



TO: Mayor and Town Council

March 19, 2019

SUBJECT: **Resolution No. 16-2019, accepting the Danville analysis and adopting policy positions related to the *CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area*; and**

Resolution No. 17-2019, supporting the Tri-Valley Cities Housing and Policy Framework as a supplement to the Tri-Valley Cities Legislative Framework on housing matters

BACKGROUND

Historically, California housing costs have been higher than most areas in the United States. Continued job growth has resulted in high demand and limited supply. Geographic constraints, environmental protections and Proposition 13 have amplified the challenge and resulted in a statewide median home price that is nearly double the nationwide median.

Over the past few decades, the State of California (“State”) has enlarged its role to address the housing supply and affordability challenges by passing an increasing number of housing laws. Most recently, the State crafted 15 new housing bills known as the “2017 Housing Package.” Despite the objection of many communities, including Danville, the bills became law in late 2017.

In a parallel effort, also in 2017, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) created the Committee to House the Bay Area, also known as CASA. Representatives on CASA include major employers, for-profit and non-profit housing developers, housing advocates, charitable foundations and elected officials from large cities and counties. Notably absent from this committee are members of the public and representatives from most suburban cities.

Over the course of 18 months in an insulated think-tank environment, CASA developed the *CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area*. Although housing supply and affordability are issues of statewide concern, the CASA Compact focused only on the Bay Area’s housing problems and proposes to tackle them through the *production* of 35,000 housing units per year, *preservation* of 30,000 affordable units, and *protection* of 300,000 lower-income households.

DISCUSSION

The CASA Compact (“Compact”), unveiled in December 2018, is a 10-point action plan intended to be adopted as a package of new state laws. For ease of understanding, each category of actions (referred to as “elements” in the Compact) can be grouped as follows:

Elements 1-3: These elements represent the “preserve and protect” components of the Compact (just-cause eviction standards, rent cap, rent assistance and free legal counsel).

Elements 4-8: These elements are the “production” component of the Compact, with these subcategories:

#4: More Accessory Dwelling Units (ADUs)

#5-7: Process streamlining and financial incentives for builders

#8: Using public lands for affordable housing

Elements 9-10: These elements offer revenue generating mechanisms to fund the Compact and seeks the formation of a new independent regional housing agency to collect and distribute those revenues.

A review of the Compact’s proposals reveals three fundamental flaws. First, the *lack of transparency* in the process breeds distrust and generates significant public resistance to future affordable housing projects or funding. Second, the proposals would *induce traffic congestion* by mandating housing construction in the suburbs - away from the concentration of jobs created in San Francisco, San Mateo and Santa Clara counties. Lastly, the *one-size-fits-all* approach is counterproductive and ineffective in the suburbs, yielding more housing units that are not necessarily more affordable. The complete text of the CASA Compact is included as Attachment B.

Monitoring State Legislation

CASA’s effort to tackle a complex statewide issue represents the aggressive extent to which housing advocates believe this issue must be addressed through legislation. While many Bay Area cities are just becoming aware of its far-reaching proposals, the ideas introduced by CASA have made their way to the new governor and state legislature – as was intended.

To date, approximately 20 of the 2,500+ new bills introduced in the 2019-2020 legislative cycle are housing legislation that are directly or loosely correlated to the CASA Compact, as summarized below (bills linked specifically to the Compact are shown in *italics*):

CASA Compact Element	Related Bill(s)
Element 1: Just Cause Eviction	<i>AB 1481</i> (Bonta) [spot bill] – Residential tenancy
Element 2: Rent Cap	<i>AB 1482</i> (Chiu) [spot bill] – Rights of residential tenants <i>AB 36</i> (Bloom) [spot bill] – Rent stabilization
Element 3: Rent Assistance, Free Legal Counsel	<i>SB 18</i> (Skinner) [spot bill] – “Keep Californians Housed Act”: Statewide rental assistance/homeless prevention grants, 90-day eviction notice
Element 4: Accessory Dwelling Units (ADUs)	<i>AB 68</i> (Ting) - ADUs: Reduce review timeframe to 60 days; restrictions on zoning standards, limits occupancy monitoring, parking <i>AB 69</i> (Ting) – ADUs: Small home building standards <i>SB 13</i> (Wieckowski) [spot bill] – ADUs: Reduce impact fees
Element 5: Minimum Zoning Near Transit	<i>SB 50</i> (Wiener) – “Equitable Communities Incentive”: Waivers from maximum density controls, parking requirements, and up to three additional incentives under existing Density Bonus Law
Element 6: “Good Government” Reforms (housing approvals)	<i>AB 1483</i> (Grayson) – Reporting requirements: Post standards and fees, submit annual report of pending developments to State HCD and MTC <i>AB 1484</i> (Grayson) – Prohibits cities from imposing, increasing or extending fees not specifically listed on their websites <i>SB 330</i> (Skinner) – “Housing Crisis Act of 2019”: Among other things, prohibits cities and voter-approved initiatives from down-zoning land, imposing moratoriums, costly design standards, caps on discretionary approvals, and establishes maximum 3 de novo hearings
Element 7: Permit Streamlining, Financial Incentives	<i>AB 1485</i> (Wicks/Quirk) [spot bill] – Housing development streamlining <i>AB 1706</i> (Quirk) [spot bill] – Affordable housing streamlining <i>SB 6</i> (Beall/McGuire) [spot bill] - Database of available land for housing development
Element 8: Public Lands	<i>AB 1486</i> (Ting) – Public land for housing development: Expands definitions of “local agency,” public notification and prioritization requirements when disposing of public lands
Element 9: Funding and Financing	<i>AB 1487</i> (Chiu) – Changes to Housing Element Law(non-substantive) <i>AB 10</i> (Chiu) – Expands the state’s existing Low Income Tax Credits for farmworker housing <i>AB 11</i> (Chiu) – “Community Redevelopment Law of 2019”: Authorize formation of affordable housing and infrastructure agencies, funded through tax increment financing <i>SB 5</i> (Beall/McGuire) – Establishes the “Local-State Sustainable Investment Incentive Program” to finance affordable housing; to be administered by the “Sustainable Investment Incentive Committee” <i>ACA 1</i> (Aguiar-Curry) - Financing for affordable housing and public infrastructure, creating additional exception to the 1% limit on the ad

	valorem tax rate on real property, lowers voter threshold to 55% for bond indebtedness
Element 10: Regional Housing Enterprise	SB 5 (Beall/McGuire) – Establishes the “Sustainable Investment Incentive Committee” to administer “Local-State Sustainable Investment Incentive Program”

Information provided above is accurate as of publication of this staff report. However, housing bills will be amended or augmented during the legislative process, which will extend into this fall.

California State Budget: Trailer Bill

Newly elected Governor Gavin Newsom has clearly stated his intent to tackle the state’s housing challenges. In the first few months of his governorship, he has demonstrated a willingness to hold governments accountable to state housing laws - from suing the City of Huntington Beach to threatening to withhold transportation funding.

Recently, he has unveiled a budget trailer bill which would provide \$1.75 billion in planning grants, tax credits and loans to stimulate low, mixed and middle-income housing production. A preliminary analysis indicates that the bill also seeks long-term reform of the Regional Housing Needs Allocation (RHNA) process, higher short-term housing goals, and “opportunities to link transportation and other non-housing funding” in a manner that supports achieving those ambitious housing goals. Specifically, the Governor continues to consider withholding gas tax funding from jurisdictions that do not “have a compliant housing element and has not zoned and entitled for its updated annual housing goals.” Similar to the legislative bills, the Governor’s proposals are subject to change throughout the budget process.

Danville: Legislative Advocacy and Community Outreach

In response to the CASA Compact and anticipated new state housing laws, the Town has analyzed the Compact’s proposals and outlined a corresponding policy position for each element (Attachment C). Given the speed at which housing bills are anticipated to advance through the state legislature, the Town Council provided direction at its February 12, 2019 Study Session for staff and advocacy representatives to:

- a. Advocate for a *more balanced approach* that seeks to achieve a regional balance of jobs, housing, and transportation through the recommended policy positions contained in Attachment C; actively discourage legislation that would advance one of these components at the expense of any other.
- b. Advocate for approaches that *preserve local decision-making* ability to ensure that new developments fit within the fabric of the existing community while meeting regional housing needs.

