4 (McGuire)	Spot bill
	SB 50 (Wiener)	<ul style="list-style-type: none"> <li>Allows upzoning within ½-mile of transit and in high-opportunity areas. Provides for a five-year deferral of bill’s provisions in “sensitive communities” that would be defined by HCD in conjunction with community groups.</li> <li>Establishes a new “equitable communities incentive” (ECI) option that a local jurisdiction would be required to offer a developer proposing a project that is either a “transit-rich housing project” or a “job-rich housing project.” In all cases of a qualifying ECI, a developer would receive waivers from maximum controls on density and parking requirements above 0.5/unit, up to three additional concessions or incentives from Density Bonus Law (pursuant to Government Code 65915 (d))</li> </ul>

		<ul style="list-style-type: none"> <li>• Establishes an option, for an undetermined amount of time, for a local government to opt for a community-led planning process aimed toward increasing residential density and multifamily housing near transit stops in lieu of requirements of bill.</li> <li>• Defers applicability of bill in “sensitive communities” –to be defined by HCD in conjunction with local community-based organizations—until January 1, 2025.</li> <li>• ECI-qualifying developments with an unspecified percent of affordable units within ½-mile but outside ¼-mile of a major transit stop, would also be exempt from 1) height caps below 45 ft: 2) maximum floor-area-ratio (FAR) less than 2.5; any parking requirement.</li> <li>• ECI-qualifying developments with an unspecified percent of affordable units within ¼-mile of a major transit stop would also be exempt from 1) height caps below 55 ft.; 2) maximum FAR less than 3.25; any parking requirement.</li> <li>• Excludes sites that contain housing occupied by tenants or that was previously occupied by tenants within the preceding seven years or the owner has withdrawn the property from rent or lease within 15 years prior to the date of application.</li> </ul>
6. Good Government		
7. Streamlining	SB 6 (Beall/McGuire)	Spot bill
8. Public Lands		
9. Funding	SB 5 (Beall)	<ul style="list-style-type: none"> <li>• SB 5 authorizes local agencies to apply to the state to reinvest their share of ERAF (Educational Revenue Augmentation Fund) funds in affordable housing or other community improvement purposes. Sets an initial limit of \$200 million per year for the first five years, growing to \$250 million in 2029.</li> <li>• Establishes the Local-State Sustainable Investment Incentive Program which would be administered by a new Sustainable Investment Incentive Committee comprised of state agency representatives and legislative and gubernatorial appointees.</li> </ul>

		<ul style="list-style-type: none"> <li>• Authorizes a local government, joint-powers authority, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, or a transit village development district to apply to the committee for funding for a variety of projects, including construction of workforce and affordable housing, transit-oriented development, restoring neighborhoods, repairing infrastructure and parks, and protecting against sea level rise.</li> <li>• Requires at least 50 percent of funds to be allocated for affordable housing and workforce housing and for 50 percent of the units to be affordable.</li> </ul>
	AB 10 (Chiu)	Expands the state’s Low Income Tax Credit program by \$500 million per year, up from \$94 million.
	AB 11 (Chiu)	AB 11, the “Community Redevelopment Law of 2019” would authorize a city or county or two or more cities acting jointly to form an affordable housing and infrastructure agency that could use tax increment financing to fund affordable housing and infrastructure projects. Requires establishment of new agencies be approved by the Strategic Growth Council and that expenditure plans for such agencies be aligned with the state’s greenhouse gas reduction goals. A minimum of 30 percent of funds would be required to be invested in affordable housing.
	ACA 1 (Aguiar-Curry)	Reduces vote threshold for local bonds or special taxes for affordable housing or public infrastructure.
10. Regional Housing Enterprise		

\* “Spot bill” denotes a bill that is a placeholder and includes only general intent language regarding the subject with no substantive statutory changes.

\*\* Junior ADU means a unit that is no more than 500 square feet and is contained entirely within an existing single-family structure. It may include its own bathroom or share a bathroom with the existing structure.