

**Metropolitan Transportation Commission and the Association of Bay Area Governments
Joint MTC Legislation Committee and
ABAG Legislation Committee**

May 10, 2019

Agenda Item 7a

Housing Legislative Working Group Update

Subject: Report on the work of the ABAG-MTC Housing Legislative Working Group, convened to provide input into staff's analysis of key housing bills under consideration in Sacramento this year.

Background: The Housing Legislative Working Group was convened in late March by ABAG and MTC as an action item following on the ABAG and MTC boards' motions related to the CASA Compact. Specifically, the MTC motion directed staff to do outreach to local elected officials as part of any advocacy related to housing, while the ABAG motion specifically directed staff to form a task force comprised of local elected officials to provide input on legislation. The group was convened in an advisory capacity to provide their perspectives to staff for communication to the MTC and ABAG Legislative Committees.

The group included a county representative from each of the nine counties appointed by the board of supervisors and two city representatives for each county. See Attachment A for the committee's roster. The HLWG met on a weekly basis through the month of April and held its most recent meeting on May 1. At the first meeting the group developed organizing principles by which to analyze housing legislation, as detailed in Attachment B. Beginning with the second meeting, staff provided presentations to the working group that discussed various bills in the context of the organizing principles and sought input from the group on each bill. Attachment C shows the bills that staff presented to the group, along with their current status. A web page was formed on the MTC site to provide easy access to the meeting materials, including videos.

Discussion: The HLWG meetings were well attended and provided staff with a deeper understanding of the unique concerns across the region. While the views on bills were not unanimous (see Attachments D and E for member comments and meeting notes), there were a number of common themes, including:

- Agreement that there is a housing crisis and more housing needs to be built at all income levels, and faster;
- Agreement that additional funding is needed to help pay for affordable housing and that the lack of funding is a significant barrier to getting projects built;
- Concern that legislative proposals aren't addressing the underlying problem of the high cost of housing in California;
- Cities that are doing the right thing should get credit for this. Many are painted as obstructionist even though they have entitled hundreds of units; often projects aren't moving due to market conditions beyond local control.

- Concern about the loss of local control over zoning, housing approvals, or the pace of approvals;
- Concern that bills to mandate increased zoning for housing density and by-right development are not accompanied by funding to address associated impacts on schools and infrastructure, including transportation impacts;
- Concern about proposals to limit or prohibit housing impact fees and how the funds from those would be replaced;
- In the East Bay, a view that the region's focus in the near term should be to bring more housing to the parts of the region that have produced the most jobs and have the greatest jobs-housing imbalance (i.e. San Francisco and Silicon Valley). As a complement to this effort, employers should be incentivized to locate in the parts of the region with the most housing;
- Concern about policies to require increased reporting or accelerated project approvals without commensurate increase in resources.

Staff appreciates the time and energy that HLWG members invested in this effort. We learned a great deal and appreciate the perspectives that were shared. While our proposed bill position recommendations weren't reviewed or discussed with the HLWG and undoubtedly won't be supported by every member of the committee, we hope members recognize that many of the amendment suggestions are a direct result of comments shared at the HLWG.

Our analysis was built upon the following principles:

1. The Bay Area faces a housing affordability crisis of enormous proportions that has been decades in the making; addressing it will require bold changes that may cause some discomfort, but we must not miss this political opportunity to make significant progress.
2. This is not just about housing. The region's transportation challenges are intimately connected to and exacerbated by the lack of availability of housing for all income levels in close proximity to public transit and jobs. Without affordable housing, people simply drive further, causing traffic congestion to worsen and undermining our best efforts to reduce our carbon footprint.
3. The region's affordability challenges are intimately connected to the cost of housing. It was the equity analysis in Plan Bay Area 2040 that led ABAG and MTC to call for numerous housing policy changes in the [Action Plan](#). Many of the bills on your agenda today provide an opportunity to address specific components of that plan.

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In formulating our recommendations for today, staff sought to find ways to engage with the Legislature in a positive, constructive manner. While we are recommending numerous amendments to bill, we are not recommending any “oppose” positions. We will continue to track the broader set of bills circulating through the Legislature to see which ones survive the next set of deadlines and, if warranted, pursue oppose recommendations this summer.

Attachments:

Attachment A: ABAG MTC Housing Legislative Working Group Roster

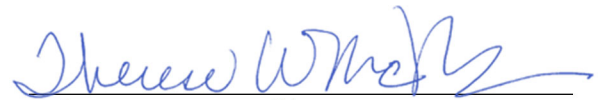
Attachment B: Housing Legislative Working Group’s Organizing Principles for Reviewing Housing Legislation

Attachment C: 2019 California Housing Bill Matrix

Attachment D: Housing Legislative Working Group - Member Comments by Topic and County

Attachment E: HLWG Meeting Notes

Attachment F: Letters shared by HLWG members related to housing policy



Therese W. McMillan



ABAG MTC Housing Legislative Working Group Roster

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



ABAG MTC Housing Legislative Working Group Roster

Napa County City Selection Committee—

Mary Luros, Councilmember, City of Napa

Anna Chouteau, Councilmember, City of St. Helena

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

**Housing Legislative Working Group's
Organizing Principles for Reviewing Housing Legislation**

1. Funding: More funding is needed. Does the bill provide more funding to help address the housing crisis related to one or more of the 3Ps of protection, production and preservation?
2. Production: More housing is needed across the affordability spectrum. Does the bill propose policy changes that are expected/intended to increase affordable and market rate housing production?
3. Protection: Does the bill propose ways to reduce displacement pressure on vulnerable Bay Area residents?
4. Flexibility: Our communities are unique. Does the bill account for differences across communities?
5. Jobs/Housing Balance: Does the bill help reduce jobs/housing imbalances across the region and account for different degrees of imbalance, and allow people to live closer to their jobs?
6. Reward Best Practices: Some communities have made great strides in production, preservation, and protection. Does the bill recognize prior actions taken locally consistent with intent of the bill to address the housing crisis?
7. Financial Impact: Are there potential financial impacts or other unintended consequences on local jurisdictions and/or taxpayers?
8. Transportation & Infrastructure Impacts: Does the bill address transportation or other infrastructure impacts (e.g. schools, water, parks) resulting from increased housing?
9. Parallel Policy Mandate: Does the bill support other state policies/priorities (e.g. GHG reduction/SB375)
10. Resilience: Does the bill improve resilience in local communities with respect to sea level rise, earthquakes, fire, flooding, etc.?

Shading indicates
 bills discussed by
 working group

2019 California Housing Bill Matrix

Last Updated: May 6, 2019 11:00 AM

Topic	Bill	Summary	Status as of 5/6/19
PROTECTION			
Rent Cap	AB 36 (Bloom)	Loosens, but does not repeal, Costa Hawkins to allow rent control to be imposed on single family homes and multifamily buildings 20 10 -years or older, with the exception of buildings owned by landlords who own just 10 or fewer one or two units.	Assembly Rules (Non-fiscal; Amended 4/22)
	AB 1482 (Chiu)	Caps annual rent increases by five percent an unspecified amount above the percent change in the cost of living and limits the total rental rate increase within a 12 month period to 10 percent. Exempts housing subject to a local ordinance that is more restrictive than the bill. Prohibits termination of tenancy to avoid the bill's provisions.	Assembly Appropriations (Hearing scheduled 5/8/19) (Amended 4/22/19)
Just Cause Eviction	AB 1481 (Bonta)	Prohibits eviction of a tenant without just cause stated in writing. Requires tenant be provided a notice of a violation of lease and opportunity to cure violation prior to issuance of notice of termination.	Assembly Third Reading (Passed Assembly Judiciary Committee on 4/30/19; Amended 4/23/19)
	AB 1697 (Grayson)	For a lease in which the tenant has occupied the property for 10 12 months or more, prohibits eviction of a tenant without just cause stated in writing.	Assembly Third Reading (Amended 5/1/19)
Tenant Organizing Rights	SB 529 (Durazo)	Declares that tenants have the right to form, join, and participate in the activities of a tenant association, subject to any restrictions as may be imposed by law, or to refuse to join or participate in the activities of a tenant association.	Senate Appropriations (Amended 4/30/19)

Topic	Bill	Summary	Status as of 5/6/19
PROTECTION, cont.			
Rent Assistance & Access to Legal Counsel	SB 18 (Skinner)	- Authorizes a competitive grant program to be administered by Department of Housing and Community Development (HCD) to provide emergency rental assistance and moving expenses and grants to local governments to provide legal aid for tenants facing eviction, mediation between landlords and tenants and legal education. The primary use of grant funds must be for rental assistance. - Requires <i>the Department of Consumer Affairs</i> HCD to post all state laws applicable to the tenant-landlord relationship on its web site by January 1, 2021 and to update biannually	Senate Appropriations (Amended 4/23/19)
PRODUCTION & PRESERVATION			
Accessory Dwelling Units (ADUs)	AB 68 (Ting)	- Prohibits local ADU standards from including certain requirements related to minimum lot size and parking spaces. - 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.	Assembly Appropriations Suspense File
	AB 69 (Ting)	- Requires HCD to propose small home building standards to the California Building Standards Commission governing accessory dwelling units and homes smaller than 800 square feet. - Authorizes HCD to notify the Attorney General if they find that an ADU ordinance violates state law.	Assembly Appropriations Suspense File
	AB 587 (Friedman)	<i>Authorizes an local agency to allow, by ordinance</i>, an ADU that was ministerially approved to be sold separately from the primary residence to a qualified buyer if the property was built or developed by a qualified nonprofit corporation and a deed restriction exists that ensures the property will be preserved for affordable housing.	Senate Rules (Amended 4/22/19)
	AB 671 (Friedman)	Requires local agencies to include in their housing element a plan that incentivizes and promotes the creation of ADUs that can be offered for rent for very low-, low- and moderate-income households.	Assembly Appropriations (Hearing scheduled 5/8/19)
	AB 881 (Bloom)	Eliminates ability of local jurisdiction to mandate that an applicant for an ADU permit be an owner-occupant.	Assembly Third Reading

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
ADUs (cont'd)	SB 13 (Wieckowski)	• Maintains local jurisdictions' ability to define height, setback, lot coverage, parking and size of an ADU related to a specified amount of total floor area. • Prohibits local agency from requiring the replacement of parking if a space is demolished to construct an accessory dwelling unit. • Allows a local agency to count an ADU for purposes of identifying adequate sites for housing. • Creates a 10-year amnesty program	Senate Appropriations Suspense File (Amended 4/23/19)
Zoning/ Housing Approvals	AB 1279 (Bloom)	• Requires HCD to designate areas in the state as high-resource areas, by January 1, 2021, and every 5 years thereafter. • Makes housing development in such areas "by right" if the project is no more than four units in an area zoned for single family homes or up to 40 units and 30 feet in areas generally zoned for residential, subject to certain affordability requirements.	Assembly Appropriations (Hearing scheduled 5/8/19)
	SB 4 (McGuire)	• Allows an eligible transit-oriented development (TOD) project that is located within ½ mile of an existing or planned transit station and meets various height, parking, zoning and affordability requirements a height increase up to 15 feet above the existing highest allowable height for mixed use or residential use. • Exempts a TOD project within ¼ mile of a planned or existing station from minimum parking requirements in jurisdictions > 100,000 in population. • Establishes a new category of residential project – a "neighborhood multifamily project" as a project that on vacant land that is allowed to be a duplex in a nonurban community or a four-plex in an urban community and grants such projects ministerial approval.	Senate Governance and Finance (No longer active; provisions of the bill to be incorporated into SB 50 (Wiener))

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Zoning/ Housing Approvals (cont'd)	SB 50 (Wiener)	- Allows upzoning within ½-mile of transit and in high-opportunity areas <i>in counties with a population > 600,000.</i> Provides for a five-year deferral of bill's provisions in "sensitive communities" that would be defined by HCD in conjunction with community groups. - 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. <i>Allows upzoning one-story above the highest allowable height in counties with a population ≤ 600,000.</i> <i>Requires ministerial approval of fourplexes on vacant land</i>	Senate Appropriations (Substantially amended 5/1/19)
	SB 330 (Skinner)	- Restricts a local jurisdiction or ballot measure from downzoning, establishing or implementing limits on permit issuance or population <i>unless the limit was approved prior to January 1, 2005 in a predominately agricultural county,</i> or imposing building moratoria on land where housing is an allowable use within an affected county or city identified by HCD as having fair market rate __ percent higher than <i>national statewide</i> average fair market rent for the year and a vacancy rate below __ percent. - Prohibits a city or county from conducting more than <i>five</i> three de novo hearings on an application for a housing development project. <i>Modifies parking requirements to allow 0.5 space/unit, unless an affected city is located in a county with a population of 700,000 or greater or the affected city has a population of 100,000 or greater and is in a county of 700,000 in population or less.</i> - Ten year emergency statute.	