- c. *Engage with other jurisdictions* to develop a countywide and/or subregional framework in response to upcoming legislation related to the subject.
- d. *Engage with State legislators* to help craft legislative amendments that are consistent with the Town's balanced approach.
- e. Undertake a *community outreach* effort to educate Danville residents of upcoming legislation that could significantly affect Danville's ability to review and approve future housing developments.

The Town's position on responding to upcoming new state housing legislation is summarized in Resolution 16-2019 (Attachment A).

Subregional Effort: Tri-Valley Cities

Consistent with Town Council direction, staff from the Tri-Valley Cities (TVC) of Danville, San Ramon, Dublin, Pleasanton and Livermore have partnered to develop a subregional response – a strategy to influence legislation in a way that will address the region's housing needs in a manner that respects local community character and decision making.

This collaborative effort culminated in the development of the *Tri-Valley Cities Housing and Policy Framework* ("TVC Framework"), included as Attachment D. This framework was unanimously endorsed by all five cities/town at the February 27, 2019 Tri-Valley Cities Council Meeting. Each of the member TVC cities/town are now in the process of adopting resolutions in support of the subregional policy framework (Attachment D, Exhibit 1). The City of Pleasanton passed the TVC Framework resolution on March 5, 2019 while San Ramon, Dublin and Livermore are scheduled to do so later this month.

Danville supports the broader subregional perspective of the TVC Framework (Resolution 17-2019), which parallels the Town's local policy positions on the CASA Compact and emerging housing legislation (Resolution 16-2019).

PUBLIC CONTACT

Posting of the meeting agenda serves as notice to the general public.

FISCAL IMPACT

None.

RECOMMENDATION

Resolution No. 16-2019, accepting the Danville analysis and adopting policy positions related to the *CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area*; and Resolution No. 17-2019, supporting the Tri-Valley Cities Housing and Policy Framework as a supplement to the Tri-Valley Cities Legislative Framework on housing matters.

Prepared and Reviewed by:



Tai J. Williams
Assistant Town Manager

Attachments: A - Resolution No. 16-2019
 B - CASA Compact (January 2019)
 C - Danville Analysis of the CASA Compact
 D - Tri-Valley Cities Housing and Policy Framework
 Exhibit 1 - Resolution No. 17-2019

RESOLUTION NO. 16-2019

**ACCEPTING THE DANVILLE ANALYSIS AND ADOPTING POLICY POSITIONS
RELATED TO THE "CASA COMPACT: A 15-YEAR EMERGENCY POLICY
PACKAGE TO CONFRONT THE HOUSING CRISIS
IN THE SAN FRANCISCO BAY AREA"**

WHEREAS, the Town of Danville has consistently addressed local and regional housing needs in a manner that respects its local community character; and

WHEREAS, the Danville 2014-2022 Housing Element reflects this ongoing commitment to regional housing needs in consideration of public input through noticed public hearings; and

WHEREAS, the CASA Compact has a potential to create significant urban sprawl, exacerbating traffic congestion and the existing jobs/housing imbalance;

WHEREAS, the CASA Compact proposes to impose one-size-fits-all approaches that can be counterproductive and ineffective in developing affordable housing units in a suburban context; and

WHEREAS, the CASA Compact was developed in a "think tank" environment absent input from most Bay Area cities and the general public; and

WHEREAS, the CASA Compact was developed with the intent to serve as the framework for more state housing legislation; and

WHEREAS, preliminary review indicates that approximately 20 of the 2,500+ new bills introduced in the 2019-2020 legislative cycle are identified as housing legislation that are directly or loosely correlated to the CASA Compact; and

WHEREAS, new state housing bills are anticipated to advance quickly through the state legislative cycle; now, therefore, be it

RESOLVED, that the Danville Town Council accept the Danville analysis and adopt policy positions related to the *CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area* (dated March 19, 2019); and be it further

RESOLVED, that the Danville Town Council authorize Town staff and legislative representatives to:

- a. Advocate for a more balanced approach that seeks to achieve a delicate regional balance of jobs, housing, and transportation, and actively discourage legislation that would advance one of these components at the expense of any other.
- b. Advocate for approaches that preserve local decision-making ability to ensure that new developments fit within the fabric of the existing community while meeting regional housing needs objectives.
- c. Engage with other jurisdictions to develop a countywide and/or subregional framework in response to upcoming legislation related to the subject.
- d. Engage with State legislators to help craft legislative amendments that are consistent with the Town’s balanced approach.
- e. Undertake a community outreach effort to educate Danville residents of upcoming legislation that could significantly affect Danville’s ability to review and approve future housing development

APPROVED by the Danville Town Council at a regular meeting on March 19, 2019 by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

MAYOR

APPROVED AS TO FORM:

DocuSigned by:
Robert B. Ewing
 895C6C40ADE3F4BF..

CITY ATTORNEY

ATTEST:

CITY CLERK

CASA COMPACT

A 15-Year Emergency Policy Package
to Confront the Housing Crisis in the San Francisco Bay Area

January 2019



The Committee to House the Bay Area



COMMITTEE TO HOUSE
THE BAY AREA

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CASA Preamble

The Bay Area faces many pressing regional problems — traffic congestion, air pollution, the threat of earthquakes and other natural disasters, to name a few. But the housing shortage has reached crisis proportions. During our remarkable run of economic expansion since the Great Recession ended in 2010, the Bay Area has added 722,000 jobs but constructed only 106,000 housing units. With housing supply and demand that far out of whack, prices have shot through the roof and long-time residents as well as newcomers are suffering the consequences.

In one of the wealthiest metropolitan areas on the planet, tens of thousands of our fellow citizens are ill-housed or not even housed at all. Many more families are just one missed paycheck away from eviction. While the recent wildfires have underscored the devastating effects of suddenly losing a home, the reality is that too many Bay Area residents face that situation every day.

Our housing crisis is also a transportation crisis. Nearly 190,000 workers commute from outside the nine-county Bay Area to the business parks of Silicon Valley and the Tri-Valley, and more than 220,000 East Bay residents cross the toll bridges to the Peninsula every day. Driven by the search for reasonably-priced housing, these “super-commuters” are clogging the roads and transit systems that we all rely on.

The Bay Area faces a housing crisis because we have failed at three tasks: (1) we have failed to produce enough housing for residents at all income levels; (2) we have failed to preserve the affordable housing that already exists; and (3) we have failed to protect current residents from displacement where neighborhoods are changing rapidly.

These 3 P’s — Production, Preservation, and Protection — are not only the signposts of our collective failure, but they should be the focus of our future efforts to overcome the crisis we have created.

What is CASA? Of course, it is the Spanish word for “house.” It is also the name of a blue-ribbon task force of elected and civic leaders convened by the Association



“The Bay Area is in a state of great peril today; CASA is the best chance to fix this crisis.”

FRED BLACKWELL

of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). Its three Co-Chairs are Fred Blackwell of the San Francisco Foundation, Leslye Corsiglia of Silicon Valley @ Home and Michael Covarrubias of TMG Partners. The CASA Compact is a 15-year emergency policy package to confront the region’s housing crisis head-on. It includes a series of policy reforms that will allow the Bay Area to build more housing at all income levels while protecting tenants and low-income communities from unjust evictions and displacement.

The Compact also includes a series of revenue recommendations needed to preserve our existing housing stock,

subsidize the construction of more affordable housing, and provide assistance to tenants facing eviction.

Finally, the CASA coalition proposes to create a new Regional Housing Enterprise to provide technical assistance to local governments, collect data to monitor our progress, and administer any new regional funds that might be approved. The new enterprise will not have direct land use authority. These three R’s — Reform,

Revenue, and Regionalism — form the crux of the CASA Compact.

Animating our work has been a deep concern about how we grow housing in a more inclusive manner in all neighborhoods and not accelerate displacement in the most vulnerable communities. The Bay Area’s segregated housing patterns — both by race and by income — are a legacy of decades of discriminatory government policies and private sector lending practices. The CASA Compact contains specific protections for neighborhoods and residents most affected by that horrible history. And while the Compact was not designed to deal directly with all aspects of the region’s chronic homelessness problem, many of its elements should

result in more and better options to shelter this particularly vulnerable segment of the Bay Area’s population.

