



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 8c

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
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Memorandum

TO: Commission

DATE: April 17, 2019

FR: Executive Director

RE: Housing Legislative Working Group Meeting Notes

Attached are notes from the first two meetings of the Housing Legislative Working Group (HLWG), which were held on April 5th and April 11th. The names of the working group members have been removed from the notes, but the county in which they serve (whether as a county supervisor, councilmember or mayor from a city within the county) has been retained to provide a sense of the perspectives from different parts of the region. We will share notes from each of the HLWG meetings with you and welcome your feedback on the format.

Also attached is the HLWG meeting schedule and updated roster.


Therese W. McMillan

TM:rl

Attachments

Meeting Notes from Housing Legislative Working Group Meeting

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Date: Friday, April 5, 2019, 11:00 a.m. – 1:00 p.m.

Location: Yerba Buena Room, Bay Area Metro Center

Staffing:

Julie Pierce, Chair
Jake Mackenzie, Vice Chair
Therese McMillan, Executive Director
Adrienne Weil, General Counsel
Alix Bockelman, Deputy Executive Director
Brad Paul, Deputy Executive Director
Rebecca Long, Government Relations Manager
Fred Castro, ABAG Clerk of the Board
Notetaking by: Lily Rockholt, Civic Edge Consulting

Attendance: Approximately 53 (inclusive of working group members) in person, one working group member and one community member on the phone



Date: Friday, April 5, 2019, 11:00 a.m. – 1:00 p.m.

Chair Julie Pierce: Welcomed working group members and provided overview of process for the coming month. Noted that the working group has been created to show the diversity of opinions that exist throughout the Bay Area region. To that end, comments will be given directly to the Legislative Subcommittee. She further explained that “we will forward all of the ideas brought forward in the working group sessions – we will not be taking votes. A vote says there is one opinion – we want to share *all* of the opinions that we hear in these meetings.”

There’s an expectation that working group members will gather feedback from colleagues and members of their community to share at the meetings.

Contra Costa County representatives

- Flagged that the cities of Contra Costa have submitted a joint letter evaluating a number of housing bills currently under consideration. Jobs/housing balance is a particular concern for the county and the region.
- Believes housing is a regional issue.

Solano County representatives

- Prioritize job/housing balance. Noted that there are few rewards currently for the cities and counties making a real contribution towards affordable housing. Believes Suisun residents want more housing, but the costs and competitive nature of the Bay Area labor market makes this challenging. Requests more financial help as part of the regional or statewide solution. Has questions about using the government-owned lands for housing.
- A major concern is return to source funding.

San Francisco County representatives

- Served on the CASA Technical Committee. Interested in seeing parts of CASA compact become part of the solution.
- Has been working on an analysis of bills for San Francisco and wants to work towards a regional solution.

Alameda County representatives

- Would like more recognition for what is being done correctly, especially as one of the Bay’s largest cities. Fremont has made strides in transit-oriented development. Would like to continue to focus on workforce development, including apprenticeship programs.
- The City of Alameda is an island community and transit is imperative, especially water transit. Acknowledged that solutions to the housing crisis must be regional.

San Mateo County representatives

- Acknowledged that Brisbane has made major strides towards addressing the housing crisis. Recently they have revised the General Plan to allow for significant (2,500+) additional housing units. Retaining local land use authority was crucial for the Brisbane locals to feel good about making these big changes.

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- Burlingame has made major strides in addressing the housing crisis in recent years and will have increased housing units by approximately 20 percent in the next five to ten years. Would like more acknowledgement and support for the housing advances San Mateo County has made and speaker supports local control.
- Levied sales tax to build affordable housing/farm labor housing in one speaker's district.

Napa County representatives

- Wants to find housing solutions to housing crisis in Napa while retaining local control. Felt many voices were left out of the CASA Compact process and would like to identify solutions that will work in Napa county.
- Small cities have had many challenges with building affordable housing. Napa is losing its middle class, and we want to start looking for solutions.