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Fees/ Transparency	AB 724 (Wicks)	- Requires HCD to create a rental registry online portal designed to receive specified information from landlords and to disseminate this information to the general public. - Requires HCD complete the rental registry online portal by January 1, 2021, and would require landlords to register within 90 days and annually thereafter. Landlords that fail to register would be subject to a \$50 civil penalty per rental unit. <i>Requires a code enforcement officer to report a residential property owned or operated by a landlord subject to the registration requirement to HCD.</i>	Senate Appropriations (Hearing scheduled 5/8/19) (Passed Senate Housing with substantial amendments, 4/22/19)
	AB 847 (Grayson)	- Requires HCD to establish a competitive grant program, subject to appropriation by the Legislature, to offset the cost of housing-related transportation impact fees. Qualifying recipients would be cities and counties, which may apply jointly with a developer. - Projects must be at least 20 percent affordable (specific area median income (AMI) level unspecified) and be consistent with sustainable communities strategy (SCS); - Preference for TOD.	Assembly Housing and Community Development (2-year bill)
	AB 1483 (Grayson)	- Requires a city or county to <i>maintain a current schedule of fees applicable to a housing development project</i> compile of zoning and planning standards, fees, special taxes, and assessments in the jurisdiction. - Requires each local agency to post the <i>fee schedule list and all zoning ordinances and development standards</i> on its website and provide the <i>information list</i> to the HCD and any applicable metropolitan planning organization (MPO). - Requires each city and county to annually submit specified information concerning pending housing development projects with completed applications HCD and any applicable MPO.	Assembly Appropriations (Hearing scheduled 5/8/19) (Amended 4/29/19)

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Fees/ Transparency, cont.	AB 1484 (Grayson)	- Prohibits a local agency from imposing a fee on a housing development project unless the type and amount of the exaction is specifically identified on the local agency's internet website at the time the development project application is submitted. - Prohibits a local agency from imposing, increasing, or extending any fee on a housing development project at an amount that is in excess of information made available on its web site. Applicable to all cities statewide, including charter cities.	Assembly Appropriations (Hearing scheduled 5/8/19)
Streamlining	AB 1485 (Wicks)	Modifies affordability requirements applicable to the by-right provisions in SB 35 (Wiener, 2017) such that a project can dedicate 10% of the total number of units to housing affordable to households making below 80 percent of the AMI or 20 percent to households earning below 120 percent AMI with an average income of units at or below 100 percent. <i>Substantially Amended</i> 4/11/19	Assembly Third Reading
	AB 1706 (Quirk)	- Provides specified financial incentives to a residential development project in the San Francisco Bay Area that dedicates at least 20 percent of the housing units to households making no more than 150 percent AMI. - Incentives include exemption from CEQA, a cap on fees, a density bonus of 35 percent, parking reductions and a waiver of physical building requirements imposed on development, such as green building standards.	Assembly Housing and Community Development (2-year bill)
	SB 621 (Glazer)	- Requires the Judicial Council to adopt a rule of court applicable to an action to challenge an environmental impact report for an affordable housing project, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceeding with the court. <i>Provides that these provisions do not apply to an affordable housing project if it is in certain locations.</i> Prohibits a court from staying or enjoining the construction or operation of an affordable housing project unless it makes certain findings.	Senate Appropriations (Amended 4/30/19)

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Public Lands	SB 6 (Beall)	- Requires HCD to provide the Department of General Services (DGS) with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. <i>Authorizes HCD to provide local governments standardized forms to develop site inventories and requires that local governments adopting housing elements after January 1, 2021 electronically submit site inventories to HCD.</i> - Requires DGS to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.	Senate Appropriations Suspense File (Amendments accepted and re-referred to Senate Appropriations, 4/23/19)
	AB 1255 (Rivas)	Requires the housing element to contain a surplus lands inventory and requires the city or county to separately identify those sites that qualify as infill or high density.	Assembly Appropriations Suspense File
	AB 1486 (Ting)	- Revises the definitions of “local agency” and “surplus land” applicable to the current Surplus Lands Act (SLA) requirement that local agencies provide right of first refusal to affordable housing developers when disposing of surplus land. Revises and clarifies state and local process requirements related to surplus land disposal. - Permits 100 percent affordable development on surplus land regardless of local zoning; Provision does not apply to exempt surplus land or land ineligible for state affordable housing financing programs - Requires that HCD create and maintain a statewide inventory of local surplus lands. The inventory would be developed from information submitted by local agencies. - Expands HCD’s enforcement mandate to include the SLA.	Assembly Appropriations

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Funding <i>(Note: Funding is the most relevant category for affordable housing preservation)</i>	AB 10 (Chiu)	Expands the state's Low Income Housing Tax Credit program by \$500 million per year <i>from 2020 through 2024</i> , up from \$94 million, leveraging an estimated \$1 billion in additional federal funds annually.	Assembly Revenue and Taxation (Hearing 5/6/19; Urgency bill, Amended 4/30/19)
	AB 11 (Chiu)	• Authorizes 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; A minimum of 30 percent of funds would be required to be invested in affordable housing. • Requires the Strategic Growth Council approve new agencies and that expenditure plans for such agencies be aligned with the state's greenhouse gas reduction goals.	Assembly Appropriations (Passed Assembly Local Government, 4/24/19)
	AB 1487 (Chiu)	• Establishes the Housing Alliance for the Bay Area (HABA), a new regional entity serving the nine Bay Area counties to fund affordable housing production, preservation and tenant protection programs. • Authorizes HABA to place unspecified revenue measures on the ballot, issue bonds, allocate funds to the various cities, counties, and other public agencies and affordable housing projects within its jurisdiction to finance affordable housing development, preserve and enhance existing affordable housing, and fund tenant protection programs, • Provides that HABA will governed by a board composed of an unspecified number of voting members from MTC, ABAG and gubernatorial appointees and staffed by MTC.	Assembly Appropriations (Amended 4/29/19 to remove governance provisions to allow more time to negotiate this aspect of the bill.)
	AB 1568 (McCarty)	Conditions eligibility for state grants <i>SB 1</i> local street and road fund on an HCD determination that a <i>jurisdiction's housing element</i> is in compliance with state law, <i>including that a jurisdiction has an HCD-approved housing element and that HCD has not found the jurisdiction in violation of the Housing Accountability Act or Density Bonus law.</i>	Assembly Appropriations (Hearing scheduled 5/8/19)

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Funding (cont'd)	AB 1717 (Friedman)	Establishes the Transit-Oriented Affordable Housing Program, to be administered by the California Housing Finance Agency (CalHFA). The program would allow a city or county to participate in the program by enactment of an ordinance establishing a TOD housing district. Such a district would be authorized to use tax-increment finance through a diversion of property taxes, including the school portion, to finance affordable housing projects. Funds would be redirected to CalHFA who would be authorized to issue bonds to pay for the projects.	Assembly Appropriations (Hearing scheduled 5/8/19)
	SB 5 (Beall)	• 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. • 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. • 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. • <i>Authorize certain local agencies to establish an affordable housing and community development investment agency and authorize an agency to apply for funding under the program and issue bonds, as provided, to carry out a project under the program.</i> • MTC and ABAG support in concept	Senate Appropriations Suspense File (Amended 4/23/19)

Topic	Bill	Summary	Status as of 5/6/19
PRODUCTION & PRESERVATION (cont'd)			
Funding (cont'd)	ACA 1 (Aguiar-Curry)	- Reduces vote threshold for local bonds or special taxes for affordable housing production, preservation or public infrastructure. MTC and ABAG support	Assembly Appropriations Suspense File
	SB 128 (Beall)	- Eliminates the voter approval requirement for Enhanced Infrastructure Financing Districts (EIFDs), which can be used to finance affordable housing production and preservation, among other purposes. MTC and ABAG support	Assembly Local Government
Planning	AB 725 (Wicks)	Prohibits more than 20% of a <i>suburban or metropolitan</i> jurisdiction's share of regional housing need for above moderate-income housing from being allocated to sites with zoning restricted to single-family development.	Assembly Housing and Community Development (2-year bill)
	SB 235 (Dodd)	Allows the City and the County of Napa to reach an agreement under which the county would be allowed to count certain housing units built within the city toward the county's regional housing needs assessment (RHNA) requirement.	Assembly Desk
	SB 744 (Caballero)	Requires a lead agency to prepare the record of proceeding for a No Place Like Home project with the environmental review of the project if it is not eligible for approval as a use by right.	Senate Appropriations (Amended on 4/29/19)

* Amendments are not yet in print and/or staff has not yet incorporated amendments into this matrix.

Housing Legislative Working Group - Member Comments by Topic and County

From HLWG meetings held on 4/5, 4/11, 4/18, 4/25, 2019

Protection Bills	
County	Comments
Contra Costa	-Legislation should consider the unintended consequences of rent control, such as possible landlord collusion to fix or increase rent prices -AB 36 will weaken the Costa-Hawkins Rental Control Act
Solano	-One-time funding of SB 18 is a concern
San Francisco	-Costa-Hawkins had its limitations
San Mateo	-Preference for local control over tenant protections; would like to see more incentives for landlords to keep rents low and avoid steep increases -Just Cause Eviction Protections should be limited to people earning below a specific (to-be-determined) average median income

Accessory Dwelling Units	
County	Comments
Alameda	-Favors law allowing ADUs in garages for residences close to major transit centers -Leniency in ADUs helps keep multigenerational families together -Prefab housing could be part of the solution
Contra Costa	-Lower impact fees now that the economy has bounced back. -There should be policies to make ADU creation easier, perhaps a set of standardized preapproved ADU designs to reduce the permitting/architecture costs -Waiving codes can be dangerous – safety concerns -ADUs and JDUs should count toward RHNA requirements -AB 68, SB 13 and AB 69 are generally supportable
Marin	-Marin County is mostly single-family housing. ADUs and junior accessory dwelling units (JADUs) are key. Use ADUs and JADUs and to meet the RHNA requirements with low-and very-low-income housing. We should not have to pay for utility hookup fees for them within existing homes.
Napa	-Whatever laws get passed should allow the flexibility to continue the work Napa has already started on ADUs
San Mateo	-Zoning laws around ADUs are about public safety -Lack of parking requirement with ADUs is a concern -Require that ADUs not to be used for short-term rentals like Airbnb
Solano	-Concern for removing impact fees vis-à-vis utilities systems, which will need updates to meet increased usage -Concern over school funding

AB 1487 – Governance/Funding	
County	Comments
San Mateo, Napa, Marin, Contra Costa	-Retaining local land use authority is crucial. Need to retain local control.

Contra Costa, San Mateo, Solano	Taxes should be on large employers (e.g. a head tax) and proportionally adjusted upward in areas contributing the most to the jobs-housing imbalance, such as San Francisco, San Mateo and Santa Clara
AB 1487 – Governance/Funding, contn'd.	
County	Comments
Santa Clara, San Mateo	-Could adversely affect the Caltrain measure going on the ballot in 2020 (1/8 cent sales tax on ballot next year in Santa Clara, San Mateo and San Francisco Counties)
Contra Costa, Santa Clara	-Tax increases make the region less competitive economically. Focus instead on redirecting existing online sales tax revenue to the point of sale.
Alameda	-Proposal for new regional body is not appreciated, given how CASA didn't include smaller cities until after Compact was done, instead of including them earlier in the conversation -Concerned the three biggest cities would have disproportionate amount of power in HABA -If this work needs a regional administrative body, it should be ABAG -Doesn't address jobs-housing balance by city or by sub-region (East/West) -Could worsen social injustice by forcing more low-income workers to commute even greater distances -More transit investments needed to help people moving to Tri-Valley, Tracy and Stockton get to and from work in Bay Area -Bay Area is already so heavily taxed -Doesn't address the need to fund more transit, schools, etc. for new residents -What happens when regional tax measures compete with local tax measures? -Bill doesn't take into account the innovative things many cities are already doing
Contra Costa	-Housing crisis is a statewide problem and needs a permanent statewide funding source. Sales and parcel taxes are all we have to fund schools, parks and local infrastructure. -MTC shouldn't be part of this new organization. Issues with the way MTC handled transportation funding and its distribution in the past. -New regional agency isn't needed to secure or allocate housing funds; the counties can do it. Many have a system in place now to allocate state and county funds. -Can HABA be managed through existing non-profits? -For linkage fees, the term "mixed use" should be better defined in the bill
Santa Clara	-Santa Clara passed a \$950 million bond for affordable housing. A regional tax on top of that would cause outrage with residents; double taxation. -Opposed to new layer of regional bureaucracy -Funds should not be used for general fund as reward for achieving housing goals; should all be for affordable housing directly -City Association of Santa Clara County supports ABAG playing this role -One job-rich city stated that it is considering limiting future office growth -Concerned about redundancies with funding sources, double taxation (RL notes: with any sales tax increase for housing, the amount would be reduced proportionally in each jurisdiction where a sales tax measures was already dedicated to housing)
San Francisco	-Supports AB 1487; the technical assistance and data a regional housing entity could provide cities across the region is a very important part of it -Unlike other urban centers <i>most, if not all</i>, of the Bay Area is unaffordable

	-We do transportation funding regionally, we should do the same for housing. ABAG currently provides regional funding through the San Francisco Estuary Partnership and SF Restoration Authority (\$25 million/year thru regional Measure AA). -Taxes are not the top contributor to the Bay Area's high cost of living -Even if SF had not accepted so many new tech jobs, those jobs would have gone somewhere else in the Bay Area
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AB 1487 – Governance/Funding, contn'd.

County	Comments
San Mateo	-Prefer to see new resources come from the state -Concerned they would not qualify for the various affordable housing funds; they have not qualified for redevelopment funds in the past -Oppose new regional agency that will only be responsive to three big cities -Recently spent \$150 million to expand local school capacity but will soon need more -Sales and parcel taxes should be dedicated to local needs. -State legislature vote could give counties the direct authority to charge larger employers a head tax
Solano	-Few rewards currently for cities/counties contributing to affordable housing. Suisun residents want more housing, but the costs and competitive nature of the Bay Area labor market makes this challenging. More financial help is needed as part of a regional or statewide solution. -Would like to see more of a focus on the jobs-housing balance; would welcome employers such as Facebook or Amazon and house their employees -If MTC and ABAG each get 9 seats on the board, one should be from each county. Bill should specify how counties are represented. -Feels like another example of legislators coming up with big-picture ideas without fully thinking through the many potential unintended consequences.

SB 330 – Streamlining Permit Approvals, Upzoning, Substandard Building Upgrades

County	Comments
Alameda, Contra Costa, Santa Clara, San Francisco, San Mateo	-Locking in design standards based on 1/1/2018 hinders ability to update and improve local design review; no room for environmental/resilience upgrades; would undo years' worth of work (would nullify Central SOMA Plan per SF)
Contra Costa, Marin, Santa Clara, San Mateo	-Parking concerns. Can't lessen parking without addressing traffic and/or transit. Remove parking from bill; parking needs should be addressed at the local level
Alameda, Contra Costa, Solano	-Already-approved projects are not being built. Bill doesn't solve this. Investigate developer responsibility/changes in ownership for slowing projects down, not just government responsibility
Alameda, San Francisco	-Impact and permit fees are important for local jurisdictions. Schools really need them. Provides what the state doesn't provide. Have to pay for this stuff somehow.

Contra Costa, San Francisco	-Clarification needed: when the developer slows the process down by requiring more time or asking for extensions, does that pause the 12-month clock for approvals?
SB 330 – Streamlining Permit Approvals, Upzoning, Substandard Buildings, contn'd.	
County	Comments
Alameda	-Residents of affordable housing projects use city services, so why should those buildings be exempt from impact fees? -Agreed current 5-10 year approval process too long, but 12 months too short. What about 1-3 years depending on scale and complexity of project? -Nothing in bill acknowledges funding gap/challenges for affordable housing -City permitting staff shortages often lead to slower project approvals -Doesn't address worsening traffic congestion that more housing will create -Re: substandard buildings provision, there needs to be a balanced approach. Comparing this to Oakland's Ghost Fire isn't fair – it would not have been allowed under the proposal given the life safety issues. It's better to have safer, ugly buildings than more tent cities, which is what's happening in Alameda -Seems to indicate that HABA would be collecting money, but no directive as to how or what HABA would do with the funding nor any indication of who the members will be
Contra Costa	-Redundant for many local jurisdictions that already have a standardized permitting process. -Concerns about one-size-fits-all HCD application form. Let local jurisdictions customize the form to account for local conditions. -Clarify the language to say "no state law can take away the redress from the public" -Language also impacts urban growth boundaries -Bill doesn't address the "real issues": labor & construction costs -Needs some exceptions for unintended consequences (for example, Concord Naval Base -retroactive zoning to current standards would kill this housing project) -Substandard building section creates some major legal liability issues for cities
Napa	-SB 330 addresses too many issues & will be ineffective because of it
Santa Clara	-An additional application will not fix current permitting pipeline problems -Streamlined application/approval process shouldn't apply to mixed-use project
San Francisco	-Tie timeline for permitting to size and complexity of project (6-24 mo.) -Objective design standards are a great goal but challenging to implement -Substandard buildings: need more flexibility & funding for owners to make upgrades
San Mateo	-Need allowances for historical and other landmark buildings -San Mateo has already made changes, so projects consistent with zoning don't even come to the city council and are just approved by staff -12 months is not enough time for approvals; allowances need to be made for extenuating circumstances -Legal nightmare for states to indemnify cities in substandard building section -Concern for using a rent standard linked to national standards when it is known that the Bay Area and California more broadly have the highest rents in the nation (note: bill doesn't yet specify what percent above the national average rent and

	below the national average vacancy rate a jurisdiction's average rent would need to be to fall under the bill's provisions.) -Does 0.5 parking space/unit requirement apply to shared parking or personal parking?
Solano	-Cities have to charge the fees they do because of Prop 13. Fix that first.