When Bay Area residents are polled about who is



“Our goal is to reach consensus on big picture responses that will move the needle on housing affordability in this region.”

LESLYE CORSIGLIA

responsible for the region's housing crisis, they spread the blame far and wide: it's the businesses who create all the jobs, it's the developers who build the luxury housing, it's local government officials who oppose new housing developments, it's environmental and labor interests whose demands make new housing more expensive, it's community groups who fear the changes that new development will bring.

All those interests (and more) came together around the CASA table for the past 18 months. They worked in the spirit of finding common ground, working through entrenched differences and charting a course forward for the good of the region. The resulting Compact represents an interlocking series of agreements among the negotiating parties. Each signatory to the Compact pledges to support the entire agreement and all of its provisions.

The signatories to the CASA Compact further pledge that their work will not stop when they put down their ceremonial pens. The real work will have just begun.

Implementation of the CASA Compact will require bills to be passed in Sacramento, it will require leadership from our new governor Gavin Newsom, it will require regional ballot measure campaigns in 2020 and the years beyond, it will require changes in transportation and housing policy-making at both ABAG and MTC, and it will require every local government in the Bay Area to do their part.

It is a commonplace to say problems that have been decades in the making can't be solved overnight. But we can't afford to take our time in confronting the Bay Area's housing crisis. We need to make significant progress in the next 3–5 years.



“We must compromise, break down silos, and set aside differences for the greater good of the Bay Area.”

MICHAEL COVARRUBIAS

The CASA Compact is detailed, comprehensive, and actionable. Yet, the region's housing challenge really boils down to a simple, quite personal question: shouldn't our region be able to grow and prosper while also ensuring that our kids and grandkids can live as adults in the neighborhoods where they grew up?

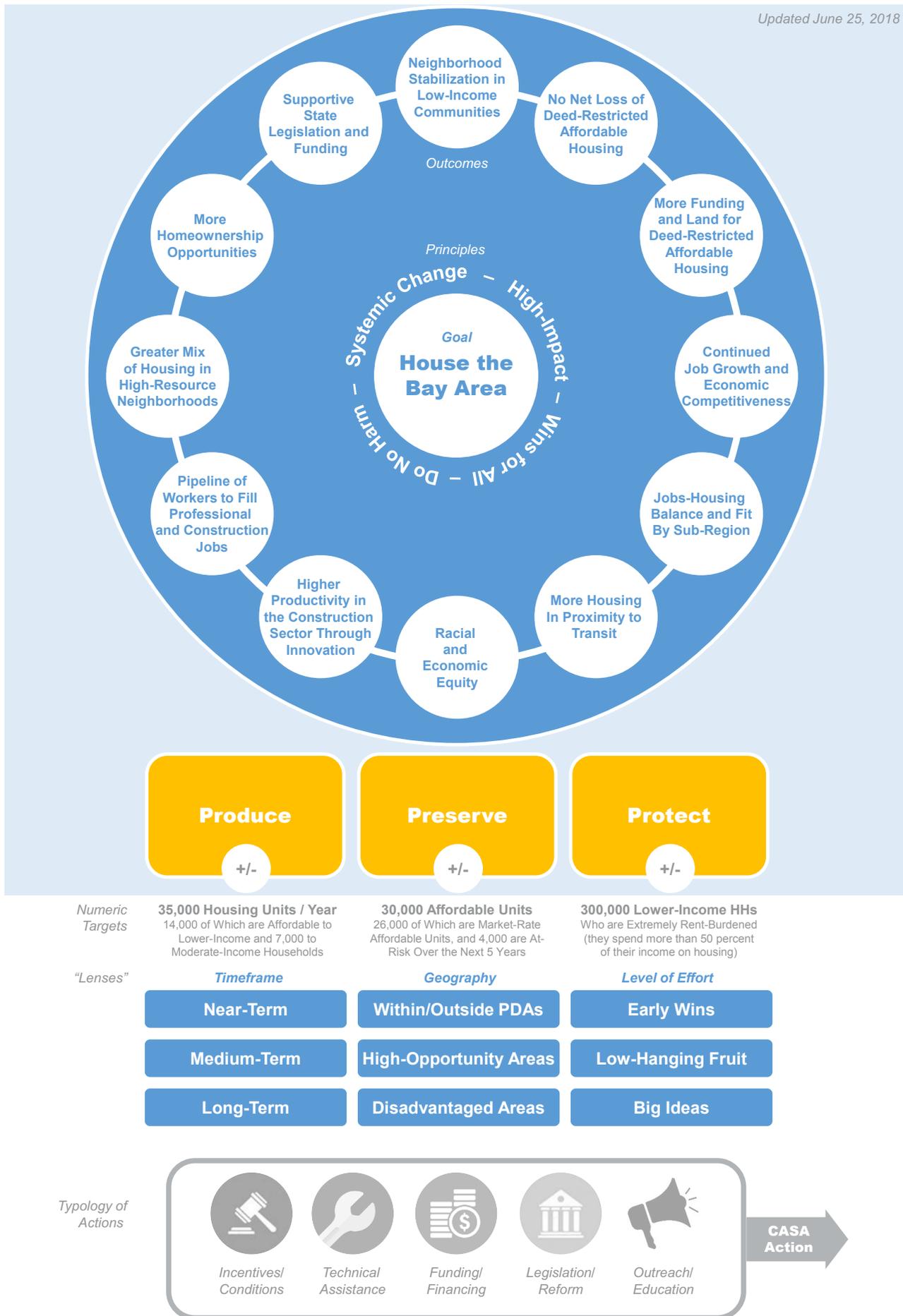
We say the answer is yes.



CASA is about what kind of place our kids and grandkids will live in.

Figure A: **The CASA Framework**

Updated June 25, 2018



Introduction

The recommendations in this Compact are the result of an intensive dialogue among the key interests who are collectively responsible for housing the Bay Area. Over the course of 18 months, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) convened a series of structured discussions with local government officials, developers, major employers, labor interests, housing and policy experts, social equity advocates and non-profit housing providers. The goal was straightforward but by no means simple: find common ground on a comprehensive set of solutions to the Bay Area's housing crisis.

CASA was led by three Co-Chairs (Fred Blackwell, Leslye Corsiglia and Michael Covarrubias), and Steve Heminger, Executive Director of MTC/ABAG. It was structured around a Technical Committee of policy experts and practitioners and a Steering Committee of elected officials, thought leaders and major employers. The Technical Committee's role was to recommend actions for addressing the crisis. Those recommendations went to the Steering Committee for review, refinement and final approval. The CASA effort was supported and staffed by MTC/ABAG and a team of consultants. Profiles of the Co-Chairs and rosters for both the Steering and Technical Committees are included as appendices to this document.

Phase One: Foundational Work (June 2017-Jan 2018)

The first phase of the CASA process was focused on learning, sharing perspectives, and developing a framework for the process of developing the CASA Compact. Experts from UC Berkeley provided in-depth analysis of the many causes and consequences of the crisis, ensuring that all members of the Committees were operating from a shared base of knowledge. On the basis of this shared understanding, the Co-Chairs and Committee forged a detailed framework (shown as Figure A) to shape the CASA process and the ultimate Compact. The framework is organized around three principal outcomes, or **'Three Ps'** as they became known in CASA parlance:

- 1 Increasing housing production** at all levels of affordability,
- 2 Preserving** existing affordable housing, and
- 3 Protecting** vulnerable households from housing instability and displacement.

Phase Two: Brainstorming Action Ideas (Jan-July 2018)

Next, the Committees spent six months brainstorming and vetting upwards of 30 action ideas. This process was driven by workgroups who dedicated hundreds of hours to meeting, researching and drafting ideas.

Community-based organizations and members of the public also participated in generating ideas. A series of listening sessions around the region solicited input from vulnerable households in identifying priority actions that CASA should consider. Members of the public also shared ideas and feedback through public comment. Each idea was written up and presented to the Technical Committee for vetting. The Committee members used a "gradients of agreement" tool to score each idea on a scale of 1-5. The Steering Committee reviewed and refined the most promising ideas that emerged from the Technical Committee.

Phase 3: Crafting the Compact (Sept-Dec 2018)

In the final phase, the Co-Chairs distilled the 30+ action plans into the Compact you see before you. This happened through an iterative process, with successive versions of the Compact presented to both the Technical and Steering Committees and refined based on their input.