Marin County representatives

- There are mostly single-family housing Marin's jurisdictions. Interested in creative housing solutions such as accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) and not having to pay for utility hookup fees for the ADUs and JADUs within existing homes.
- Does not want the housing bills to be one size fits all, advocates for creative affordable housing. Emphasizes ADUs and Junior ADUs and using them to meet the RHNA requirements with low and very low-income housing.
- Hopes any legislation will better address the constraints faced by small cities and help to maximize housing production. Hopes for better metrics to analyze the impacts of the proposed legislation. Interested in transactions of properties through school districts. Most interested in measures to fast track ADUs and Junior ADUs.

Brad Paul and Rebecca Long provided a summary of the what staff has heard during CASA Outreach to date and Executive Director Therese McMillian presented proposed Organizing Principles for Reviewing Housing Legislation:

1. Funding: Does bill provide more funding to address housing crisis?
2. Production: Does bill propose policy changes that help increase production?
3. Protection: Does bill propose ways to reduce displacement?
4. Flexibility: Our communities are unique. Does bill account for these differences?
5. Jobs/Housing Balance: Does bill help reduce jobs/housing imbalances across region?
6. Reward Best Practices: Does bill recognize prior successful local actions?
7. Financial Impact: What are bills financial impacts on jurisdictions and taxpayers?
8. Transportation and Infrastructure Impacts: This was clarified as being inclusive of schools, sewers, and anything else related to physical capacity of a municipality.

Overall the working group was supportive of the eight organizing principles. The notes below indicate requests for further clarifications and additions.

Date: Friday, April 5, 2019, 11:00 a.m. – 1:00 p.m.

San Francisco County representatives

- Suggested an additional category relating to how the bill impacts GHG reductions.
 - **Therese McMillan:** This concern came up in other conversations. Especially in conversations where less housing is being built compared to the jobs.
 - **Vice Chair Jake Mackenzie:** Part of the action plan to implement PBA 2040, the Bay Area's Sustainable Communities plan, mandates GHG reduction by state law.
- San Francisco priorities include actually building housing – not just improving capacity.

San Mateo County representatives

- Would like to add a metric evaluating (and encouraging) a greater contribution from the business sector. Large corporations should be helping more with the housing crisis given that the jobs they've created in recent years are a major driver of housing demand.
 - **Chair Pierce:** Suggested this might fit under Funding and Jobs/Housing Balance metrics
- Suggested evaluating barriers to implementation and unintended consequences of bills.
- Concerns about the financial aspects of these bills, the potential for gross payroll taxes and the impact on San Mateo County.

Alameda County representatives

- Suggested that sustainability in infrastructure be identified.
Look for ways to attract jobs to East Bay to reduce commuting/GHG and increase equity.

Contra Costa representative

- Would like to see an organizing principle added to acknowledge the linkage to the state's greenhouse gas emission targets since where housing is built ties in directly to this.

Marin County representatives

- Wanted to highlight safety – namely where housing should be built relative to sea level rise and fire threats.
 - **Chair Pierce:** Suggested this could fit under a Climate Change/Resiliency principle.

Solano County representatives

- Return to source consideration is important for Solano County, so that the county can leverage the funding in the most productive way. Solano can produce affordable housing for significantly less than other parts of the region.

Date: Friday, April 5, 2019, 11:00 a.m. – 1:00 p.m.

Other Comments

McMillan: Requested any additional feedback on the Transportation and Infrastructure organizing principle.

- **Chair Pierce:** Suggested that ground water and/or other water considerations be considered as a metric.

Report on Housing Bill Landscape

Rebecca Long reviewed a number of bills and requested feedback. Also, asked if there are bills that should be added to the list. Noted she will add a map of sensitive communities to the website as well as a relevant study conducted by the UC Berkeley Turner Center.

Solano County representatives

- Requested clarity on use of “single-family unit” language. Wants to make sure there is not a penalty for multi-generational families sharing a home.

San Mateo County representatives

- Requested time at future meetings to dig deep into key bills.
 - **Chair Pierce:** Noted that there will be a lot of “homework” for the people in this room to the degree that these are important bills.

Alameda County representatives

- A priority is discussing fee structures, how they will be paid, and what they will cover. Concern cities will need help paying for infrastructure associated with increased housing and that proposed fees are too high for cities to pay alone.

Marin County representatives

- Wants to prioritize discussion of SB50 now that it has been substantially amended.