SB 50 – Upzoning, Development Incentives	
County	Comments
Alameda	-With some amendments, SB 50 deserves our support -Concern that new carve-outs by county population size don't fully address one-size-fits-all problem; would prefer sorting by small, medium, large, really large and isolated cities -Unintended consequence of incentivizing current transit-poor communities to delay or avoid any transit improvements -Jobs-rich provision doesn't address the need to move jobs from West to East Bay, focusing on housing without transportation doesn't address jobs-housing balance -GHG reduction was a major consideration of this bill -Fourplexes seems like "low hanging fruit" to address the housing crisis -Smaller units created by the fourplex regulation would be more affordable by design, especially if they must be built within the original blueprint of a house -Is there a way to guard against unintentionally incentivizing poor transit, for example, tying regulations to conditions dating back five years? -Seems to punish cities that have the best jobs-housing balance in the region -Fremont will be adversely impacted, despite having created 5,000 units of housing next to BART; past success is not being accounted for at all -Does not look at ways to use existing reverse commute capacity -Population increases that follow upzoning require more public safety officers, teachers, schools, etc., but bill doesn't identify new funding sources for them

Contra Costa	-Clarification needed on what constitutes a multi-family projects/homes -Combining SB 4 and SB 50 was a good idea -Re-evaluate and better definition of Sensitive Communities boundaries -Extra height doesn't always mean more units, since developers feel bigger units = better profit. Set density requirements instead. -Fourplexes will change character of existing neighborhoods. -Developers should be limited to height increases of no more than 50% of the height of adjacent buildings; these heights would gradually increase over time -Needs to be a better definition of "historical" buildings and districts. -Mixed reaction to carve-outs for counties under 600,000 people, particularly -for Marin County, given its proximity to San Francisco -If a house burns or needs to be demoed, can it be made into a fourplex when the property is being rebuilt? -Stay out of parking. Building near transit does not reduce the need for parking. We can't make people ride transit. Cities need authority to set parking standards based on the specifics of each project. -How do hook-up fees work when a single-family home is being changed to a fourplex, if three extra units require higher capacity water pipes/sewer? -Legislation needs to address root financial causes of housing crisis: changing lending practices and loss of construction labor force after last recession -Jurisdiction had 500 units entitled but they aren't being built -Last week a developer with housing development that was approved in 4 months asked for 2-year extension because banks only willing to loan 40% on project
SB 50 – Upzoning, Development Incentives, contrn'd.	
County	Comments
Marin	-How does bill considered disabled folks, especially their parking needs? -Marin's jobs/housing imbalance is not as large as that of the large 5 counties -Thought that bill's population thresholds give smaller cities a rational, flexible path to address housing problems, including building duplexes, triplexes, fourplexes -Support for requiring developers to simultaneously pull permits for both their market rate and related affordable housing -Support for adjustment to the ways that developers can pay in lieu funds instead of incorporating affordable units into their projects -McGuire and Weiner should work with HCD to figure out how to track outcomes and measure the success of SB 50 -Support for fourplexes if 75 percent of exterior walls must remain intact, they comply with local zoning ordinances and with historic districts in place since 2010 -Support for Historical Building exemptions
Napa	-How will regulations about housing close to rail impact the area around the Napa Valley Wine Train? -By-right fourplexes will be a big problem -How will other local zoning regulations function if fourplex by-right supersedes? -For smaller cities with smaller staff, these kinds of changes are difficult to track. The rapid pace of revisions is posing a challenge to small city staffs that are reviewing and implementing them.

San Francisco	-Where will fourplexes be by-right if SB 50 passes? (*anywhere in the state besides the specific areas excluded, such as high fire-risk, flood zones, etc.)
San Mateo	-Does bill apply to homes that are currently used as rentals? -Can ADUs be built within each fourplex unit, effectively allowing eight-plexes? -Clarification needed on jobs-rich language -Does not address the major jobs producers or their significant role in creating jobs-housing imbalance -Requests more detailed maps (*Map now available here) -State should contribute more money to build affordable housing and to buy down existing market rate units (adding affordable units more quickly) -County-based population thresholds exclude the North Bay. The bill is rewarding Marin County for not building BART and picking on the Peninsula. Would like to see a universal standard for the entire region based on jobs/housing balance. -Other metrics should determine exemptions and mandatory rezoning, like proximity to jobs-rich areas, and past performance regarding building and zoning -Allowing fourplexes would diminish the opportunity for “smaller entry level homes” for first time home buyers -“Home share” would be a viable alternative to fourplexes that the state should incentivize -The threat of these bills made cities get their act together and approve more housing -If a city rezones in a different way using local input, and that rezoning results in increased housing numbers, the state should accept that approach -Frustrated that the state keeps enacting housing bills, year after year, and moving the goal post

SB 50 – Upzoning, Development Incentives, contr’n’d.

County	Comments
Santa Clara	-Bill is trying to achieve too much to be truly successful -Fourplex component makes it less politically palatable -Parking needs to be local decision -Mountain View is just under 50,000 in population in larger county with more than 600,000 people. How the population threshold levels affected them? -How does this bill interact with SB 330 limits on fees charged to developers? -Developers should pay in-lieu fees with cities deciding where to put those fees (½ mile radius would be too hard) -Supports scaling up affordable units required based on the size of project -Doesn’t take into account built-out cities versus cities with undeveloped land or jobs-housing balance of each city -Would like to see a more even distribution of housing across the region -Only way to ensure that people live near their work is for the large employers to build worker housing directly tied to employment with that company -ADUs with no parking is a problem; fourplexes with no parking is a disaster -How will building additional units change property taxes for certain properties? -Upzoning through automatic height increases next to transit hubs goes against form-based zoning principles; results in a proliferation of tall, square boxes -Bill needs bigger focus on improving/funding transit to reduce traffic congestion

Solano	-Adding in language to secure votes creates more problems -Suspicious that the financial aspects of the revised SB 50 would cover the costs associated with the mandatory re-zoning -Solano County needs funding to build the many houses that have already been permitted; will struggle to cover additional costs associated with new development -There is not a viable funding element -Will fourplexes be allowed in rural areas?
Sonoma	-Will lower parking requirements near transit included disabled parking? -Concern about the population threshold levels. There should be a middle threshold number; it's a large jump from 50,000 to 600,000 -Need clarification on by-right fourplex zoning and how this interacts with other bills. -Large colleges in the county haven't done their part to address increasing student housing needs in recent years. The fourplex provision will encourage wholesale conversion of adjacent single family neighborhoods to student housing. -Fourplexes could change the feel of current residential areas -they should look at transit in the same way as they look at jobs-rich areas in the new amendments -Can anything be done to address second homes and vacation houses (e.g. AirBnB, VRBO) to that are removing much-needed housing? -Housing that cities have permitted takes years to build but housing units illegally converted to AirBnB can return to housing in 90 days with focused code enforcement

Meeting Notes from Housing Legislative Working Group Meeting

Date: Friday, April 5, 2019 11 AM-1PM

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



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.
- 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.

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.

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.

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.
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.

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
Cynthia Segal, Deputy 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.

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.

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.

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.

- 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. Hpeters@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.

Host: Housing Legislative Working Group Meeting

Date: Thursday, April 18, 2019 7PM-9:30PM

Location: Board Room, MTC

Staffing:

Julie Pierce, HLWG Chair
Jake Mackenzie, HLWG Vice Chair
Therese McMillan, Executive Director
Brad Paul, Deputy Executive Director
Leslie Meissner, Counsel
Rebecca Long, Government Relations Manager
Kimberly Ward, Committee Secretary
Notetaking by: Lily Rockholt, Civic Edge Consulting

Attendance: 20 Working Group members including call-ins.

Chair's Report: Reviewed HWLG procedures for new members.

Report on Housing Bill Landscape:

Long: Described the order of materials in the agenda packet, noted that AB 1485 (Wicks) has been significantly revised so it may not make sense to bring before the group. Proceeded to present on SB 330 (Skinner) and AB 1487 (Chiu).

Discussion related to SB 330:

Marin:

- Asked where SB 330 is now in the legislation process.
 - **Long:** responded that SB 330 was in the Senate Housing Committee, up for vote next Monday. [Note: it passed 8-2]
- Asked if there was any information about the size of the housing projects SB 330 applies to?
 - **Long:** Noted SB 330 applied to all projects that include housing, and the goal was to reduce the timeline for permitting.
 - **Chair Pierce:** Noted SB 330 is about expediting the local process to approve housing projects.
- The impact of parking limitations on fire truck access on narrow legacy roads is a concern.

Contra Costa:

- Asked if voter approval would be eliminated by item 6 in the SB 330 language.
 - **Long:** Stated that this only applies to ballot measures that cap permitting, restrict housing or limit population.
 - Several committee members requested the language be clarified as "no state law can take away the redress from the public."
 - **Chair Pierce:** Noted this language would also impact urban growth boundaries.

- **Long:** Stated the bill would allow land use policies capping growth that were approved by voters on or before January 1, 2019.
 - **Chair Pierce:** Noted the need for MTC staff to check on agricultural zoning.
- Stated that this legislation is redundant for many local jurisdictions that already have a standardized permitting process.
- Questioned ability of HCD to develop a single application form that works well for cities of 20,000 to 800,000. Suggested HCD determine what needs to be included, but let local jurisdictions customize the form to account for local conditions and project size.
- Asked for clarification when the developer slows the process down by requiring more time or asking for extensions; does that pause the 12-month clock for approvals?
- Requested that SB 330 investigate developer responsibility for slowing projects down, not just local governments. For example, when project is permitted but the developer decides not to build, or the project doesn't pencil out. What recourse do cities have? The bill is one-sided.
- Concerned that the bill doesn't address the "real issue" which is labor costs and cost of construction.
- Wondered if time limits could be tied to scale of projects and be less one size fits all.
 - **Long:** Noted SB 330 only applies to projects consistent with local zoning and general plans and that other projects would go through normal approval process.
- Concern that by locking in design standards based on what they were on 1/1/2018, it hinders ability to update and improve local design review by local jurisdictions.
- Stated that parking needs should be addressed at the local level to prevent challenges involving local nuances (smaller communities with little or no transit, fire truck access).
- Stated that this would need to have some exceptions for unintended consequences. For example, the Concord Naval Base that needs to be rezoned in order to be used for housing, notes that the retroactive zoning to current standards would kill this project, therefore killing a large housing project and defeating the purpose of SB 330.
- Felt substandard building section creates some major legal liability issues for cities.

Alameda:

- Asked how a standard form can apply to both small and large cities, it's one size fits all.
- Felt cities, not HCD, should be developing simpler application forms.
- While streamlining approvals is a good idea, there are a number of entitled, approved projects that aren't being built, so streamlining doesn't solve that problem.
- Regarding exempting affordable housing projects from impact fees, residents of such buildings use city services, so why should those buildings not also be subject to fees?
- Agreed current 5-10 year approval process too long, but 12 months too short. What about 1-3 years depending on scale and complexity of project?
- Noted nothing in SB 330 acknowledges funding gap/challenges for affordable housing.
- Stated that city permitting staff shortages often lead to slower project approvals,
- SB 330 doesn't address worsening traffic congestion that more housing will create.
- Setting zoning rules back to 1/1/18 doesn't allow environmental and resilience upgrades.

- Cities need impact fees for schools given major state cut backs on education funding, concern that by capping fees on future development bill would create inequities relative to what prior developments paid
- Re: substandard buildings provision, there needs to be a balanced approach. Comparing this to Oakland's Ghost Fire isn't fair – it would not have been allowed under the proposal given the life safety issues. It's better to have safer, ugly buildings than more tent cities, which is what's happening in their community.

Santa Clara:

- Noted an additional application wouldn't fix current permitting pipeline problems.
- Stated streamlined application/approval process shouldn't apply to mixed use projects.
- Noted that SB 330 lessens parking requirements, with no ties to how to transport people, closeness to major transportation hubs or potential impacts on narrow streets. Recommended parking be removed from the bill altogether.
- Noted need to identify funding for more transit if parking requirements are eliminated.
- Stated that impact and permit fees are charged to cover what the state isn't providing local jurisdictions for development infrastructure and increased services for constituents.
- Brought up electrification, and that old zoning rules weren't inclusive of environmental upgrades, going back to 1/1/18 zoning won't be helpful in reducing GHG emissions.

San Francisco:

- There should be a time limit but it shouldn't be uniform; bill should tie timeline for permitting to size and complexity of project (6-24 mo.).
- Asked if the clock stopped when developers are revising their strategies.
- Concerned that recent updates to zoning since 1/1/18 (Central SOMA Plan) would be nullified, which would be very problematic.
- Appreciates concern about impact fees but the need doesn't go away and has to be paid for somehow.
- Noted objective design standards are a great goal but challenging to implement.
- On substandard buildings, understood intent of the bill to keep people housed. While we shouldn't overlook life safety concerns, if basement apartment has 7'3" ceilings but code requires 8' ceilings, allowing a slightly lower ceiling is not a life safety issue. Should also look at providing some funding for owners to make upgrades.

San Mateo:

- Stated some allowances needed to be made for historical and other landmark buildings.
- Noted their city has already made changes so projects consistent with zoning don't even come to the city council and are just approved by staff.
- 12 months is not enough time for approvals; allowances need to be made for extenuating circumstances.
- Noted that some general plans were updated recently (for first time in decades) to allow for more and denser housing, so retroactive zoning and standards (1/1/18) would be unacceptable as they would undo years' worth of work with the community.

- Asked if this could include up-zoning banking, so if certain areas were up-zoned, and another area needed to be downzoned, would this be allowed?

Long: Yes, bill allows for a “no net loss in residential capacity” approach

- State should indemnify cities in substandard building section, a legal nightmare.
- Shared concern for using a rent standard linked to national standards when it is known that the Bay Area and California more broadly have the highest rents in the nation.

Long: Noted the bill’s application is pegged to a national standard, but it doesn’t yet specify what percent *above the national average rent* and *below the national average vacancy rate* a jurisdiction’s average rent would need to be to fall under the bill’s provisions.