Phase 4: CASA Implementation

CASA leadership and key members will continue to work in cross-sector coordination with State and local elected officials and agencies to implement the principles of the CASA Compact.

Core Principles

Over the course of this process, the participants forged an understanding around core principles that underpin the recommendations in this document. These include:

- 1 Shared responsibility** All sectors and interests should share the burdens and benefits of housing the Bay Area.
- 2 Inclusion everywhere** Find ways to include more housing at all income levels, in every jurisdiction.
- 3 Promote 'Missing Middle' housing types** Encourage the development of smaller homes that are more affordable by design and less likely to cause displacement.
- 4 Stabilize communities** Preserve the historic diversity and access to opportunity in the Bay Area.
- 5 Balance across the Three Ps** Individual components of the Compact should move forward together and avoid undermining each other.
- 6 Level the playing field** The Compact should create fair, more uniform standards for the housing development process, across the Bay Area.
- 7 Minimize administrative burden** We should minimize new administrative requirements and focus on strategies that can be implemented rapidly and efficiently.

Compact Element #1 — Just Cause Eviction Policy

Brief Summary Ensure that all Bay Area tenants are protected from arbitrary evictions by adopting a region-wide policy requiring landlords to cite specific “just causes” (both fault and no-fault) for termination of tenancy, such as failure to pay rent or violation of lease terms. Require landlords to provide relocation assistance for covered no-fault evictions.

Desired Effect Just cause protects tenants from arbitrary evictions. Studies show that eviction can cause health issues, emotional trauma, school disruption for children, longer and costly commutes, and reduced wage earnings for adults. Just cause eviction protections promote tenant stability and limit eviction-related health consequences.

References and Models Action Plan 2.1; NJ state Just Cause Law; Large cities in CA (SF, Oakland, San Jose, LA)

DETAILED PROPOSAL

Permissible causes for eviction Both fault and no-fault evictions should be allowable under a region-wide just cause policy. Fault eviction causes should include failure to pay rent, substantial breach of a material term of the rental agreement, nuisance, waste, or illegal conduct. No-fault causes should include owner move-in, withdrawal of unit from rental market (Ellis Act/condo conversions), unit unsafe for habitation, or demolition/substantial rehabilitation

Coverage Just cause eviction standards should apply to all rental units except the following:

- Government owned and government subsidized housing units or housing with existing government regulatory assessments that govern rent increases in subsidized rental units (e.g., Section 8)
- Transient and tourist hotel occupancy as defined in Civil Code Section 1940(b)
- Housing accommodations in a nonprofit hospital, religious facility, or extended care facility
- Dormitories owned and operated by an institution of higher education or a K-12 school
- Tenant shares bathroom/kitchen with the owner who maintains principal residence there
- Single owner-occupied residences including when the owner-occupant rents or leases 2 units (including ADU and JADU) or bedrooms
- Resident-owned nonprofit housing

Waiting Period The protections should apply only after a tenant has been in occupancy (with or without a lease) for at least 12 months. All existing tenancies should be subject to these protections, effective immediately upon the policy being signed into law.

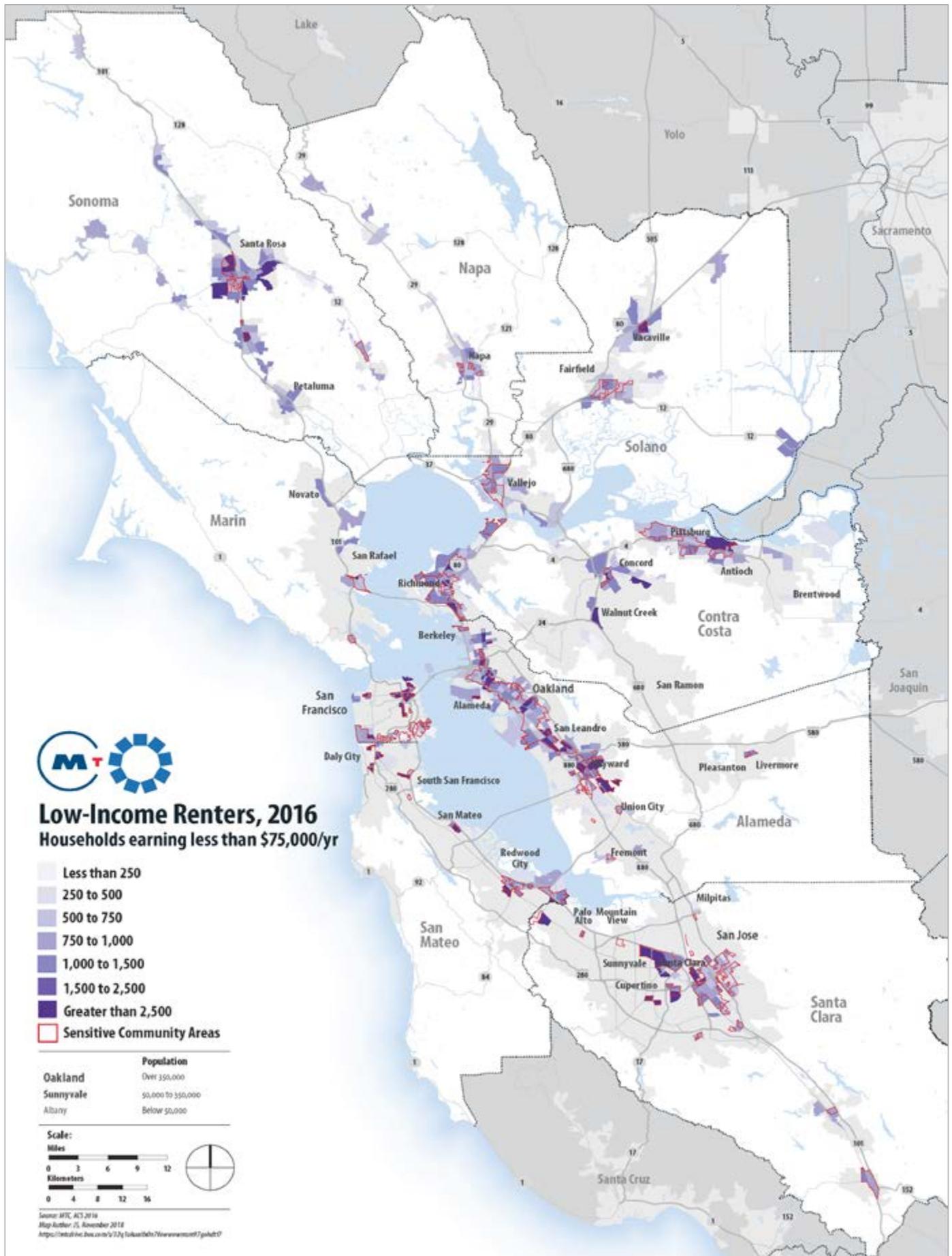
Notice Requirements Owners should be required to provide notice to tenants at the beginning of each tenancy as to tenant rights with copy of lease. This notice should be in the form of a lease addendum that is signed by the tenant at the time the lease is signed. The grounds for eviction should be set forth in the notice to terminate tenancy.

If the reason for the termination is a curable lease violation, the owner should be required to provide an initial notice with an opportunity to cure before the notice of termination. If the lease violation is related to specific illegal activity that presents the potential for harm to other tenants, there should not be a right to cure. Separate provisions should be made for domestic violence situations.

Relocation Assistance Relocation assistance should be provided in all covered no-fault causes where tenants have been in occupancy for at least 12 months, except in cases where the owner is moving into the unit. At time of service of notice to quit, the landlord should notify the tenants of their right to relocation assistance and provide payment directly to the tenant. The amount of relocation assistance should be tiered based on number of bedrooms (see San Jose example). Relocation assistance should be available to all qualifying tenants regardless of income.

Preemption of Local Ordinances This law should not preempt more restrictive local ordinances.

Figure 1: Low-Income Renters in 2016 and Sensitive Communities



Compact Element #2 — Rent Cap

Brief Summary Establish a Bay Area-wide rent cap that limits annual increases in rent to a reasonable amount.