Chair Pierce: Asked if the sample matrix evaluating bills by the various organizing principles appeared to be a viable way to evaluate their contents and requested feedback on how to prioritize the bills themselves. Feedback included instructing staff to select order based on the most influential bills under each of the three Ps (protection, production, and preservation).

Discussion of Future Meeting Agendas

Santa Clara County

- Santa Clara working group members expressed frustration that they will not be ratified in advance of the next meeting on Thursday, April 11.

Date: Friday, April 5, 2019, 11:00 a.m. – 1:00 p.m.

Public Comment:

1. **Contra Costa County representative** (Commented during public comment because he is not yet ratified): The letter written by Contra Costa cities identifies bills that are not included in this matrix. Requested staff review the letter and add bills as appropriate. Further identified impact fees as a top concern for Contra Costa. Finally, wants an organizing principle related to local control.
2. **Ken Bukowski:** Concerns about how affordable housing will be funded. Would like to see the working group evaluate bills related to streamlining approvals for homeless shelters, parking requirements, and traffic. Suggested live broadcasting the meetings to expand their reach.
3. **Anna Crisante:** Expressed frustration at lack of racial, housing, and age diversity that she observed among working group members. Majority are property owners, no renters (correction one renter). Shared that she had taken time off work to attend meeting and requested they be held outside of regular business hours. Identified affordable housing in Marin as her top priority as well as protecting minorities in the Bay Area as a whole.
4. **Jane Kramer:** There are community interests, and regional interests, and they may or may not coincide. You are going to have to uncover all the possibilities that are not yet spoken in your communities to come up with the best mesh of ideas.
5. **Rich Hedges:** Identified as a housing advocate with a focus on job/housing balance. Applauded existing up zoning legislation.
6. **Anita Enander**, Los Altos City Councilmember: We should clarify language like “high resource areas” and identify areas of ambiguity in the bills.
7. **John McKay:** Morgan Hill City Councilmember: Wants to review existing legislation as well as new legislation, as it’s easier to update existing bills than create new legislation.
8. **Jason Beses:** He said that he feels this working group is too little too late. Also expressed frustration that MTC is paying for a lobbyist.
9. **Susan Kirsch**, founder of Livable California: Feels that the success of Silicon Valley is the root cause of the housing crisis.
10. **Jordan Grimes**, co-leader of Peninsula for Everybody, a tenant protection advocacy group: Wanted to promote regional control of housing production and zoning.

Date: Friday, April 5, 2019, 11:00 a.m. – 1:00 p.m.

- 11. Emma Ishi**, aide to Alameda County Supervisor Keith Carson: Thank you to all the members here. It is important you go to your communities, and talk to your people to get their opinions. Also, on the steering committee for CASA. Thank you.
- 12. Veda Florez**, member of MTC Public Advisory Committee from Marin county: Thanks for this opportunity. I'd like to talk about guiding principles, protections bills, and add a bullet point to talk to underserved communities. Statewide and regional representatives that speak to underserved communities. Viewed the list of the 3 Ps and there aren't many bills under protections, are we not focusing on them or do they not exist.

Date: Thursday, April 11, 2019, 11:00 a.m. – 1:00 p.m.

Location: Board Room, MTC

Staffing:

Rebecca Long, Government Relations Manager
Brad Paul, Deputy Executive Director
Alix Bockelman, Deputy Executive Director
Julie Pierce, Chair
Jake Mackenzie, Vice Chair
Therese McMillan, Executive Director
Adrienne Weil, General Counsel
Fred Castro, ABAG Clerk of the Board
Notetaking by: Lily Rockholt, Civic Edge Consulting

Attendance: 26 in person, plus on the phone

Chair's Report

Chair Pierce: Commented that additional members of the Housing Legislative Working Group (HLWG) would be ratified on the evening of April 11.

Director McMillan: Provided an overview of the meeting agenda.