Solano:

- Noted ownership changes on projects after approval that slow or prevent construction. A subdivision approved in 2005 has had 3 owners since then and is now dead.
- Noted that Solano County is the most affordable county in the Bay Area region, however they still have a low vacancy rate of two percent.
- Noted Solano County residents have the longest commute times and imposing a 0.5 parking per unit would negatively affect them given county’s limited public transit.
- Stated that cities have to charge the fees they do because of Prop 13. Fix that first.
- Concerned allowing legalizing sub-standard buildings because they already had people in them would legalize flop houses, and places deemed unfit due to health hazards.

Napa:

- Stated SB 330 addressed too many issues, thought it would be ineffective because of it.

Public comment:

1. Stated allowing sub-standard buildings to be occupied would mean more low-income people living in unsuitable conditions. Finished by stating this entire part of SB 330 should be eliminated.
2. Noted this proposed bill doesn’t allow for the ongoing protection for some historical buildings and historic districts and that this should be revised.

Discussion related to AB 1487 (Chiu):

Long: Provided an overview of AB 1487, to fund Housing Alliance for the Bay Area (HABA), and explained that it is based on CASA Compact Item 10, the Regional Housing Entity (RHE).

McMillan: Stated that MTC/ABAG has not had the chance to review AB 1487.

Marin:

- Thought the sales tax funding would be problematic for the entire Bay Area, but definitely Marin.
- Questioned the efficiency of creating another government entity.

Napa:

- Asked why ABAG can't do it? Asked who the members of HABA would be.
 - **Long:** Stated they would be representatives of MTC and ABAG, board members, the staff would be MTC/ABAG Staff. The bill specifies that more staff would likely be needed with housing expertise.

Sonoma:

- **Chair Mackenzie:** Noted that ABAG and MTC will be having some deep conversations about the practicality of this, and implementation as well.
 - **Chair Pierce:** Noted these discussions would be happening in July.

Contra Costa:

- Concern that continuing to increase taxes makes the region less competitive economically. Focus instead on redirecting existing on line sales tax revenue to the point of sale.
- Noted the housing crisis is a *statewide* problem and it needs a permanent *statewide* funding source. Sales and parcel taxes are all we have to fund schools, parks and local infrastructure.
- Stated they didn't think MTC should be part of this new organization. Has had issues with the way MTC handled transportation funding and its distribution in the past.
- Noted that a new regional agency isn't needed to secure or allocate housing funds, the counties can do it. Many have a system in place now to allocate state and county funds.
- Wondered if the role of HABA could be managed through existing non-profits.
- Emphasized the taxes should be on large employers (e.g. head tax) and proportionally adjusted upward in areas contributing the most to the jobs-housing imbalance such as San Mateo, San Francisco and Santa Clara County.
- Noted that for linkage fees, the term "mixed use" should be better defined in the bill.
 - **Long:** Noted MTC staff will pass this along to the author.

Alameda:

- Didn't appreciate proposal for new regional body given how CASA didn't include smaller cities until after Compact was done, instead of including them earlier in the conversation.
- Concerned three biggest cities would have disproportionate amount of power in HABA.
- Stated that if this work needs a regional administrative body, it should be ABAG.
- Concerned it doesn't address jobs-housing balance by city or by sub-region (East/West).
- Stated this could increase social injustice by forcing more low-income workers to commute even greater distances to work so they spend more time away from family.
- Urged more transit investments that help people moving to the Tri-Valley, Tracy and Stockton get to and from work in Bay Area quicker and easier.
- Stated that the Bay Area is already heavily taxed. If you increase taxes on residents, they'll have less money to spend on necessities at local businesses.
- Noted this doesn't address the need to fund more transit, schools, etc. for new residents.
- Asked what happens when regional tax measures compete with local tax measures.
- Noted this doesn't take into account the innovative things many cities are already doing.

Santa Clara:

- Noted Santa Clara passed a \$950 million bond for affordable housing. A regional tax on top of that would cause outrage with residents that would see it as double taxation.
- Worried this would adversely affect the Caltrain Measure going on the ballot in 2020.
- Liked idea of using the point of origin sales tax from online transactions to fund housing.
- Opposed new layer of regional bureaucracy. Suggested that all new housing funds go directly to cities by formula. Any money not spent by a city within three years goes back to the county. Opposed any of the funds being used for general fund as reward for achieving housing goals; should all be for affordable housing directly.
- Noted that the City Association of Santa Clara County supports ABAG playing this role.
- One job-rich city stated that it is considering limiting future office growth.
- Shared they are concerned about redundancies with funding sources, double taxation.
 - **Long:** Discussed that with any sales tax increase for housing, the amount would be reduced proportionally in each jurisdiction where a sales tax measures was already dedicated to housing.

San Mateo:

- Prefer to see new resources come from the state.
- Concerned they do not qualify for the various affordable housing funds; they have not qualified for redevelopment funds in the past.
- Affirmed they oppose new regional agency that will only be responsive to three big cities.
- Concern about a drain of resources from small cities going to big ones.
- Noted they recently spent \$150 million to expand local school capacity but will soon need more.
- Brought up Caltrain 1/8 cent sales tax going on ballot next year in Santa Clara, San Mateo and San Francisco Counties, they do not want to tax their county more than the already proposed tax increases. Want to dedicate sales and parcel taxes for local needs.
- Stated they'd be happy with a head tax for bigger employers in their county and suggested state legislature vote to give counties the direct authority to charge larger employers a head tax so big companies can start to make ongoing contributions.

San Francisco:

- Stated support for AB 1487 and felt the technical assistance and data a regional housing entity could provide cities across the region is a very important part of it.
- Noted that unlike other urban centers *most, if not all*, of the Bay Area is unaffordable.
- Noted that we do transportation funding regionally, we should do the same for housing and ABAG currently provides regional funding through the San Francisco Estuary Partnership and SF Restoration Authority (\$25 million/year thru regional Measure AA).
- Taxes aren't the top contributor to the Bay Area's high cost of living.
- Stated that even if San Francisco had not accepted so many new tech jobs those jobs would have gone somewhere else in the Bay Area.

Solano:

- Would like to see more of a focus on the jobs-housing balance, they would welcome employers such as Facebook or Amazon and house their employees as well.
- Liked variable head tax, high in SF and Silicon Valley, low or none in Solano.
- Suggested if MTC and ABAG each get 9 seats on the board, one be from each county. Bill should specify how counties are represented.
 - **Chair Pierce:** Noted that there are lots of small cities on the ABAG Board.
 - **Chair Mackenzie:** Stated that historically MTC has engaged in regional planning and addressed more than just transportation. Noted MTC engagement on housing furthers the implementation of the Plan Bay Area 2040 Action Plan.
- Noted that AB 1487 felt like another example of legislators coming up with big picture ideas without fully thinking through the many potential unintended consequences.

Public Comment:

1. Stated he opposed AB 1487 because ABAG and MTC boards have not reviewed the bill or agreed to staff HABA.
2. Noted she works for a non-profit organization that worked on AB 1487 with Senator Chiu and believes AB 1487 will go a long way to helping to correct the housing crisis. She doesn't see it as a big agency but more like a storefront operation that provides technical assistance, funding and data to local jurisdictions that want to build more housing. She said she wanted to speak to people after the meeting was over if they had any questions for her or the non-profit she represents. She also said that if people don't like this bill, she would ask them what else they think the state could do to help build more housing.
3. On phone: Stated that they should use staff in housing authorities in the region and hire more to scale up to the challenges rather than make an entirely new entity or out of MTC or ABAG staff.

Adjournment/Next Meeting:

They decided to proceed with discussion of SB 50 (Weiner), SB 4 (McGuire and Beall), AB 1279 (Bloom), and AB 1483 (Grayson), at their next meeting on April 25, 2019.

Host: Housing Legislative Working Group Meeting

Date: Thursday, April 25, 2019 7 PM-9:30 PM

Location: Board Room, MTC

Staffing: Julie Pierce, HLWG Chair

Jake Mackenzie, HLWG Vice Chair

Cindi Segal, General Counsel

Rebecca Long, Government Relations Manager

Brad Paul, Deputy Executive Director

Alix Bockelman, Deputy Executive Director

Fred Castro, ABAG Clerk of the Board

Notes taken by Lily Rockholt, Civic Edge Consulting

Attendance: Approximately 21 committee members, including call-ins.

Chair's Report: Reviewed meeting structure for members.

Report on Housing Bill Landscape (Updates)

Long: Stated the most recent amendments to SB 50 (Weiner) are not yet available, so they are not fully incorporated into the presentation and instead staff is working from a summary document. Offered an opportunity to answer any follow-up questions about the last meeting (April 18). Provided an overview of recent amendments to bills.

Alameda:

- Stated that AB 1487 seems to indicate that the Housing Alliance for the Bay Area (HABA) would be collecting money, but there is no directive as to how or what HABA would do with the funding nor any indication of who the HABA members will be.

Sonoma:

- Asked if .5 parking space/unit requirement in SB 330 takes into account transit access.
 - **Long:** Stated that the bill has changed to allow local governments to enforce parking restrictions of up to a .5 space per unit with new developments, but it has not placed further limits near the nexus of transit.
 - **Chair Pierce:** MTC staff will check further and provide HLWG with more information.

San Mateo:

- Asked if .5 parking space/unit requirement applies to shared parking or personal parking.
 - **Long:** Stated staff would review further and provide HLWG with an answer.

Report on Production Related Housing Bills

Long:

- SB 4 (McGuire and Beale) has been dropped with many of its provisions now to be incorporated into SB 50, so the discussion will focus on that bill.

- Noted additional amendments are planned to SB 50 to clarify how it interacts with current density bonus law and housing affordability requirements.
- Noted SB 50 was amended to impose more rigorous standards to designate High Quality Bus Transit (i.e. minimum of 10 minute headways during the peak commute hours) and limiting the SB 50 height requirements related to rail and ferry stations to counties greater than 600,000 people. The North Bay would not have the extra height provisions for Major Transit Stops.
- Noted there is a "jobs-rich" component which has not yet been explicitly defined. The UC Berkeley Turner Center live link included in the presentation is the closest example to what Senator Weiner's office is considering. Exclusion areas, fire hazard areas, coastal zones are excluded. In the North Bay (counties with less than 600,000 in population) there is some upzoning mandated (one story above current zoning) but only in cities less than 50,000 in population sizes.
- Another amendment allows by-right fourplexes on any vacant residentially zoned property or thru conversion of existing homes. For existing properties, 75 percent of exterior walls must remain intact, but can build up as far as local zoning permits.

Discussion related to SB 50

San Mateo:

- Asked for clarification if the bill applies to homes that are currently used as rentals.
- Asked if ADUs could be built within each fourplex unit, effectively allowing eight-plexes.
 - **Long:** Stated that MTC staff will investigate this and the interaction of these bills and report back to the HLWG. Stated that local design requirements remain intact unless they undermine the height or density allowed in the bill.
- Stated they need clarification on the jobs-rich language in SB 50.
- Noted SB 50, as well as the other bills discussed, do not address the major jobs producers or their significant role in creating the jobs-housing imbalance.
- Stated HLWG members would like staff to provide more detailed maps (with street names) for individual cities.
 - **Chair Pierce:** Stated Turner Center map has this level of detail.
 - **Long:** Stated that MTC has an online map that they are trying to overlay, it is at the parcel level, that staff will share the URL for this Friday, April 26. [Map is posted and available [here](#).]
- Suggested the state should contribute more money to build affordable housing and to buy down existing market rate units (adding affordable units more quickly).
- Expressed frustration that the county-based population thresholds that exclude the North Bay. Feels like the bill is rewarding Marin County for not building BART and picking on the Peninsula. Instead, would like to see a universal standard for the entire region based on jobs/housing balance.
- Prefer that other metrics be used to determine exemptions and mandatory rezoning, like proximity to jobs rich areas, and past performance regarding building and zoning.

- Expressed concern that allowing fourplexes would diminish the opportunity for “smaller entry level homes” for first time home buyers.
 - **Chair Pierce:** Noted SB 50 doesn’t allow for complete demolitions of homes.
- Noted they think “home share” would be a viable alternative to fourplexes that the state should incentivize.
- Felt threat of these bills made cities get their act together and approve more housing.
- Stated that if a city rezones in a different way using local input and that rezoning results in increased housing numbers, the state should accept that approach.
- Urged the state to put up more of its money to pay for cities to plan and rezone.
- Expressed frustration that the state keeps enacting housing bills, year after year, and moving the goal post.

Contra Costa:

- Asked for clarification on what constitutes a multi-family projects/homes.
- Thought that combining SB 4 and SB 50 was a good idea.
- Requested reevaluation and a better definition of Sensitive Communities boundaries.
- Stated that giving extra height doesn’t always get you more units since developers feel bigger units sell better (with greater profit). Suggested setting density requirements instead.
- Concerned about fourplexes changing character of existing neighborhoods.
- Stated developers should be limited to height increases of no more than 50% of the height of adjacent buildings, noting these heights would gradually increase over time.
- Stated there needs to be a better definition of “historical” buildings and districts.
- Stated mixed reaction to carve outs for counties under 600,000 people, particularly carve outs for Marin County, given its proximity to San Francisco.
- Asked if a house burns or needs to be demoed, can it be made into a fourplex when the property is being rebuilt?
- Urged staying out of parking issues since building near transit does not automatically reduce the need for parking (we can’t make people ride transit). Local staff see three bedroom units with one parking space become home to families with 3-4 cars.
- Cities need authority to set parking standards based on the specifics of each project.
- Asked how hook-up fees would work when a single-family home was being changed to a fourplex if three extra units required higher capacity water pipes/sewer laterals.
- Stated legislation needs to address root financial causes of housing crisis including changing lending practices and loss of construction labor force after last recession.
- Stated that their jurisdiction had 500 units entitled but they aren’t being built.
- Noted last week a developer with housing development that was approved in 4 months asked for 2-year extension because banks only willing to loan 40% on project.
 - **Chair Pierce:** maybe we need a state bank to make construction loans.

Marin:

- Asked how the bill considered disabled folks, especially their parking needs.
- Stated that Marin's jobs/housing imbalance is not as large as that of the large 5 counties (San Francisco, Alameda, Santa Clara, San Mateo and Contra Costa).
- Thought SB 50's population thresholds give smaller cities a rational, flexible path to address housing problems, including building duplexes, triplexes and fourplexes.
- Stated support for requiring developers to simultaneously pull permits for both their market rate and related affordable housing.
- Showed support that there would be adjustment to the ways that developers could pay in lieu funds instead of incorporating affordable units into their projects.
- Stated that McGuire and Weiner should work with HCD to figure out how to track outcomes and measure the success of SB 50.
- Support for fourplexes if 75 percent of exterior walls must remain intact, they comply with local zoning ordinances and with historic districts in place since 2010.
- Showed support for the Historical Building exemptions.
- Thought that the addition of the fourplex is a valuable way to add more housing and lessen the housing crisis.