Desired Effect A rent cap would prevent extreme increases in rent on a year-to-year basis, thereby decreasing the number of households who are at risk of displacement and homelessness, decreasing the number of households who are rent burdened, and promoting tenant and community stability. Extreme rent increases can pose a particular burden for tenants who are low and fixed income. The rent cap can be extended after the emergency period. Figure 2 maps the many Bay Area communities at risk of displacement.

References and Models Action Plans 1.1, 1.2, 1.3; Existing State Anti-Gouging Law in States of Emergency

DETAILED PROPOSAL

Cap on Annual Rent Increase For an emergency period (15 years), no landlord should increase rent by more than CPI+5% in any year of tenancy. The notice of allowable rent increase should be provided annually.

Vacancy Provision The cap on rent increase should apply to the renter, not the unit.

Coverage The following unit types should be exempt from the cap:

- Affordable housing properties governed by regulatory agreements;
- ADUs on owner-occupied properties;
- Dormitories.

Pass-Throughs, Banking and Capital Improvements If rent has declined or if landlord has not increased rents for several consecutive years, landlords should be able to bank those unused rent increases for 3-5 years. When drawing upon banked rent increases, landlords should not be allowed to increase rents more than 10-15% annually.

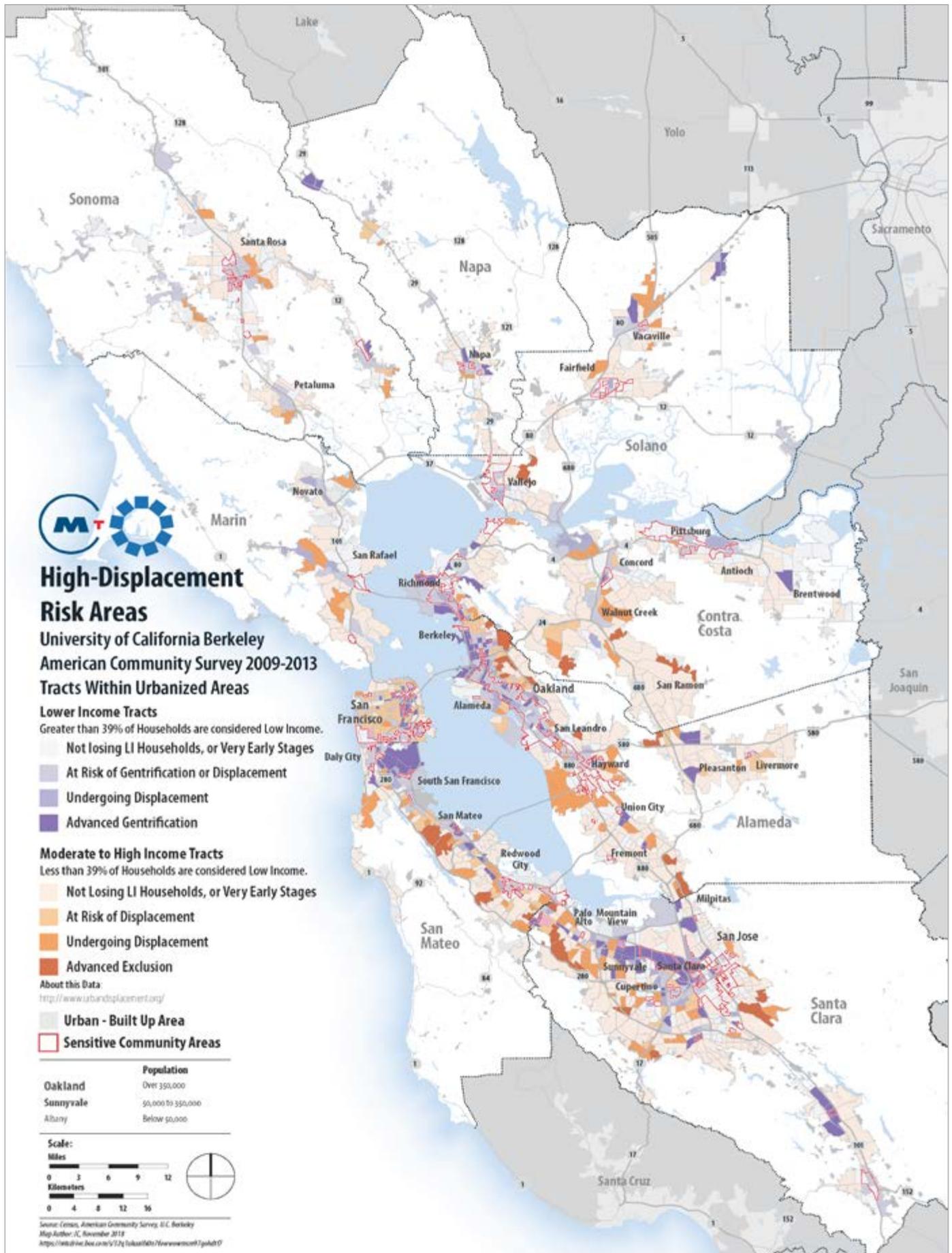
A landlord should be able to pass through actual operating expense increases including water and sewer, wastewater, trash, electric and gas using industry standards such as the RUBS system (Ratio Utility Billing System). The costs of capital improvements inclusive of a 4% return on investment that are necessary to maintain the building(s) with reasonable upgrades and maintenance items to address health and safety, shall be allowed to be passed through to tenants on an amortized basis, per IRS standards.

Preemption of Local Ordinances This law should not preempt more restrictive local ordinances.

State of Emergency Rent cap shall be evaluated before any extension is granted to study impact of rent cap on housing market overall.

Administration This Compact Element will likely require some type of oversight function.

Figure 2: **Map of Displacement Risk**



Compact Element #3 — Rent Assistance and Access to Legal Counsel

Brief Summary For low-income tenants facing eviction, provide access to free legal counsel and emergency rent assistance.

Desired Effect Access to a lawyer can be the difference between losing a home and keeping it. Ensuring that all tenants facing eviction have access to legal counsel would create a fairer justice system; prevent evictions and homelessness; improve health, stability, and opportunity for thousands of residents including children; and preserve existing affordable housing.

Non-payment of rent is the leading cause of evictions in the Bay Area. Figure 3 shows rent increase trends in the Bay Area. An emergency rent assistance program would assist in cases where tenants have an urgent, temporary financial gap. It would help tenants stay in their homes, preventing evictions, periods of marginal housing, and homelessness for households at risk of eviction due to financial instability.

There is a recognition of the importance of keeping people housed, and a significant portion of funding identified to help with housing instability will likely be earmarked to emergency rental assistance.

This Compact Element is not intended to supersede any local government programs that might be more expansive than what is contemplated herein.

References and Models Action Plans 3.1 and 4.1; SF Prop F (June 2018); New York City; Santa Clara County Emergency Assistance Network

DETAILED PROPOSAL

Legal Representation All tenants who are faced with legal proceedings to evict them from their residence should have access to legal counsel, except when eviction proceedings are brought by a landlord or master tenant who resides in the same dwelling unit or property with tenant. The term “legal representation” should mean full scope representation provided to an individual by a designated organization or attorney which includes, but is not limited to, filing responsive pleadings, appearing on behalf of the tenant in court proceedings, and providing legal advice.

Emergency Rent Assistance Low-income tenants facing eviction and homelessness due to non-payment of rent should be eligible to receive emergency rent assistance. This assistance should be targeted to tenants who have an urgent, temporary financial gap and are at high risk for becoming homeless if evicted. The Regional Housing Enterprise (see Compact Element #10) should establish guidelines and policies for administering the program, including how to determine eligibility. The regional agency should identify, fund and oversee local service providers (public or non-profit) to carry out the program.

Cap on Assistance The amount of total assistance should be capped at \$5,000 - \$10,000 per tenancy.

Landlord Obligation Landlord obligation should be limited to providing an addendum notice of this access in the lease and eviction notice. Landlord should have no payment or any other obligations. If a tenant fails to seek legal counsel, it will not impede eviction proceedings for the landlord.

Means Testing Emergency rental assistance should be limited to those whose incomes do not exceed 80% of AMI. Legal services should be provided to all qualifying tenants regardless of income.

Funding Generate significant funds through Compact Element #9 to fund regional access to legal counsel and emergency rent assistance. Pro-bono counsel for tenants shall be encouraged.