- Noted two new Organizing Principles based on feedback from the April 5 HLWG meeting.
 - *Parallel Policy Mandate: Does the bill support other state policies/priorities (e.g. GHG reduction/SB375).*
 - *Resilience: Does the bill improve resilience in local communities?*
- Updates were made to existing Organizing Principles, again based on HLWG feedback
 - Financial Impact now reads: Are there potential financial impacts *or other unintended consequences* on local jurisdictions and/or taxpayers?
 - Transportation & Infrastructure Impacts now reads: Does the bill address transportation or other infrastructure impacts *(e.g. schools, water, parks)* resulting from increased housing?
- Highlighted that today's meeting would focus on two major housing bill categories: bills related to Tenant Protection and Accessory Dwelling Units (ADUs).
- Asked for feedback on the updated Organizing Principles noting they can evolve over the course of the upcoming discussions.

Comments on Chair's Report

Alameda County

- Would like to see the following incorporated into the Organizing Principles: environmental justice (for example air quality), economic justice (for example commute times) and social justice.

Date: Thursday, April 11, 2019, 11:00 a.m. – 1:00 p.m.

Contra Costa County

- Overall, was supportive of updates. Requested additional clarity on the term “resilience” noting that it can mean many things.
 - **McMillian:** Agreed that “resilience” could be further defined in the next draft.

Chair Pierce: Noted that it’s a priority of the HLWG to collect qualitative data for all members. The HLWG will not be voting or providing consensus-based recommendations to the Legislative Committee, as the purpose of the HLWG is to represent the many different perspectives found throughout the region.

Report on Housing Bill Landscape

Long: Read Analysis of Protection-Related Bills (included in agenda packet), noting that none of the bills have been heard by the Housing and Community Development Committee except for SB18, which passed committee.

Comments on Analysis of Protection-Related Bills

San Mateo County

- Expressed preference for local control over tenant protections and would like to see more incentives for landlords to keep rents low and avoid steep increases.
- Proposes that Just Cause Eviction Protections to be limited to people earning below a specific (to be determined) average median income (AMI).

Contra Costa County

- Hopes that legislation will consider the unintended consequences of rent control, such as possible landlord collusion to fix or increase rent prices.
- Believes that AB 36 will weaken the Costa-Hawkins Rental Control Act, notes that the homeless problem in Alameda County is significant.

Solano County:

- States that the jobs/housing balance is affecting Solano County communities even though it does have the most affordable housing in the region.
- Solano has capacity to build the most affordable housing in the Bay Area due to their cheaper land costs.
- Concerned about what happens when the one-time funding of SB18 dissipates.

San Francisco County:

- Notes that Costa-Hawkins had its limitations. Asks about owner move-ins.
 - **Long:** States that if it is in the lease, or major health concerns are involved, they would still be allowed.

Date: Thursday, April 11, 2019, 11:00 a.m. – 1:00 p.m.

Comments on ADU Bill Analysis Matrix:

Long:

- Notes that some of the support and opposition is not completely up-to-date in the ADU Bill Analysis Matrix. For example, the League of California Cities directly opposed AB 68.

San Mateo County:

- Noted that from a practical point of view, some of the zoning laws around ADUs are about public safety – such as the fire lane ordinances.
- Brought up concerns about the lack of parking requirement with ADUs.
- Noted that if laws allow ADUs to be sold separately from the primary dwelling, this will require them to have separate hook ups.
 - **Chair Pierce:** Offered that ownership requirements would change the flavor of the communities and would likely have some push back from certain legislators.
- Would like some sort of requirement that ADUs are not to be used for short term rentals, like Airbnb.
- Shared that in some parts of San Mateo county schools are closing due to the lack of students. Despite job growth and a competitive housing market many San Mateo residents don't have children. So, the concern about school capacity isn't shared region-wide.

Alameda County

- Urged bills provide for more local control. Would like to see a law allowing ADUs in garages for residences close to major transit centers.
Historically, many Alameda County ADUs have been used for family members and additional leniency in ADUs helps keep multigenerational families together.
Noted prefab housing could be a useful part of the solution, that it lessens the impact and timing of the construction.

Solano County:

- Expressed concern for removing impact fees as who will then pay for the utilities systems which will need updates to meet increased usage?
 - **Chair Pierce:** Notes that if the utility hook-ups go through the primary residence, less work is needed.
- Suggests a deeper look at the impact to schools, particularly concerning funding.
 - **Chair Pierce:** Noted that unintended consequences has been added to the "Financial Impact" organizing principle.
- Asked how long before a local jurisdiction must adopt an ADU policy.
 - **Chair Pierce:** Stated they have as much time as they want, but in the interim the state standards will apply.