Napa:

- Asked how the regulations about housing close to rail would impact the area around the Napa Valley Wine Train.
 - **Long:** Stated that MTC staff would research and check back in with Napa. [Does not count as a rail station for purposes of SB 50]
- Stated that by right fourplexes would be a big problem.
- Asked how other local zoning regulations will function if fourplex by-right supersedes.
 - **Long:** Stated that SB 50 was mainly aiming for vacant lots. Gave the examples that the setback requirements would be maintained, if the existing structure was there, a homeowner can convert it.
 - **Chair Pierce:** Stated any residentially zoned parcel could increase their units up to four if its largely within the original blueprint.
 - **Long:** Stated the amendments to SB 50 allow for up to 15 percent square footage increase on the ground, or within a second floor for single family units. (Stated staff would clarify that the 15 percent square footage increase is based on existing structure)
- Stated that for smaller cities with smaller staff, these kinds of changes are difficult to track. The rapid pace of revisions is posing a challenge to small city staffs that are reviewing and implementing them.

Alameda:

- Expressed concern that new carve outs by county population size don't fully address one-size-fits-all problem, would prefer sorting by small, medium, large, really large and isolated cities,
- Asked if bill might have unintended consequence of incentivizing current transit-poor communities to delay or avoid any transit improvements.
- Stated jobs-rich provision doesn't address the need to move jobs from West to East Bay, focusing on housing without transportation doesn't address jobs-housing balance.
- Recounted Scott Wiener's statements from April 24 related to share of state's children who are homeless and other shocking statistics (people having to work 2-3 jobs and live in cars) and why SB 50 is so important.
- Stated that with some amendments, SB 50 deserves our support.
- Noted that greenhouse gas reduction was a major consideration of this bill.
- Stated that fourplexes seems like "low hanging fruit" to address the housing crisis.
- Stated that the smaller units created by the fourplex regulation would be more affordable by design, especially if they must be built within the original blueprint of a house.
- Wondered if there was a way to guard against unintentionally incentivizing poor transit, for example, tying regulations to conditions dating back five years.
- Stated bill seems to punish cities that have the best jobs-housing balance in the region.
- Noted that Fremont will be adversely impacted by SB 50, despite having created 5,000 units of housing next to BART and feels past success is not being accounted for at all.
- Stated bill does not look at ways to use existing reverse commute capacity.
- Expressed concern that population increases that follow upzoning require more public safety officers, teachers, schools, etc. but bill doesn't identify new funding sources for them.

Santa Clara:

- Thought this bill was trying to achieve too much to be truly successful.
- Wondered if adding the fourplex component to this bill made it less politically palatable.
- The broken transportation system largely contributed to longer commute times and people being more car-dependent, which is why the parking needs to be local decision. While the VTA comes every 15 minutes, it's so slow between stations no one uses it.
- Mountainview stated that they are just under 50,000 in population in larger county with more than 600,000 people. Asked how the population threshold levels affected them.
 - **Long:** Stated there are no special provisions for smaller cities in larger counties.
- Asked how this bill interacts with SB 330 limits on fees charged to developers.
- Asked if SB 50 will supersede local regulations and requirements related to affordability.
 - **Long:** Stated that more strict local requirements still stand.
- Stated that given there is less land for affordable housing, supports developers paying in lieu fees with cities deciding where to put those fees (½ mile radius would be too hard).
- Supported the scaling up of affordable units required based on the size of project.
- Expressed concern that SB 50 doesn't take into account built out cities versus cities with undeveloped land or jobs-housing balance of each city.
- Would like to see a more even distribution of housing across the region.

- Several people stated that adding housing near jobs doesn't guarantee that people living in that housing will work nearby. The only way to achieve that goal might be for the large employers to build worker housing directly tied to employment with that company.
- Stated that ADUs with no parking is a problem, fourplexes with no parking is a disaster.
- Asked how building additional units changes property taxes for certain properties.
- Upzoning through automatic height increases next to transit hubs goes against form-based zoning principles and will result in a proliferation of tall, square boxes.
- Stated bill needs bigger focus on improving/funding transit to reduce traffic congestion.

Solano:

- Stated that when you start adding language to secure votes you create more problems.
- Stated they were suspicious that the financial aspects of the revised SB 50 would cover the costs associated with the mandatory re-zoning.
- Stated Solano County needs funding to build the many houses that have already been permitted and will struggle to cover additional costs associated with new development.
- Expressed concern that there is not a viable funding element in SB 50.
- Asked for clarification on if fourplexes would be allowed in rural areas.

San Francisco:

- Asked where fourplexes would be by-right allowed if SB 50 passes.
 - **Long:** Stated that they would be allowed by-right anywhere in the state besides the specific areas excluded, such as high fire-risk, flood zones, etc.

Sonoma:

- Asked how the fourplexes will work in unincorporated areas.
 - **Long:** Noted fourplexes would be allowed anywhere that is zoned residential.
 - **Chair Pierce:** Mentioned that likely unincorporated properties were not included in residential permitting.
- Asked if lower parking requirements near transit included disabled parking.
- Stated they appreciated the conversation but do want to keep eye on the low- and very low-income requirement and affordability.
- Stated they worry about the population threshold levels, stated there should be a middle threshold number; it's a large jump from 50,000 to 600,000.
- Asked for clarification on by-right fourplex zoning, and how this interacts with other bills.
- Stated that large colleges in the county haven't done their part to address increasing student housing needs in recent years and worries the fourplex provision will encourage wholesale conversion of adjacent single family neighborhoods to student housing.
- Stated that fourplexes could change the feel of current residential areas.
- Believed they should look at transit in the same way as they look at jobs-rich areas in the new amendments to SB 50.
- Wondered if anything could be done to address second homes and vacation houses (e.g. AirBnB, VRBO) to that are removing much-needed housing.

- Stated that housing that cities have permitted takes years to build but housing units illegally converted to AirBnB can return to housing in 90 days with focused code enforcement.

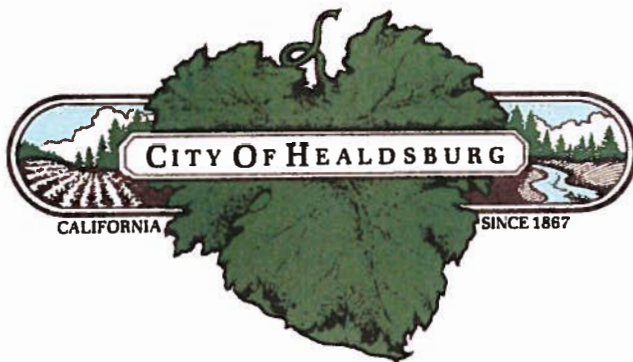
Public Comment:

1. Veda Florez stated that she believed SB 50 should pass, and that she wanted the HLWG to vote in favor of it.
 - **Chair Pierce:** Reminded the HLWG that they are not taking a vote on any of these topics. Purpose is to hear about the bills and gather feedback to inform MTC and ABAG about local perspectives across the region.
2. Ken Bukowski: Stated he did not agree with the previous speaker, that these new zoning regulations, especially the fourplexes, won't fit into cities as they currently are.
3. Jordan Grimes: Stated that as a younger person who must live with the consequences of the lack of affordable housing, he was disappointed in most of the comments he heard in the HLWG meetings about this.
4. Jane Cramer: Stated this is a complicated issue for her, she does not want the neighborhood she lives in to change more, or for a one size fits all model to apply and remove what keeps the individual cities unique. Suggested cities should think about shared housing and shared vehicles.

Adjournment/Next Meeting:

For next week's meeting they decided:

- HLWG members should send in their opinions ahead of time so staff can include these in the presentation and share with other HLWG members
- The agenda would include public lands legislation and streamlining, as well as bills not covered in this meeting.
- They would discuss the housing bill landscape
- MTC Staff would look into extending the meeting in light of some time constraints to make last minute adjustments with the contract for the audio-visual team



CITY OF HEALDSBURG

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April 4, 2019

To: Senator Mike McGuire
Senator Bill Dodd
Assembly Member Jim Wood
Assembly Member Cecilia Aguiar-Curry
Assembly Member Marc Levine
Therese W. McMillan, Executive Director, MTC/ABAG

RE: Comments on the CASA Compact
Letter of Opposition

On April 1, 2019, the City of Healdsburg City Council received a presentation from City Staff regarding the CASA Compact. While there were compelling parts of the Compact, ultimately the City Council unanimously voted to authorize the Mayor to prepare and submit a letter of opposition on behalf of the City. Many of Council's concerns are consistent with those raised by the Mayors' and Councilmembers' Association of Sonoma County Legislative Committee.

The City of Healdsburg acknowledges that there is a housing crisis in our region and we feel strongly that we have been committed to doing our part to deliver and diversify Healdsburg housing stock while increasing the number of affordable-housing units within our city limits. That being the case, we express our concern and opposition to the CASA Compact as it is a "one size fits all" approach that removes local control and authority to plan and develop in a manner that reflects our local values and standards. Additionally, the CASA Compact has great potential to adversely impact the physical character of Healdsburg and the revenue required to appropriately fund City services and infrastructure projects.

It is somewhat concerning that the process to develop the plan failed to include outreach and meaningful feedback from many of the cities who could be affected by the Compact. At the same time, we recognize the lofty goal of taking action to address the Bay Area's affordable-housing needs. However, we cannot support a plan that could penalize our residents. Healdsburg has a population of 12,061, and through 2018, the City was just one of 24 local governmental agencies -- of approximately 540 local governments in California -- to have met its Regional Housing Needs Allocation (RHNA) goals for the State's prorated lower and above-moderate income categories. In addition, in 2016, Healdsburg voters approved Measure S, which adds a 2% Transient Occupancy Tax to be allocated for affordable-housing programs and projects. The funding from this 2016 voter-approved hotel-tax measure supports the preservation and production of local housing and protects vulnerable populations in need of rental assistance.

Below is an overview of the 10 CASA Compact Elements and identified impacts and concerns to Healdsburg related to the policies listed within the CASA Compact.

Elements 1 - 3: Preserve and Protect

We believe the implementation of just-cause eviction, rent cap and rental assistance policies should be left up to local decision makers. The Healdsburg City Council endorsed a Healdsburg Rent Advisory in 2015, which suggests that a reasonable and fair rent increase amount should not exceed 10% annually. Staff was able to work with local property managers and residents to develop this policy. The Council is currently contemplating a rental-relocation Ordinance as well. These policies are the result of public outreach and a number of meetings with the public that has and will continue to allow the City to create and implement policies that meet the needs of our community. Having a “one size fits all” approach to these issues may not address our community’s needs.

Elements 4 – 8: Production

We have concerns related to Elements 5 – 8, as they significantly limit local control by prescribing a “one size fits all” approach, which may not work, and is not a best practice. We do not support allowing for additional density bonuses or dramatically reducing parking requirements unilaterally through a state mandate. While we may agree that parking requirements, housing densities, and limiting density bonuses may create challenges for some high-density development, the solution should be left to local jurisdictions to determine what makes the most sense for individual cities. Our region does not have an adequate transit system to support a mandated approach to parking. In addition, allowing housing up to 75’ with a density bonus does not address how smaller cities such as Healdsburg will be able to acquire fire-safety equipment that would allow our fire department to respond to a fire emergency. The cost to purchase, maintain, and house such equipment could be in the millions of dollars.

These elements also attempt to prescribe a State standard for how impact fees are calculated and assessed, and suggest that jurisdictions adhere to a standardized methodology and set of objective standards rather than the current “reasonableness” test which supports a local jurisdiction’s approach to managing growth and development. These elements also suggest an imposed cap on impact-fee collection, which ignores the unique capital needs of individual local governments.

The reuse of public land for the creation of mixed-income/affordable housing by reducing barriers to development on public land is an element we do not support as forcing the sale of such properties to a developer runs contrary to the best long-term interests of the public. In addition, there are many cities that own property that were once owned by Redevelopment Agencies and are now used as, “Government Use.”. It is unclear how these properties are part of the “reuse” plan and if they could even be utilized without going through the complex process prescribed in the RDA disillusion process.

The CASA Compact references “The 2016-18 Workforce Housing on Public Lands Study,” which assessed nearly 700 sites in all nine Bay Area counties for their suitability for new housing development. The study identified two potential parcels in Healdsburg that may be subject to Element 8. Those sites are the West Plaza and Cerri building parking lots. These sites currently provide a large percentage of public parking spaces within our downtown and losing them to a mandate for mixed-income/affordable housing is unacceptable to the City of Healdsburg.

Elements 9 - 10: Revenue and Administration

Together, these elements offer revenue-generating mechanisms to fund the Compact and suggest the formation of a new independent regional "housing authority" to collect and distribute those funds. The City of Healdsburg has significant concerns related to Elements 9 – 10 as the distribution of funding generated by multiple funding mechanisms is likely to result in an inequitable distribution of such funds. The establishment of a regional leadership entity to implement the CASA Compact creates a regional bureaucracy without accountability for local decisions and has the potential to operate in a counterproductive manner to achieving our local Healdsburg housing goals.

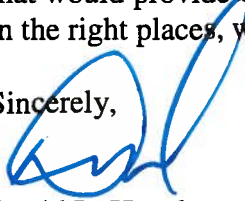
It is the City's hope that any legislation proposed to move the CASA Compact forward will be revised to address funding options without penalizing the City of Healdsburg, as we are clearly and actively working to increase our affordable housing stock. It is critical that any housing legislation does not further erode our ability to plan, design and build towards our community priorities. Rather, we would like to see legislation that would provide cities with tools to work with developers to produce the right type of housing in the right places, while retaining local control. It is disappointing that the proposed funding options listed in Element 9 of the CASA Compact did not include Redevelopment.

The elimination of Redevelopment Agencies in California severely restricted the production of affordable housing throughout California. While we recognize the CASA Compact supports the development of a new redevelopment framework to advance the production of extremely low, very low, and low-income housing while leveraging funding for mixed-income infill housing, it is concerning that it was not listed as a viable funding option in Element 9 of the CASA Compact. There were many other funding suggestions that have not been tested and have already been deemed unworkable in Element 9, excluding redevelopment in this element is concerning.

The 10 CASA Compact Elements propose a "one size fits all" approach designed for the entire Bay Area with respect to housing densities and land-use decision-making. As mentioned above, they also attempt to remove local control and decision-making authority. Additionally, the diversion of existing Healdsburg revenue sources is something we do not support. We oppose any efforts to divert local Healdsburg dollars to a regional enterprise that would send Healdsburg taxpayer dollars outside of our county. It is our City Council's opinion that this approach does not work. Representatives of our Staff have made repeated requests to MTC/ABAG to share its legislative analysis and data on the projected economic impact to Healdsburg. This information has not been shared to-date.

For all of the aforementioned reasons, the Healdsburg City Council has authorized me to prepare a Letter of Opposition consistent with the Mayors' and Councilmembers' Association of Sonoma County Legislative Committee's opposition letter. I strongly suggest you advocate for legislation that would provide cities with tools to work with developers to produce the right type of housing in the right places, while retaining local control as referenced above.