Compact Element #4 — Remove Regulatory Barriers to ADUs

Brief Summary Extend current Bay Area best practices regarding Accessory Dwelling Units (ADUs) to every jurisdiction in the region. Amend existing state ADU law to remove regulatory barriers including ministerial approval for ADUs and Junior ADUs in residential zones, allowance for multiple ADUs in multi-family homes, and creation of a small homes building code (AB 2890 Ting).

Desired Effect Existing single-family homes make up a significant portion of the region's land base. Local best practices in the region today allow both an ADU and Junior ADU on single family lots and multiple ADUs in existing multi-family buildings with ministerial approval. See Figure 4 for a prototypical ADU. Expanding these best practices regionwide would allow for a rapid increase in more affordable homes, and would help stabilize cost-burdened homeowners by creating a new source of income. If 20% of the region's 1.5 million single-family homeowners choose to build an ADU, this policy could create 300,000 new homes distributed throughout existing neighborhoods. This includes about 50,000 new units in Priority Development Areas alone.

References and Models Action Plans 10.3, 10.4; UCB Chapple 2014; UCB Turner Center 2017; Legislative history SB 1069, AB 2890; Arlington VA, Portland OR, Seattle WA, Vancouver BC, State of Oregon Tiny Homes Code.

DETAILED PROPOSAL

Local Standards for ADUs (see AB 2890 Ting) New state law should require local jurisdictions in the Bay Area to encourage the creation of ADUs as follows:

- Require ministerial approval for both an ADU and a Junior ADU (JADU) in all residential zones including in rear yards or by division of existing homes into two units;
- ADUs receiving ministerial permits should not be used for short-term rentals;
- Encourage forgiveness of code violations (except health and safety) in grandfathered ADUs;
- Apply the Housing Accountability Act's provisions for determining project consistency.

Sprinklers should be required for ADUs if required under the building code for comparable home construction. Use of unlicensed contractors under "owner builder" permits shall be discouraged by requiring that a statement of owner liability be provided when the building permit is issued.

Impact Fees Require impact fees for ADUs and tiny homes to be charged (1) on a per-square-foot basis and (2) only on net new living area over 500 sq. ft. per accessory unit.

Small and Tiny Homes Building Code State law should create a building code for small homes and wheeled homes to reduce non-safety code requirements that disproportionately make small homes and tiny homes infeasible including energy standards, appliance and room sizes, and similar requirements. Life-safety standards must be upheld.

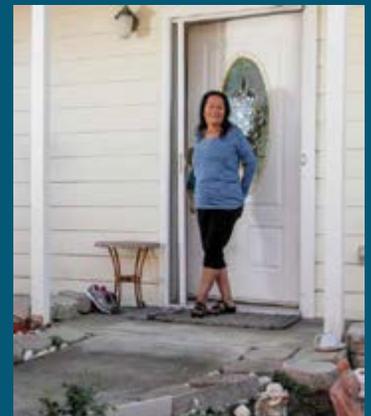
Owner Occupancy Local jurisdictions should be encouraged to adopt owner occupancy requirements for properties containing ADUs. If owner occupancy is required, reasonable annual monitoring programs that rely on existing published documents should be established.

Figure 4: Prototypes for Accessory Dwelling Units



Unit Specifics

Unit Type	Detached
Bedrooms	1
Bathrooms	1
Square feet	495
Year built	2003
Construction	New construction
Total Cost	\$117k
Jurisdiction	Pacifica
Neighborhood	Sharp Park
Designer	Ernie Broussal, Daly City
Builder	Rick Lee, Pacifica
Use	Rent to a family member



Unit Specifics

Unit Type	New construction
Bedrooms	2
Bathrooms	2
Square feet	800
Year built	2010-12
Construction	New construction (including primary dwelling)
Total Cost	\$1.1 million for entire project - second unit was approximately 25%
Jurisdiction	San Carlos
Neighborhood	Devonshire
Designer	Fred Stratchdee
Builder	Victor (homeowner)
Use	Residence (rents primary dwelling)



Kate & Miranda's Retirement Plan
336 sq ft - 1 bedroom, 1 bath, kitchen, living room



Pedro's Backyard Cottage
496 sq ft - 1 bedroom, 1 bath, kitchen, living room



Compact Element #5 — Minimum Zoning near Transit

Brief Summary This element includes three components. In neighborhoods served by high quality bus service, establish minimum zoning on all residential, commercial, and institutional zones to allow ‘missing middle’ housing types up to 36’ tall. In neighborhoods surrounding the region’s major transit stops (rail stations and ferry terminals), establish minimum zoning to allow midrise residential housing up to 55’ tall (75’ tall with a density bonus). Allow sensitive communities to defer rezoning above 36’ while they develop context-sensitive plans. On large commercial-zoned parcels located near job centers, make housing an allowable use. For projects with 20 units or more, require inclusion of affordable units.

Desired Effect This policy would create an inclusive mix of homes near transit and jobs, consistent with the goals of Plan Bay Area. It would spur the development of ‘missing middle’ housing types that are within reach of working families and blend into existing neighborhoods. This type of housing is common in pre-war neighborhoods of the East Bay and Peninsula but has largely been zoned out of existence in recent decades.

References and Model Policies SB 827 (Wiener, 2017). CASA Action Plans 8.2, 10.3, 10.5, 10.6

DETAILED PROPOSAL

Minimum Zoning Near Transit The state should establish minimum zoning for housing in neighborhoods served by existing high-quality transit as follows:

- **High quality bus service** Residential uses up to 36’ tall with development standards (such as lot coverage, setbacks, density limits, and maximum unit size) should be allowed within 1/2 mile of bus stops with at least 15-minute headways at peak periods and 30-minute headways on weekends (as defined in SB 827).
- **Major transit stop** Residential uses up to 55’ tall (75’ tall with density bonus) that have development standards similar to those above (such as lot coverage, setbacks, density limits, and maximum unit size) should be allowed within 1/4 -mile radius of major transit stops (rail stations and ferry terminals).

Development standards such as setbacks, unit sizes and lot coverage requirements should apply. Neither development standards nor other zoning and design controls should mandate densities lower than those prescribed above. These shall not be used to reduce density where higher local standards or plans apply.

Housing Overlay on Large Low-Density Commercial Sites The state should establish minimum zoning for housing on low-density commercial sites above a certain acreage that are located within the transit areas defined above.

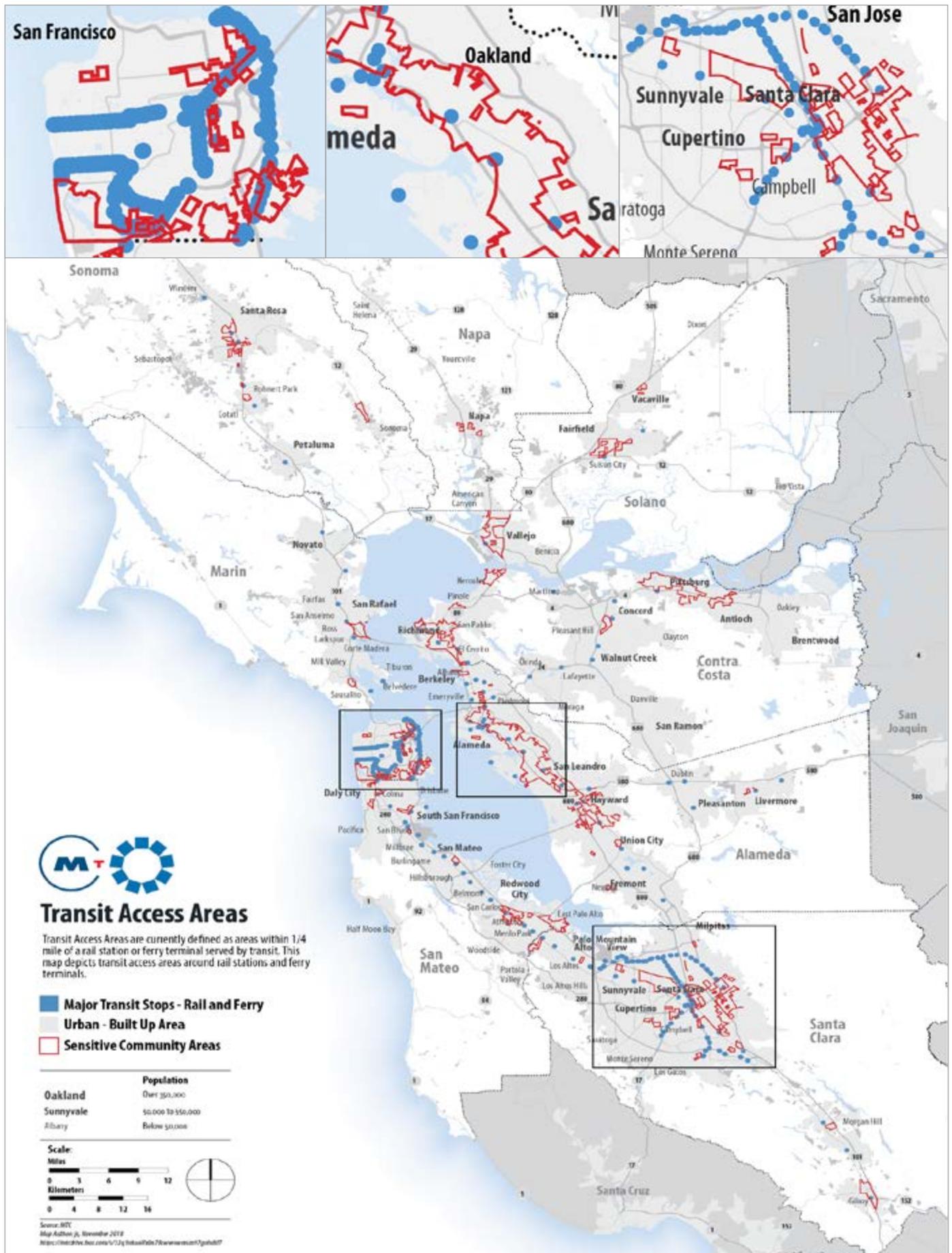
Tenant Protections and Preservation All sites rezoned under this policy should be subject to tenant protections, demolition controls and no net loss provisions. Sites occupied by a mobile home park, public housing, or Single Room Occupancy (SRO) built prior to the effective date of the enabling legislation should not be eligible for rezoning.