Date: Thursday, April 11, 2019, 11:00 a.m. – 1:00 p.m.

Contra Costa County:

- Noted that impact fees were increased during the Great Recession to compensate for the utility companies funding gaps. It would be appropriate to lower the fees now that economy has bounced back.
- States that there should be some policies to make the ADU creation easier, perhaps even a set of standardized preapproved ADU designs to reduce the permitting cost, and architecture costs.
- Notes that waiving codes can be dangerous because they are there to ensure the safety of the people living in the home.
- Wants ADUs and JDUs to count toward RHNA requirements.
- Stated that AB 68, SB 13 and AB 69 are generally supportable.
 - **Long:** SB13 would allow them to, but not stated in AB 68 or AB 69.

Marin County:

- Shares that the ADU proposed legislation does not consider narrow legacy roads, and that one size does not fit all. Noted one way that Sausalito has handled differences within the community is by adopting an overlay zone where they really need off-street parking.
 - **Chair Pierce:** Notes that the narrow streets should be addressed under safety.
- Hopes JDUs will gain some clarity from this round of legislation, notes their ability to increase affordable housing.

Napa County:

- Hoped that whatever laws get passed allow the flexibility to continue the work they have already started on ADUs.

Next Meeting:

Chair Pierce: Asked if anyone would like to suggest items for the next meeting agenda.

Marin County:

- Noted that they thought almost all the housing bills had passed out of the subcommittee.
- Noted there are specific bill that address how to make the schools whole again with all the housing bills that were brought forward.
- Would like to discuss SB 4, SB 5 and SB 6.

Solano County:

- Requests information from the schools since most of these bills directly impact them.
 - **Long:** notes there is a trailer bill with \$500 million in funding to be used for discretionary expenses related to the housing bills.

Date: Thursday, April 11, 2019, 11:00 a.m. – 1:00 p.m.

- Noted that they would like to discuss the bill related to the 75 percent of funds raised for the RHE to come back to the county [AB 1487 (Chiu)] and that they would like this number to be higher.

Contra Costa County:

- Would like to discuss some of the more controversial bills like SB50, AB 1483, AB 1484, AB 1485. For some of the cities and counties, noted these might become a barrier to building affordable housing for them.

Alameda County:

- Would like to discuss AB 1487.
- Voiced concern that the HLWG hasn't taken a more comprehensive approach to these bills, particularly analyzing the jobs housing balance, justice issues and transportation.
- Would also like to discuss alternative ways to get more affordable housing.

San Mateo County:

- Would like to discuss SB 4 and SB 50, anything funding related specifically anything related to the Regional Housing Enterprise [AB 1487].

Public Comment:

1. **Rich Hedges:** Appreciated the presence and the comments made today. Shares that San Mateo County has done some great work, and notes that prefab housing could be a powerful contributor to the fight for affordable housing.
 - **Chair Pierce:** Noted that San Mateo County has great resources and directed staff to get the resources to all the working group members.
 - **Horsley:** Mentioned he can bring copies of San Mateo handbooks/physical materials to the next working group meeting.
 - **Heather Peters:** Was a participant on the team of people who produced the materials San Mateo County developed. Noted their Amnesty Program to adopt ADUs made before it was fully legal is launching next month to encourage 3rd party inspector. Shares contact information for those who would like it. Hpetters@SMCgov.org

Closing comments:

Director McMillan: States that the working group members should notify the ABAG/MTC Staff by no later than Monday afternoon if they will be teleconferencing into the meeting.