Sincerely,



David L. Hagele
Mayor

Cc:

Scott Haggerty, Alameda County Board Supervisor/MTC Chair

Jake Mackenzie, Rohnert Park City Councilmember - Representing Sonoma County and Cities

David Rabbitt, Sonoma County Board Supervisor/ABAG President

Sonoma County Mayors and Council Members

Nancy Hall Bennett, Regional Public Affairs, North Bay Division, League of California Cities

April 4, 2019

The Honorable Steve Glazer
California State Senate
State Capitol, Room 5108
Sacramento, CA 95814

The Honorable Rebecca Bauer-Kahan
California State Assembly
State Capitol, Room 2154
Sacramento, CA 95814

RE: Legislative positions from the Tri-Valley Cities pertaining to priority housing legislation

Dear Senator Glazer and Assembly Member Bauer-Kahan:

On behalf of the Tri Valley Cities which includes Danville, Dublin, Livermore, Pleasanton and San Ramon, we applaud the State Legislature for proposing a legislative package to address the housing emergency in the San Francisco Bay Area and throughout California.

There is a recognized need to address housing and we want to be part of the conversation and solution. As cities in the Bay Area and beyond are experiencing rising housing prices, severe housing instability for its most vulnerable populations, displacement of existing residents of all incomes, and increasing homelessness, we agree that a concerted regional approach is necessary to successfully address many of these challenges.

Consistent with some of the main aspects of the various legislative proposals, some or all of the Tri Valley Cities have already taken or are taking many of these actions, including:

- A range of higher density housing projects already completed projects and adopting development standards for higher density development around its Bay Area Rapid Transit (BART) and Altamont Corridor Express (ACE) stations. Planning for higher density around the proposed Valley Link regional rail system from the San Joaquin Valley;
- Inclusionary housing ordinances that requires low and moderate income housing units to be built on site;
- Accessory dwelling unit ordinance consistent with most recent State laws;
- Plans and transactions for the disposition of significant public lands for affordable housing; and
- 100% affordable projects under construction for low or very-low income households using City Housing Trust fund money.

As a region, we support the following themes:

Balanced Solutions – Housing, Jobs, and Transportation

- Regional solutions need to take a balanced approach that considers housing, transportation/transit, and jobs together. Building housing without adequate transportation infrastructure may exacerbate, not alleviate, the affordable housing crisis.
- Regional transit agencies and MTC must support improved transit services to existing and new neighborhoods and address accompanying funding needs.

Provide, Promote, and Protect Affordability

- Protect existing affordable housing stock, including rental apartments, deed restricted units, and mobile homes, and promote affordable housing that includes long-term affordability agreements.

- Ensure that all new state mandated incentives, fee reductions, and density bonus program are directly linked to the level and percentage of affordable units provided for each project.

Context-Sensitive Housing

- Avoid “one-size-fits-all” standards for regional housing by ensuring that policies and laws allow for sensitivity to local context. For example, historic districts should be exempt from higher density housing requirements if they are not compatible with the historic context of the area.
- Advocate and facilitate production of ADUs (examples: reduce all fees including those from special districts and utility companies) and encourage development of “missing-middle” housing that is compatible with suburban community character (examples: duplex, triplex and four-plexes, small scale apartment complexes).
- Enable cities to develop locally-appropriate plans that meet State objectives in a manner that is compatible with existing community character. For example, some cities use density-based (rather than height-based) development standards and realistic parking requirements given their distance from reliable and frequent public transit.

Infrastructure and Services

- Mandates for new housing production need to be accompanied by funding that can support expanded transportation, transit, and infrastructure, including planning, and capital improvement programs and funding to support new school facilities.

Funding and Resources

- There should be no net loss of local funding.
- New funding measures should not unduly impact local taxation capacity or divert financial resources from essential local public services and infrastructure programs.
- Any new housing mandates should include funding to offset administrative costs associated with supporting the new program and new reporting requirements. Funding to offset administrative costs could include concepts similar to the surcharge on building permit applications for the Certified Access Specialist (CASP) program.

As it relates to the major housing legislation that has recently been introduced, below are our regional positions:

1. Legislative topics regarding “Just Cause Eviction Standards” and the adoption of Bay Area wide requirements.
Legislation includes Assembly Bill 36 (Bloom), Assembly Bill 1481 (Bonta), and Assembly Bill 724 (Wicks) and possibly more.
TVC Position: Monitor.
2. Legislative topics regarding a rent cap within the Bay Area and limits annual rent increases to a “reasonable” amount.
Legislation includes Assembly Bill 1482 (Chiu) and possibly others.
TVC Position: Monitor.

5. Legislative topics regarding rent assistance and free legal counsel. Legislation includes Senate Bill 18 (Skinner) and possibly others.
TVC Position: Support
4. Legislative topics regarding the removal of regulatory barriers to Accessory Dwelling Units. Legislation includes Assembly Bill 68 (Ting), Assembly Bill 69 (Ting), and Senate Bill 13 (Wieckowski).
TVC Position: Support.

If there are any opportunities for amendments, we would be supportive of the following:

- Extending the fee limitation/reduction to all passthrough fees (including utility connection fees and school district fees), provided that the fees remain proportionate to impacts generated.
 - Developing standardized ADU permit plans in a range of sizes, pre-approved at the State level, allowing for minimal local plan check requirements (reduced plan check time offsets fee limitations).
 - Allowing cities to count, by right, ADUs that are “affordable by design” in the RHNA process (examples: count ≤ 550 SF ADU as “Low” and 551- 1,000 SF ADU as “Moderate” income units).
 - Advocate for standardized Building Codes for ADUs.
 - Ensure existing structures are brought up to Code for legitimate Health and Safety reasons.
5. Legislative topics regarding minimum zoning near transit for housing. Legislation includes Senate Bill 50 (Wiener).
TVC Position: Oppose unless amended.
Suggested amendments would include:
- Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit and a balanced land use framework.
 - Focus requirement on density not on height (as the latter does not necessarily result in more units) and allow cities to retain design quality control to facilitate local acceptance.
 - Establish realistic frequency thresholds to be considered for rail stations, specifically ACE or Amtrak train lines, which have very limited infrequent service.
 - Apply density increase as a percentage of adjacent land uses (example: 50% increase in density or height) in acknowledgement that not all communities take the same form near transit lines
 - Establish increases contingent upon funding a transit agency’s ability to maintain headways for a specified number of years.
 - Allow a time period for cities to incorporate these requirements into their General Plans and obtain local feedback.
 - Exempt historic districts/downtowns where high-density housing is not compatible with the historic context of the area.
6. Legislative topics regarding “Good Government” reforms to the housing approval process. Legislation includes Assembly Bills 1483 and 1484 (Grayson) and Senate Bill 330 (Skinner). **TVC Position: Oppose unless amended.**
Suggested amendments would include:
- Require an “expiration date” for all fees and regulations locked at application completeness to ensure they are applicable to viable projects.
 - Eliminates abuse by developers who might “lock” a future application to avoid addressing future federal, state or local requirements that may surface.
 - Require a “reset” should substantive project changes be introduced during the course of the development review process to avoid potential abuse of the system.
 - Maintain clear and objective standards and controls, and support fee deferral programs that ensure context sensitivity.

- Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit.

7. Legislative topics regarding expedited approvals and permit streamlining to accelerate zoning-compliant projects. Legislation includes Assembly Bill 1485 (Wicks) and Assembly Bill 1706 (Quirk). **TVC Position: Oppose unless amended.**

Suggested amendments would include:

- There should be no net loss of local funding.
- Require outside agencies to cap/reduce fees to stimulate affordable housing.
- Require an “expiration date” for all fees and regulations locked at application completeness to ensure they are applicable to viable projects.
- Eliminates abuse by developers who might “lock” a future application to avoid addressing future federal, state or local requirements that may surface.
- Require a “reset” should substantive project changes be introduced during the course of the development review process to avoid potential abuse of the system.
- Implement and maintain clear and objective standards and controls to ensure context sensitivity.
- Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit.
- Consider middle income household definition of 80-120% of area median income, consistent with local standards (instead of 80-150% of AMI), which makes units more affordable.
- 50% parking reduction from local standards should initially be applied only in transit rich areas where residents actually have to option to use frequent and high-quality public transit.
- Projects should be required to agree to a 30-50-year inclusionary requirement to receive the streamlining and financial incentives listed.

8. Legislative topics regarding the use of “surplus” and “underutilized” public lands for affordable housing. Legislation includes Assembly Bill 1486 (Ting).

TVC Position: Support with amendments

- Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit.
- Provide clear and objective standards for the definition of “surplus land.”
- Should prioritize land around existing or approved transit stops
- Require projects to be consistent with locally adopted land use plans that are already in place (e.g. specific plans) and consistent with objective local standards.

9. Creating new revenue streams to help fund future housing projects. Legislation includes ACA 1 (Curry) and AB 1487 (Chiu). In order to collect some of these new revenue streams, there would be the creation of a new regional entity. That legislation includes AB 1487 (Chiu).

TVC Position: Oppose unless amended.

Suggested amendments would include:

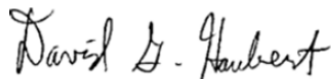
No reduction in currently property tax funding

- Define return-to-source funding formula at a city level.
- Regional “fair share” housing assignment (RHNA process) is correlated to level of funding received (i.e., the less regional funding a city receives, the lower the regional housing assignment) (e.g., we do not want to be donor cities).

- Creating an entity that is not comprised of elected officials does not allow it to be accountable to the voters or local needs, and appears to be structured to exclude local government input.
- Creating a regional entity introduces another bureaucracy with its own unique set of requirements takes staff time away from facilitating housing production and committing it to report production (in addition to the ones filed with State HCD and Department of Finance).
- Consider existing agencies that could do the same functions, with additional funding, instead of a new public agency.

In closing, the Tri Valley Cities are grateful for the State Legislature's leadership on these important and difficult issues. We look forward to working with you and other State lawmakers in implementing aggressive regional policy initiatives to address the housing crisis in a way that is compatible and supports the diversity of local realities.

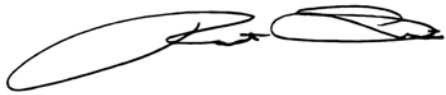
Sincerely,

City of Dublin
Mayor David Haubert

City of Livermore
Mayor John Marchand

City of Pleasanton
Mayor Jerry T. Thorne



City of Danville
Mayor Robert Storer



City of San Ramon
Mayor Bill Clarkson

DATE: May 2, 2019
[Updated to reflect corrected footer]

TO: Laura Hoffmeister, Conference Chair
Gary Pokorny, Executive Director
Contra Costa Mayors' Conference

FROM: Michelle Fitzer, Chair
Contra Costa Public Managers' Association

RE: Summary of Memorandums related to emerging housing legislation

Consistent with the interest and discussion at the April 2019 Contra Costa Mayors' Conference on the CASA Compact and rapidly emerging housing legislation, the Contra Costa Public Managers' Association (PMA) – acting as the staff – is including three separate documents for consideration, discussion and action:

Attachment A: Recommended Policy Framework on Emerging Housing Legislation

Attachment B: Summary and Recommended Policy Position on AB 1487 (Chiu) - the Housing Alliance for the Bay Area Housing Legislation

Attachment C: DRAFT Resolution Supporting the Contra Costa County Jurisdictions' Housing and Policy Framework on Housing Matters (for adoption by each city and the county in Contra Costa)

ATTACHMENT A

Recommended Policy Framework on Emerging Housing Legislation

DATE: May 2, 2019
[Updated to reflect corrected description of Contra Costa PMA]

TO: Laura Hoffmeister, Conference Chair
Gary Pokorny, Executive Director
Contra Costa Mayors' Conference

FROM: Michelle Fitzer, Chair
Contra Costa Public Managers' Association

RE: Recommended Policy Framework on Emerging Housing Legislation

The Contra Costa Public Managers' Association (PMA) is an organization comprised of public managers representing the nineteen cities and county of Contra Costa. The Contra Costa PMA works collaboratively to share information, discuss and find solutions on issues of regional significance.

As an association of professionals who are committed to serving the public, the Contra Costa PMA has closely reviewed and discussed the implications of recent efforts at both the regional and state level to address the housing crisis, including the CASA Compact and numerous legislation that have emerged out of that effort. Based on the PMA's analysis and given the rapid rate in which housing legislation is moving through the state legislative process, the PMA recommends that the Contra Costa Mayors' Conference consider adopting the following housing policy framework as a basis for upcoming advocacy work.

RECOMMENDATION

Position Statement: Contra Costa cities recognize and fully *endorse* the need for increased housing opportunities - especially for people earning below the area median income. While we appreciate its intent, the CASA Compact is a high-level document with only limited detail. Small and medium sized cities, representing 66% of the Bay Area population, were not well-represented in its creation.

As such, the Contra Costa Mayors Conference wants to ensure that their member cities' voices are heard as the details of legislation are being crafted and encourages MTC, ABAG and the State Legislature to collaborate with all cities on all housing legislation so that we may collectively formulate feasible solutions to address the Bay Area's housing needs. Therefore, it is the consensus of the Contra Costa Mayors' Conference that:

Balanced Solutions – Housing, Jobs, and Transportation

1. **We support** regional solutions that take a balanced approach and consider the needs of housing, transportation/transit, and jobs *together* (never one at the expense of the other). Building housing without adequate transportation or other infrastructure would exacerbate - not alleviate - the affordable housing crisis.
2. **We support** policies that encourage a regional jobs-housing balance as a strategy to lower vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions, and oppose policies that exacerbate it.
3. **We support** additional transportation investments to expand the Bay Area transit network to provide connections from job centers to existing as well as planned future housing.

Provide, Promote, and Protect Affordability

4. **We support** every city's ability to establish tenant protections as they deem appropriate for their residents.
5. **We support** incentives for the production of new accessory dwelling units (ADUs) including (a) streamlining the entitlement process; (b) eliminating all fees - including pass-through fees charged by utilities and special districts; (c) developing standardized state-approved floorplans similar to Factory Built Home plans; and (d) counting ADUs - by right - as *very low*, *low*, or *moderate* units in the RHNA attainment reporting process.

Context Sensitive Housing

6. **We support** maintaining local control of land use and the entitlement process. We urge the State to recognize that cities control only the entitlement process and have no ability to produce housing, which is a developer- and market-driven process. Therefore, cities should be measured by the number of entitlements approved when calculating RHNA attainment and not be penalized for being unable to produce housing.

7. **We oppose** top-down or one-size-fits-all approaches to land-use decision-making, including those mandating residential densities, building heights and development intensity.