Affordable Housing Requirements Onsite affordable housing should be required at levels not less than state density bonus law. Projects with 10-20 units should have the option to pay an in-lieu fee. This in-lieu fee should be deferred or waived for units that are sold or rented at or below missing middle income levels. This fee should be imposed at the time of sale. Funds generated by this fee should be deposited into a local or regional housing fund.

Sensitive Communities If a major transit stop is located in or adjacent to a sensitive community, up-zoning above 36’ should be automatically deferred for a period of up to 5 years while the jurisdiction develops a context-sensitive plan for that community. If the community so chooses, it may opt into up-zoning to 55’ without a deferral period or community plan. The decision to opt in should be made by the local legislative body (city council or board of supervisors) and must involve consultation with residents of the sensitive community and at least one public hearing. Sensitive community areas represent the intersection of disadvantaged and vulnerable communities as defined by the following Bay Area regional agencies: MTC and the SF Bay Conservation and Development Commission (BCDC). See Figure 5 for the map of these Transit Access and Sensitive Community Areas.

Labor Standards The residential development shall comply with all applicable labor, construction, employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government’s conditional use or other discretionary permit approval process, the California Environmental Quality Act, or a streamlined approval process that includes labor protections.

Figure 5: Map of Transit Access and Sensitive Community Areas



Compact Element #6 — Good Government Reforms to Housing Approval Process

Brief Summary Establish ‘good government’ standards for the entitlement and permitting of zoning-compliant residential projects. Require transparency and consistency in how residential impact fees are set and enforced. Figure 6 shows how complicated the approval process for housing can be in California.

Desired Effect Research by the UC Berkeley Turner Center for Housing Innovation demonstrates that local government impact fees and inclusionary requirements, when combined with regulatory uncertainty and record-high construction costs, have made it economically infeasible to build a standard mid-rise housing project in many parts of the Bay Area. The American Planning Association recommends that local governments should restore direct reliance on adopted plans and create transparency, predictability, reliability and timeliness to the housing approvals process.

References and Model Policies CASA Action Plan 12.1; Turner Center Report on Fee Costs; Berkeley Law Land Use Study; Roseville fee transparency

DETAILED PROPOSAL

Standards for Processing Zoning-Compliant Residential Applications with Fewer than 500 Units Local jurisdictions should be required to process zoning-compliant residential development applications in accordance with the following standards:

- Each jurisdiction should create and maintain an up-to-date listing of all rules, codes and standards that apply to residential development applications. This information should be made available online and in print.
- Rules, fees and historic status should be locked at the date of application completeness which shall be defined as providing only the elements on the agency’s written application material.
- The jurisdiction should require no more than three de novo public hearings on a zoning-compliant residential application.
- Building permits should expire if not used in 24 months, with flexibility to adapt to changing economic conditions and other extenuating circumstances.
- Jurisdictions should apply the Housing Accountability Act’s standards for project consistency and remedies.

Standards for Impact Fees State law should create a set of uniform standards and requirements for Bay Area jurisdictions to follow when imposing impact fees on new residential development, as recommended by the UC Berkeley Turner Center:

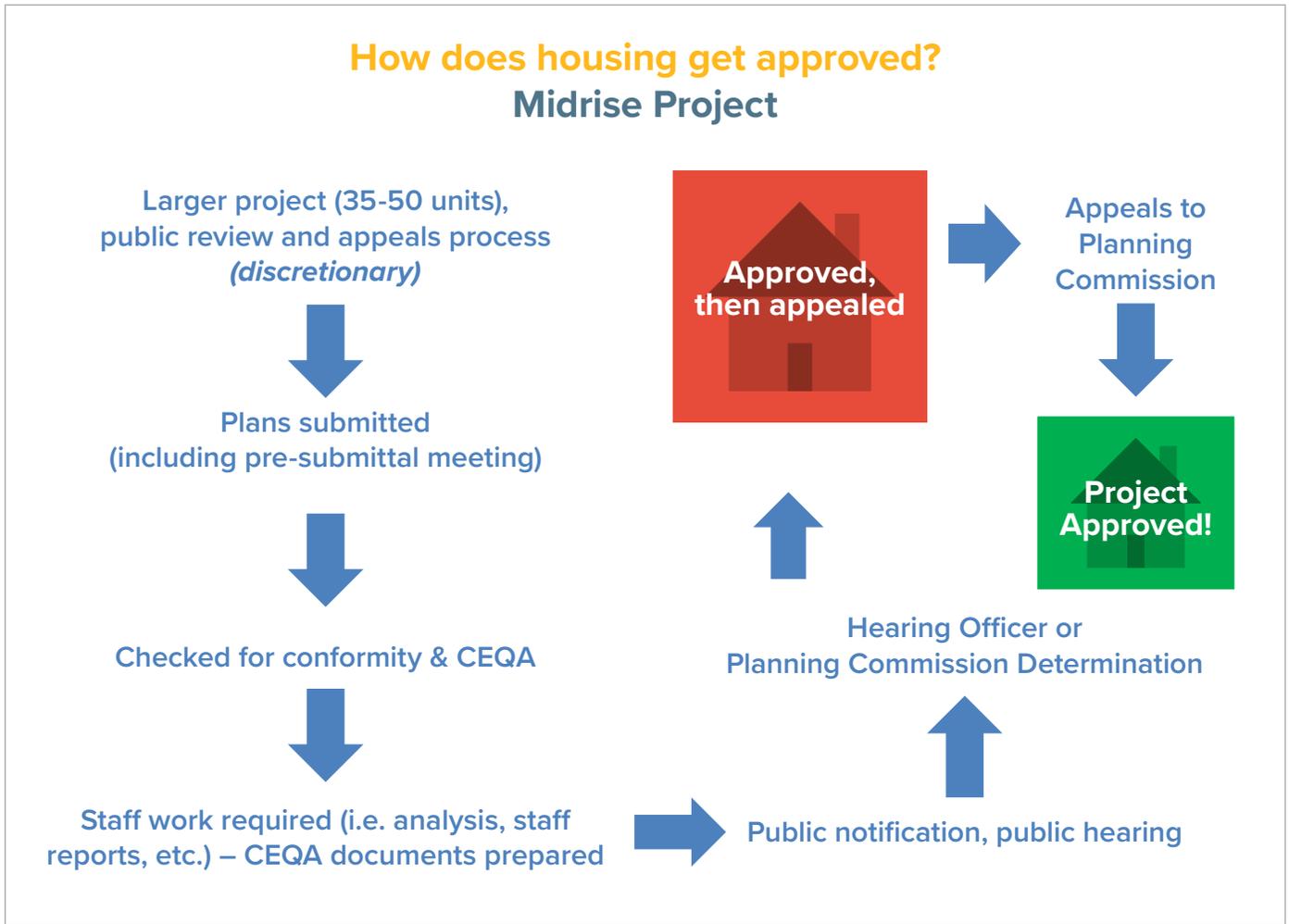
- Every jurisdiction should conduct a comprehensive review and assessment of their fees to better understand the aggregate costs imposed.
- When determining the amount of fees to charge to new residential projects, jurisdictions should adhere to a standardized methodology and set of objective standards, rather than the current “reasonableness” test which is overly broad.
- Every jurisdiction should create and maintain an up-to-date fee schedule in a publicly accessible format.
- Adopt fee deferral programs which allow builders to pay some fees later in the development process.