ABAG MTC Housing Legislative Working Group

Chair—Julie Pierce, Vice Mayor, City of Clayton

Vice Chair—Jake Mackenzie, Councilmember, City of Rohnert Park

County of Alameda—Supervisor Keith Carson

County of Contra Costa—Supervisor John Gioia

County of Marin—Supervisor Judy Arnold

County of Napa—Supervisor Ryan Gregory

City and County of San Francisco—Supervisor Hillary Ronen

County of San Mateo—Supervisor Don Horsley

County of Santa Clara—Supervisor Susan Ellenberg

County of Solano—Supervisor John Vasquez

County of Sonoma—Supervisor James Gore

Alameda County Mayors Conference—

Marilyn Ezzy Ashcraft, Mayor, City of Alameda

Lily Mei, Mayor, City of Fremont

Contra Costa County Mayors Conference—

Newell Arnerich, Councilmember, City of Danville

Laura Hoffmeister, Councilmember, City of Concord

Marin County City Selection Committee—

Joan Cox, Councilmember, City of Sausalito

Alice Fredericks, Councilmember, Town of Tiburon

Napa County City Selection Committee—

Mary Luros, Councilmember, City of Napa

Anna Chouteau, Councilmember, City of St. Helena



ABAG MTC Housing Legislative Working Group

City and County of San Francisco, Mayor—

Ken Rich, Development Director, Office of Economic and Workforce Development

John Rahaim, Planning Director

San Mateo County City Selection Committee—

Donna Colson, Mayor, City of Burlingame

Cliff Lentz, Councilmember, City of Brisbane

Cities Association of Santa Clara County—

Larry Klein, Mayor, City of Sunnyvale

Margaret Abe-Koga, Vice Mayor, City of Mountain View

Solano County City Selection Committee—

Ron Rowlett, Mayor, City of Vacaville

Anthony Adams, Councilmember, City of Suisun City

Sonoma County Mayors and Councilmembers Association—

Amy Harrington, Mayor, City of Sonoma

Gina Belforte, Mayor, City of Rohnert Park

Association of Bay Area Governments—

Kevin McDonnell, Vice Mayor, City of Petaluma

Metropolitan Transportation Commission—

Trish Munro, Councilmember, City of Livermore

4/16/19

**Proposed ABAG MTC Housing Legislative Working Group Meeting Calendar**

Location: Bay Area Metro Center, 375 Beale Street, San Francisco

Note: ABAG and MTC meetings are also listed for information purposes only.

Housing Legislative Working Group (HLWG)	Friday, 4/5/19	11:00 a.m. to 1:00 p.m.	Yerba Buena/Ohlone
HLWG	Thursday, 4/11/19	2:00 p.m. to 4:00 p.m.	Board Room
<i>Joint ABAG Legislation Committee and MTC Legislation Committee (Joint ABAG/MTC Legislation)</i>	<i>Friday, 4/12/19</i>	<i>9:15 a.m.</i>	<i>Board Room</i>
HLWG	Thursday, 4/18/19	7:00 p.m. to 9:00 p.m.	Board Room
<i>Metropolitan Transportation Commission (MTC)</i>	<i>Wednesday, 4/24/19</i>	<i>9:45 a.m.</i>	<i>Board Room</i>
HLWG	Thursday, 4/25/19	7:00 p.m. to 9:00 p.m.	Board Room
HLWG	Wednesday, 5/1/19	3:00 p.m. to 5:00 p.m.	Board Room
<i>Joint ABAG/MTC Legislation Committee</i>	<i>Friday, 5/10/19</i>	<i>9:15 a.m.</i>	<i>Board Room</i>
<i>ABAG Legislation Committee and ABAG Executive Board</i>	<i>Thursday, 5/16/19</i>	<i>5:00 p.m. and 7:00 p.m.</i>	<i>Board Room</i>
<i>MTC</i>	<i>Wednesday, 5/22/19</i>	<i>9:45 a.m.</i>	<i>Board room</i>
HLWG	Thursday, 5/23/19	7:00 p.m. to 9:00 p.m.	Board Room
HLWG	Friday, 5/31/19	1:00 p.m. to 3:00 p.m.	Yerba Buena/Ohlone
<i>Joint ABAG/MTC Legislation Committee</i>	<i>Friday, 6/14/19</i>	<i>9:15 a.m.</i>	<i>Board Room</i>
<i>MTC</i>	<i>Wednesday, 6/26/19</i>	<i>9:45 a.m.</i>	<i>Board Room</i>
<i>ABAG Legislation Committee and ABAG Executive Board</i>	<i>Thursday, 7/18/19</i>	<i>5:00 p.m. and 7:00 p.m.</i>	<i>Board room</i>