Infrastructure and Services

8. **We support** removing barriers to planning communities for all and ensuring that adequate resources are available for existing and new infrastructure (e.g., roads, schools, parks) and municipal services (e.g., public safety) to serve our growing population.
9. **We support** utilizing existing local housing authorities – which are more familiar with needs of their subregion – to serve as the governance structure that administers new affordable housing funds and monitors housing production, rather than establishing yet another state or regional agency to take on that role.

Funding and Resources

10. **We support** legislation that will return e-commerce/internet sales tax revenue to the point of sale – not the point of distribution as currently mandated – to provide cities that have a significant residential base with a commensurate fiscal stimulus for new housing.
11. **We support** Governor Newsom’s investments proposed in the state budget that will benefit California cities by including a substantial increase in state funding for affordable and workforce housing and addresses the growing homelessness crisis in our state.
12. **We oppose** any diversion of existing revenue sources from cities.

As a county, we are grateful for the State Legislature’s leadership on these difficult issues and look forward helping to ensure that new housing legislation is crafted in a manner that is compatible with - and supports the diversity of – all local communities. We invite you to partner with cities, small and large, to find solutions to address the housing shortage in a way that is compatible and supports the diversity of local realities.

ATTACHMENT B
Summary and Recommended Policy Position on AB 1487 (Chiu) - the Housing
Alliance for the Bay Area Housing Legislation

DATE: May 2, 2019
[Updated to reflect corrected footer]

TO: Laura Hoffmeister, Conference Chair
Gary Pokorny, Executive Director
Contra Costa Mayors' Conference

FROM: Michelle Fitzer, Chair
Contra Costa Public Managers' Association

RE: Summary and Recommended Policy Position on AB 1487 (Chiu) - the
Housing Alliance for the Bay Area Housing Legislation

Consistent with the Contra Costa Public Managers' Association (PMA) policy framework recommendations on emerging housing legislation, this memorandum summarizes the recently amended Assembly Bill 1487 to establish the "Housing Alliance for the Bay Area," a new regional housing agency for the 9-county San Francisco Bay Area.

SUMMARY

Consistent with a recommendation from the CASA Compact, this bill would establish a new regional government entity to raise revenue (subject to applicable voter requirements) and allocate those funds for purposes of providing tenant protections, affordable housing preservation, and new affordable housing production. As proposed, this new entity would be comprised of 18 voting members, nine (9) from the Metropolitan Transportation Commission (MTC) and nine (9) from the Association of Bay Area Governments (ABAG).

Subsequent to the State of California's dissolution of redevelopment, there is a recognition for affordable housing funding sources. In support of this effort, new revenue sources are welcomed (though it should be noted that the current text of the bill does not ensure an equitable distribution of funds). Of concern is that the bill would

establish a new regional bureaucracy without direct and equal representation by all cities in the Bay Area.

RECOMMENDATION

It is recommended that the Contra Costa Mayors' Conference issue a statement of **support with amendments**, as follows:

1. **We support** the establishment of funding sources for the protection and production of affordable housing that is consistent with the will of the voters.
2. **We support** establishing a correlation between the "fair share" housing (Regional Housing Needs Allocation or RHNA) assignment and the level of funding allocated. In other words, a city with a lower RHNA assignment would receive less funding.
3. **We support** the ability for cities to apply for these funds directly.
4. **We support** using an existing housing agency to serve as this revenue collection and distribution agency with additional funding. The agency should be comprised of directly elected officials that represent the diversity of cities in the Bay Area (rather than through appointments from existing regional entities) to ensure accountability to the voters.
5. **We oppose** the creation of a new regional bureaucracy with its own unique set of requirements.

As a county, we are grateful for Assembly Member Chiu's leadership on these difficult issues and look forward helping to ensure that any new housing agency is established in a manner that helps – rather than hinder – the production of affordable housing in all areas of the 9-county Bay Area.

ATTACHMENT C
DRAFT Resolution Supporting the Contra Costa County Jurisdictions'
Housing and Policy Framework on Housing Matters
(for adoption by each city and the county in Contra Costa)

Contra Costa County Jurisdictions'

HOUSING AND POLICY

FRAMEWORK PROPOSAL



APRIL 2019

PREAMBLE

The jurisdictions taking part in this effort value regional leadership and collaboration to maintain and improve the quality of life for Contra Costa County residents and to create a positive environment for employers. These Contra Costa County jurisdictions recognize the challenges inherent in providing adequate and affordable housing opportunities in the region. Recent efforts at the regional level, namely through the Committee to House the Bay Area (CASA), and by State legislators have brought these challenges and the resultant policy implications for the Contra Costa County into sharper focus. There is a unique opportunity for the Contra Costa County Cities to work together, to develop a collaborative response to influence legislative efforts at the State towards outcomes that address housing needs, while respecting community character and desire for local decision making.

Knowing that scores of new housing bills are likely to be introduced by State legislators in 2019 and beyond, the Contra Costa County jurisdictions taking part in this effort recommend a proactive and nuanced approach to advocacy and engagement, with the cities working together. In addition to educating our stakeholders on these issues, our goal is to influence the legislative process and create a shared position on key topics, where possible. While this approach identifies common areas of concern, each city may continue to pursue their own individual areas of concern that are context sensitive to their community.

INTRODUCTION

Contra Costa represents one of the most diverse areas in the State, and each jurisdiction has its own perspective on how to best meet the needs of its resident and business communities. However, many of our interests overlap, which allows for collaboration and advocacy that will strengthen the voice of the Contra Costa County. The Contra Costa County jurisdictions taking part in this effort are committed to open and honest communication with a goal of building consensus and a united approach to address housing legislation as it is developed by State legislators.

The housing challenges in California are real and the current and upcoming legislative cycles will include notable and impactful housing legislation that will be felt statewide, including in Contra Costa County. Recent history has demonstrated that simply opposing legislation has limited effectiveness (and in fact, may be counter-productive) and that jurisdictions will need to collaborate to influence legislative efforts, such as proposing revisions to draft legislation, to address new housing law as it is developed.

BACKGROUND

California's Affordable Housing Crisis & The State's Response

In 2017, the State of California published a report titled, "[California's Housing Future: Challenges and Opportunities](#)." The report identifies the severity of the housing shortage across the State and became a backdrop to the State's adoption of a suite of 15 housing-related bills known as the 2017 "Housing Package". The 15 bills focused on:

- Providing funding for affordable housing;
- Streamlining the review and approval process for housing;
- Increasing accountability and reporting requirements for local governments; and
- Preserving existing affordable housing.

During the 2017 legislative cycle many communities (including multiple Contra Costa County jurisdictions) responded to the proposed legislation with an outright rejection of the entire Housing Package. Nonetheless, the 15 bills were signed into law, and in 2018, most local jurisdictions began implementation of these measures in various ways. Key pieces of that recent legislation are outlined later in this Housing Framework.

HOUSING ELEMENT

Purpose

The Housing Element is one of nine mandated elements in a city's General Plan and implements the declaration of State law that, "the availability of housing is a matter of vital statewide importance and the attainment of decent housing and a suitable living environment for all Californians is a priority of the highest order." (Gov. Code § 65580)

At the local level, the Housing Element allows the local jurisdiction to approve a community-specific (local) approach to "how" and "where" housing needs will be addressed to meet the needs of their community. A jurisdiction's Housing Element must be updated every eight years.

For the Bay Area, the current planning period started in 2015 and ends in 2023. The next planning period will run from 2023 to 2031, meaning that local jurisdictions will be updating their Housing Elements in the 2021/2022 timeframe.

Regional Housing Need Allocation (RHNA)

All California cities and counties are required to accommodate their fair share of regional housing need. This fair share assignment is determined through a Regional Housing Needs Allocation (RHNA) process. The California Department of Housing and Community Development (HCD) determines the share of the state's housing need for each region. In turn, the council of governments (COG) for the region allocates to each local jurisdiction its share of the regional housing need. In the nine-county Bay Area, the region's COG is the Association of Bay Area Governments (ABAG). After the RHNA is determined, local jurisdictions must update their Housing Element (and typically identify housing opportunity sites and rezone property) to demonstrate that there is an adequate amount of land zoned, at appropriate density, to achieve its RHNA for the current planning period.

Planning vs. Building; No Net Loss

Under current state law, a jurisdiction is not required to *build* the housing units assigned to it by the RHNA. Rather, it is required to adopt a land use program – appropriate General Plan and Zoning, including identification of specific sites with available infrastructure and suitable physical conditions – to accommodate these housing units under market-driven conditions. The "No Net Loss" laws (adopted in 2017 by Senate Bill [SB] 166) ensure that local governments do not approve projects with less units per income category or downzone these opportunity sites after their Housing Element has been certified. This means that cities cannot approve new housing at significantly lower densities (or at different income categories) than was projected in the Housing Element without making specific findings and identifying other sites that could accommodate these units and affordability levels.

RHNA Cycles & Income Levels

Based on population projections from the California State Department of Finance in the lead-up to the last RHNA, and economic and regional housing market uncertainty (including the “Great Recession”), HCD required the Bay Area to plan for 187,990 new housing units during the current 2015-2023 RHNA cycle.

A RHNA assignment is comprised of four income categories: very low; low; moderate; and above moderate income. Table 1 shows the current combined RHNA for Contra Costa County and its 19 jurisdictions.

Table 1 – Contra Costa County and Cities 2015-2023 RHNA and Housing Production through 2017

Income Level	RHNA Allocation by Income Level	Total Permits to Date	Total Remaining RHNA by Income Level
Very Low	5244	401	4861
Low	3075	507	2568
Moderate	3458	1104	2444
Above Moderate	8802	7648	1154
Total RHNA	20579	6143	11027

Source: Department of Housing and Community Development (HCD) Annual Progress Reports

Similar to many communities throughout the Bay Area, the Contra Costa County jurisdictions’ RHNA for housing production of very-low, low, moderate, have been modest. In fact, most of the low- and very-low income unit production has been generated by inclusionary zoning¹ requirements, or produced with substantial subsidies from local, state and federal dollars. The production data is indicative of the real challenges faced by local jurisdictions in meeting RHNA for lower income housing in a market-driven environment, where high land and development costs mean substantial subsidy is needed to build each unit, and where local, State and federal funding is inadequate to meet all but a tiny fraction of the need. Cities have the ability to

¹ Inclusionary Zoning = local zoning code standards that require a portion of a market rate project to be provided (and maintained) at below-market-rate.

designate Housing Opportunity Sites; however, with the loss of redevelopment, financing and construction of the housing unit is predominately driven by the private sector.

Certification and Annual Progress Report (APR)

After local adoption, State law provides HCD with the authority to review and “certify” each jurisdiction’s Housing Element. To ensure ongoing compliance, the law requires local jurisdictions to submit an annual report to HCD, generally referred to as the Annual Progress Report (APR), documenting the number of housing units in various affordability categories that have been produced over the past year and through the course of the eight-year housing element cycle.

RECENT CHANGES TO STATE LAW

The extensive housing legislation passed in 2017 (as part of the Housing Package) and supplemented in 2018 reflects the seriousness for State leaders to address the affordable housing crisis. Their focus has been largely on holding local governments accountable (increasing reporting and monitoring), curtailing the discretionary review process (streamlining), and identifying new funding sources.

Of the 15 bills passed in 2017 and the follow-on bills passed in 2018, the following are the most relevant and potentially impactful to Contra Costa County communities:

Streamlined Approval (SB 35): SB 35 requires cities to “streamline” the approval process for housing developments if the jurisdiction has not issued sufficient building permits to satisfy its regional housing need by income category. A project would be eligible for ministerial approval if it complies with objective planning standards, meets specifications such as a residential General Plan designation, does not contain housing occupied by tenants within 10 years, and pays prevailing wages. Additionally, projects must restrict 10 to 50 percent of their units to be affordable to households classified as having low- or very low-income (i.e., less than 80 percent of the area median income).

Housing Accountability Act (SB 167, AB 678, AB 1515): The bills affecting the Housing Accountability Act apply to every housing development application, not just those with an affordable housing component. The legislation requires that local governments provide developers with a list of any inconsistencies between a proposed project and all local plans, zoning, and standards within 30 to 60 days after the application is complete or the project will be deemed complete with all local policies. Additionally, if a housing project complies with all “objective” general plan, zoning, and subdivision standards, it may not be denied or have its density reduced unless a city or county can find that the project would have a specific adverse

impact on public health and safety. If a project includes affordable units, a local jurisdiction is responsible for making additional findings to deny the project, reduce its density, or add a condition that makes the project infeasible, even if the project does not comply with all “objective” standards.

No Net Loss (SB 166): State law in place prior to 2017 prohibited cities from downzoning sites or approving projects at less density than identified in their Housing Elements. Under the 2017 modification, if the approval of a development project results in fewer units by income category, the jurisdiction must identify additional sites to accommodate the RHNA obligation lost as a result of the approval and make corresponding findings. This change is significant because, for many cities, the Housing Element will have counted most of the high-density housing sites as producing very-low and low-income units, when actual projects constructed will typically provide only a portion of their units at below-market rates. This means cities will likely need to zone additional land for higher density development to ensure there is an adequate number of sites to meet RHNA, and to make more conservative assumptions about future yield of affordable units on those sites.

Housing Element Requirements (AB 1397): This bill makes many changes to how a jurisdiction establishes its Housing Element site inventory. Of special note, this legislation requires “by-right” approval for projects that offer 20-percent of its units at a rate that is affordable to lower income households.

BART TOD Districts (AB 2923): This bill was passed in 2018 and established minimum local zoning requirements for BART-owned land that is located on contiguous parcels larger than 0.25 acres and within one-half mile of an existing or planned BART station entrance. All cities must adopt conforming standards within two years of BART adopting transit-oriented development (TOD) standards (or by July 1, 2022) that include minimum height, density, parking, and floor area ratio requirements. In addition, all projects must include a minimum 20 percent of units for very low and low-income households. This bill is anticipated to help facilitate BART’s plan to build 20,000 units across its network.

PENDING LEGISLATION

Local jurisdictions should expect another round of significant housing legislation in 2019, and likely beyond. In the first three months of 2019, more than 50 new bills dealing intended to spur housing development have been introduced. Two key issues, the CASA Compact and Senate Bill (SB) 50, are discussed in detail below.

See [Attachment 1](#) for a more detailed breakdown of 21 pieces of proposed legislation, the CASA Compact elements they relate to, as well as local concerns and recommended approaches for future advocacy work. The Contra Costa County jurisdictions participating in this effort will continue to monitor and advocate as appropriate.

CASA Compact Overview

From this point forward, much of this legislation will likely be informed and influenced by the CASA Compact, which was released in December 2018. The Metropolitan Transportation Commission (MTC) formed CASA to address the affordable housing crisis. CASA is a 21-member steering group comprised of major employers, for-profit and nonprofit housing developers, affordable housing advocates, transportation professionals, charitable foundations and elected officials from large cities. CASA's Compact is an ambitious 10-point plan to remedy the Bay Area's housing issues.

The CASA Compact sets out to achieve three goals:

- Produce 35,000 housing units per year (14,000 affordable to low-income and 7,000 to moderate-income, a 60% affordability rate);
- Preserve 30,000 existing affordable units (26,000 of which are market-rate affordable units and 4,000 are at-risk over the next 5 years); and
- Protect 300,000 lower-income households (those who spend more than 50% of income on their housing).

To achieve these goals, the Compact includes 10 Elements (or actions). Below is a brief summary (see Attachment 1 for a more detailed overview):

- *Elements 1-3 – Preserve and Protect*

Together, these elements represent the “preserve and protect” components of the Compact, including arguments for: just-cause eviction standards; rent caps; and rent assistance and free legal counsel.

- *Elements 4-8 – Production*

Together, these elements are the “production” component of the Compact, with subcategories, including: accessory dwelling units (ADUs); process streamlining and financial incentives; and using public land for affordable housing.

- *Elements 9-10 – Revenue and Administration*

Together, these elements offer revenue generating mechanisms to fund the Compact and suggests the formation of a new independent regional “housing authority” to collect and distribute those funds.

The Compact concludes with “Calls for Action,” which were ideas that garnered sufficient interest from the CASA steering committee, but not enough to become a standalone element in the Compact. Because these will also generate some legislative interest, those topic areas are also briefly discussed here:

- *Redevelopment 2.0*: Pass legislation enabling the re-establishment of redevelopment in California to provide new funding for affordable and mixed income development.
- *Lower the Voter Threshold for Housing Funding Measures*: Pass legislation that would apply a 55% threshold for affordable housing and housing production measures.
- *Fiscalization of Land Use*: Pass legislation that would return e-commerce/internet sales tax revenues to the point of sale - not at the point of distribution as it is currently - to provide cities that have a significant residential base with a commensurate financial incentive to develop new housing. Also, pass legislation that would change the Proposition 13 property tax allocation formula to provide cities that build more housing with a higher share of property tax revenue.
- *Homelessness*: CASA's funding package includes resources that help produce housing for formerly homeless people and prevent homelessness when possible.
- *Grow and Stabilize the Construction Labor Force*: Increase the construction labor pool by requiring prevailing wages on projects that receive incentives, calling upon the State to improve the construction employment pipeline, and creating a CASA/state labor workgroup to implement.

Concluding Thoughts Regarding CASA

The intent of the CASA Compact is to serve as state legislative research data for future housing legislation. Specifically, its development timeline is driven by the desire to place elements of the Compact on the ballot in the 2020 General Election. While some jurisdictions are likely to support the philosophical principles of the CASA Compact, many have expressed concerns that revolve around three main issues:

- *One-Size-Fits-All Approach*: The Compact proposes one-size solutions that may be effective in large urban cities but can be counterproductive in smaller suburban and rural communities. As an example, rent caps may disincentivize multifamily housing production in suburban communities. In another example, mandating high density housing near transit lines presumes transit service remain static when in fact that is not the case in suburban communities.
- *Potential to Jobs/Housing Imbalance*: The Compact's singular focus on housing production throughout the entire region minimizes the fact that the most acute housing pressure is focused in three of the nine counties in the Bay Area (San Francisco, San Mateo and Santa Clara), where most of the jobs are being created. Imposing housing production in far reaches of the Bay Area, including certain areas of Contra Costa County, would not alleviate the crisis in the three counties with the largest employment centers. Instead, it would likely induce significant congestion and exacerbate the jobs/housing imbalance. A more reasonable approach could be to adjust the production requirements based on a county's existing housing supply.

- *Absence of Public Engagement:* One of the most concerning aspects of the Compact is the absence of a transparent public process that would have incorporated input from those most affected - the general public and cities throughout the region. An often-repeated concern is that this top-down approach is not only ill-informed of the issues highlighted above but could breed anti-growth sentiment that would actively resist reasonable measures to build or fund affordable housing in the future.

Equitable Communities Incentive (SB 50)

SB 50 is an evolution of Senator Wiener's 2018 proposed bill, SB 827. It is a developer opt-in bill that would require a city or county to grant an "equitable communities incentive," which is a waiver from maximum controls on density, height, and parking spaces per unit, and up to three concessions (such as deviation from setbacks or other development standards), if the project provides low, very low or extremely low income housing and is located in a "job-rich housing project" or "transit-rich housing project," as defined below:

"Transit-rich housing project" means a residential development, the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

"Job-rich housing project" means a residential development within an area identified by the Department of Housing and Community Development and the Governor's Office of Planning and Research, based on indicators such as proximity to jobs, high area median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs.

The League of California Cities Housing, Community and Economic Development Policy Committee (HCED) discussed SB 50 at their January 17, 2019, meeting. HCED took a position to oppose the bill unless amended. Understanding that Senator Weiner is the Chair of the Housing Committee, along with the political make-up of the Senate and Assembly, HCED formed a subcommittee to explore amendments to SB 50 to make it more amenable to cities and will be presented and discussed further at a later time.

A summary of SB 50, which was presented to HCED on January 17, 2019, is included as [Attachment 2](#).

PROACTIVE APPROACH TO LEGISLATIVE ADVOCACY

Below is a discussion of “key themes” to consider while informing, influencing, and advocating, on the topic of housing.

Key Themes

Balanced Solutions – Housing, Jobs, and Transportation

- Regional solutions need to take a balanced approach that considers housing, transportation/transit, and jobs together. Building housing without adequate transportation infrastructure may exacerbate, not alleviate, the affordable housing crisis.
- Regional transit agencies and MTC must support improved transit services to existing and new neighborhoods and address accompanying funding needs.
- Until the transportation and transit infrastructures are improved and ready to accommodate the new housing growth, focus initial efforts to producing housing in the counties where the jobs are located and where the jobs/housing ratio is at its worst.
- Incentivize employers to locate in housing-rich environments.

Provide, Promote, and Protect Affordability

- Protect existing affordable housing stock, including rental apartments, deed-restricted units, and mobile homes, and promote affordable housing that includes long-term affordability agreements.
- Ensure that all new state mandated incentives, fee reductions, and density bonus program are directly linked to the level and percentage of affordable units provided for each project.

Context-Sensitive Housing

- Avoid “one-size-fits-all” standards for regional housing by ensuring that policies and laws allow for sensitivity to local context. For example, historic districts should be exempt from higher density housing requirements if they are not compatible with the historic context of the area. Provide flexibility to cities that have demonstrated that they are working towards meeting their RHNA numbers.
- Advocate and facilitate production of ADUs (examples: reduce all fees including those from special districts and utility companies) and encourage development of “missing-

- middle” housing that is compatible with suburban community character (examples: duplex, triplex and four-plexes, small scale apartment complexes).
- Enable cities to develop locally-appropriate plans that meet State objectives in a manner that is compatible with existing community character. For example, some cities use density-based (rather than height-based) development standards and realistic parking requirements given their distance from reliable and frequent public transit.

Infrastructure and Services

- Mandates for new housing production need to be accompanied by funding that can support expanded transportation, transit, and infrastructure, including planning, and capital improvement programs and funding to support new school facilities.

Funding and Resources

- There should be no net loss of local funding.
- New funding measures should not unduly impact local taxation capacity or divert financial resources from essential local public services and infrastructure programs.
- Any new housing mandates should include funding to offset administrative costs associated with supporting the new program and new reporting requirements. Funding to offset administrative costs could include concepts similar to the surcharge on building permit applications for the Certified Access Specialist (CASP) program.

NEXT STEPS

- Housing and Policy Framework Workshop for Mayors and City Councilmembers
- Develop engagement materials that highlight the narrative regarding key themes

ATTACHMENTS

1. CASA Compact Legislation - Summary & Recommendations
2. SB 50 Overview

RESOLUTION NO. _____

**RESOLUTION OF THE [_____] CITY/TOWN COUNCIL
SUPPORTING THE CONTRA COSTA COUNTY JURISDICTIONS' HOUSING
AND POLICY FRAMEWORK ON HOUSING MATTERS**

WHEREAS, the Contra Costa County Jurisdictions' recognize and respect the local needs and character of each community, and have a shared interest in maintaining local control of decision-making related to all aspects of the management of each jurisdiction, including but not limited to financial, land use and development, and growth-related matters; and

WHEREAS, in January of 2017, the State of California published a report titled "California's Housing Future: Opportunities and Challenges," which documented the negative consequences of the historic underproduction of housing in California, including an increasing affordability gap, falling rates of homeownership, disproportionate rates of homelessness, and issues such as urban sprawl and traffic congestion. Collectively, these issues have been identified by legislators as part of a statewide "housing crisis"; and

WHEREAS, in September of 2017, California Governor Jerry Brown signed into law the "Housing Package" consisting of 15 new bills focused on funding, permit streamlining, and increased enforcement and accountability for local governments with respect to implementation of the Housing Element; and

WHEREAS, in 2018, State legislators approved, and the Governor signed into law several additional housing bills; and

WHEREAS, the Metropolitan Transportation Commission formed the Committee to House the Bay Area (CASA) to address the housing challenges in the Bay Area; and

WHEREAS, in December 2018 the Committee to House the Bay Area released an ambitious 10-point plan, known as the CASA Compact, to serve as state legislative research data for future housing legislation; and

WHEREAS, the State's focus on the affordable housing challenges is likely to continue for the foreseeable future with new legislation that will impact local Jurisdictions'; and

WHEREAS, the Contra Costa County Jurisdictions' recognize the substantial challenge of providing adequate and affordable housing opportunities in the region, and the shared responsibility of all communities across the State to help address these needs; and

WHEREAS, there is a unique opportunity for the Contra Costa County Jurisdictions' to work together, to develop a collaborative response to influence legislative efforts at the State towards outcomes that address housing needs, while respecting community character and desire for local control of decision making; and

WHEREAS, the Contra Costa County Jurisdictions' affirm their interest in and commitment to shaping housing policy outcomes in a constructive manner, through a proactive and nuanced approach to advocacy and engagement on the topic of housing that will result in better outcomes for the region and the individual communities; and

WHEREAS, the Contra Costa County Jurisdictions' Housing and Policy Framework provides a comprehensive approach, reflecting the following Key Themes:

- Balanced Solutions – Housing, Jobs, and Transportation;
- Provide, Promote, and Protect Affordability;
- Context Sensitive Housing;
- Infrastructure and Services; and
- Funding and Resources; and

WHEREAS, the Key Themes are topic areas where there is consensus among the Contra Costa County and its respective cities, and which can be used to inform, influence, respond, and advocate, on the topic of housing at the local, regional and State level; and

WHEREAS, the overall approach identifies and addresses common areas of concern, while recognizing that each city can and will continue to pursue individual areas of interest that are specific to their community's needs; and

WHEREAS, the _____ City/Town Council met on _____, 2019 to consider and discuss the Contra Costa County Jurisdictions' Housing and Policy Framework;

NOW, THEREFORE BE IT RESOLVED THAT THE _____ CITY/TOWN COUNCIL DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

Section 1. The Contra Costa County Jurisdictions' Housing and Policy Framework is hereby supported on matters related to housing legislation.

Section 2. The Contra Costa County Jurisdictions' may from time-to-time revisit the Contra Costa County Jurisdictions' Housing and Policy Framework to ensure that the approaches and topics discussed within the report remain relevant and appropriate.

Section 2. The Mayor and City Manager are authorized to take positions on behalf of the City in regard to pending legislation consistent with the Contra Costa Jurisdictions' Housing and Policy Framework and to communicate those positions to interested parties on behalf of the City Council.

PASSED, APPROVED AND ADOPTED by the _____ City [Town] Council
on March ____, 2019.

I, _____, City [Town] Clerk of the City [Town] of _____,
California, certify that the foregoing resolution was adopted by the City [Town] Council at
a regular meeting held on the ____ day of March 2019, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

City/Town Clerk

APPROVED AS TO FORM:

City/Town Attorney



Cities Association of Santa Clara County: Position Paper on Housing

The Cities Association of Santa Clara County (CASCC) is an association of the fifteen cities of the county that works collectively to discuss and find solutions on issues at a regional level.

CASCC recognizes the need for increased housing opportunities, especially for people earning below the area median income. We fully **endorse** local and regional efforts to encourage the production of more housing, preserve and increase subsidized below market rate housing at moderate- and below-income levels, and provide benefits to minimize the impact for current residents in rapidly changing neighborhoods.

The CASA Compact is a high-level document with only limited detail. Small and medium sized cities were not well represented in it's creation yet represent 66% of the Bay Area population. CASCC wants to ensure that their member cities' voices are heard as the details of legislation are being crafted. CASCC further encourages MTC, ABAG and the State Legislature collaborate with all cities on the ideas contained within the CASA Compact so that we can collectively formulate workable solutions to address the Bay Area's housing needs. It is the consensus of the CASCC that:

We support legislation that will provide voters statewide with the opportunity to apply a 55 percent threshold for revenue generating ballot measures for investments in affordable housing and housing production.

We support legislation that will return e-commerce/internet sales tax revenue to the point of sale – not the point of distribution as currently mandated – to provide cities that have a significant residential base with a commensurate fiscal stimulus for new housing.

We support Governor Newsom's investments proposed in the state budget that will benefit California cities including a substantial increase in state funding for affordable and workforce housing and to address the growing homelessness crisis in our state.

We support incentives for the production of new accessory dwelling units to streamline the entitlement of those ADU's.

We support removing barriers to planning complete communities, ensuring that adequate resources are available for new schools and parks to serve our growing population.

We support additional transportation investments to expand the Bay Area transit network that provide connections from job centers to existing housing as well as planned future housing.

We support establishing tenant protections as cities deem appropriate for their residents.

We support maintaining local control of the entitlement process. We urge the State to recognize that cities control entitlements, while developers build. Cities should therefore primarily be measured by entitlements when calculating RHNA attainment, and not penalized when funding is inadequate to build affordable housing.

We support ABAG, an elected body, to serve as the governance structure that administer new affordable housing funds and monitor housing production rather than establishing yet another agency to take on that role.

We oppose a one-size-fits-all approach to housing densities and land-use decision-making.

We oppose any diversion of existing revenue sources from cities.

Cities in Santa Clara County are actively addressing the housing shortage.

- All 15 cities have State-approved plans for new housing growth.
- Permits for 30,000 new residential homes have been approved since 2015 which represents over 50% of the state's housing goal for Santa Clara County of 58,836 new homes by 2023.
- Over 6,000 new residential units were approved in Santa Clara County in 2018.
- Santa Clara County voters increased local taxes to support \$950 million in affordable housing funds. As of 2018, \$234 million has been invested for 1,437 new multi-family units and 484 rehabilitated units.
- The Cities Association of Santa Clara County is leading the effort to form a 2023-2031 RHNA Sub-Region within the County.

About us: The Cities Association of Santa Clara County is an association of the fifteen cities of the county and the elected representatives of more than 1.9 million Bay-Area residents. Since 1990, the city representatives have been gathering to discuss and find consensus and solutions for regional issues. The cities of our association are diverse and include cities of a few thousand people and a city of a million people.