Standards for Inclusionary Zoning State law should establish that programs which require inclusion, such as density bonus, local inclusionary requirements, housing impact fees and in-lieu fees, should not be additive. Require that in-lieu fees should be an option for fulfilling inclusionary requirements imposed without the density bonus. Existing local policies should be grandfathered in.

Standards for Downzoning and Moratoria The State should create standards that govern the circumstances in which local governments downzone or impose building moratoria in existing or planned residential neighborhoods in urbanized areas. Such actions run counter to state housing law and should only be undertaken to address an immediate crisis, such as a health and safety hazard or protection of low-income families at risk of displacement.

Report Impositions That May Suppress Housing above the Hard Cost of Housing Construction Jurisdictions should annually document all local agency impositions that increase the hard cost (excluding labor and materials) of housing construction, including fees and inclusionary zoning requirements. This information should be included in the jurisdiction’s annual Housing Element report.

Figure 6: Typical Local Housing Approval Processes and Timeframes



Source: the Turner Center for Housing Innovation, UC Berkeley, 2018

Compact Element #7 — Expedited Approvals and Financial Incentives for Select Housing

Brief Summary Ensure timely approval of zoning-compliant housing projects and create financial incentives for enabling on-site affordability and prevailing wages. This streamlining policy will provide another option for projects that may not benefit from SB 35. This policy does not amend or replace SB 35. Allow Sensitive Communities to defer implementation while they develop a context-sensitive plan.

Desired Effect This policy would make it possible to build more housing projects while addressing the critical shortage of housing labor, curbing unsafe labor practices, and providing on-site affordability for missing-middle income ranges that are not eligible for other sources of subsidy. By harnessing future tax increment from the proposed housing development itself, local jurisdictions can get more affordable units built with less public subsidy. All taxing agencies will benefit from the multiplier effect of new construction beyond the project site. By providing expedited approvals, these projects will be approved and built more quickly. The intent of this element is that it does not overrule local inclusionary zoning.

Models and References SB 35 (Wiener,2017); New York tax abatement; Action Plans Referenced 12.2, 12.3, 17.1, 17.2

DETAILED PROPOSAL

Streamlined Review Process state law should create a new, expedited review process for residential projects that meet thresholds outlined below. These projects should be granted a statutory CEQA exemption and should be subject to a limited discretionary review process. Projects should be approved within one year and should be subject to no more than three de novo public hearings.

Qualifying Projects To qualify for streamlined review, projects should meet all of the following criteria:

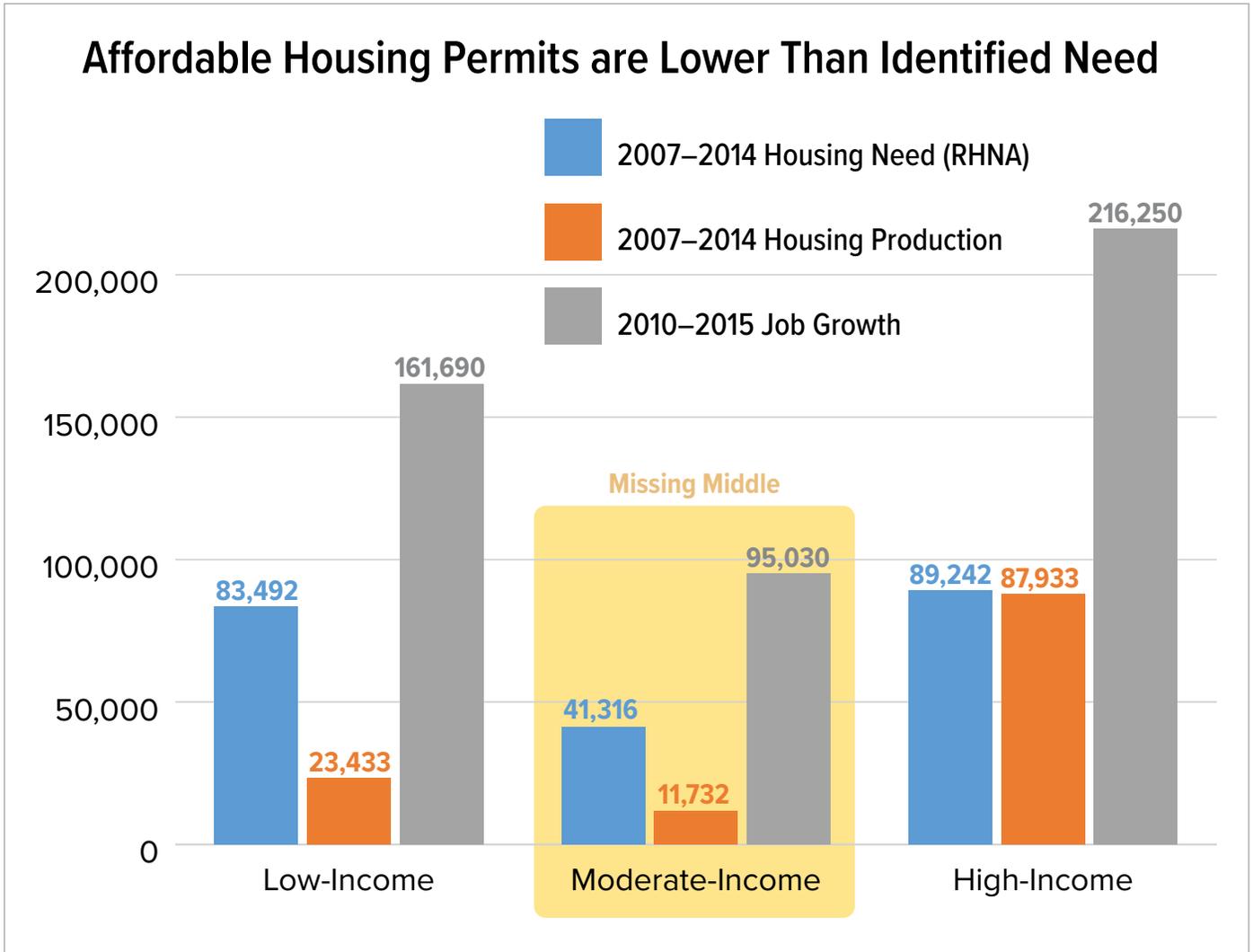
- Complies with existing zoning standards;
- Located in an existing urbanized area;
- Eligible sites as defined in SB 35;
- Restricts at least twenty percent (20%) of onsite housing units to middle-income households through recorded long-term deed restrictions (that may range from 80% to 150% of AMI depending on localized rents and market conditions) with an average affordability not to exceed 110% AMI;
- Provides prevailing wages and safe working conditions for all workers;
- Utilizes apprentice labor to grow the construction workforce;
- Complies with all proposed labor standards contained in SB 35 and shall include prevailing wages and trained apprentices to help grow the construction workforce.

Financial Incentives to Offset Costs Qualifying projects should receive financial incentives to offset the costs associated with providing income-restricted housing units and higher wages. Incentives could include some combination of the following:

- Fifteen years of property tax increment abatement, modeled on the New York City program. Abatement should be structured so that units rented or sold at missing middle prices (i.e., 150% AMI or less) receive full abatement, and units rented or sold above this shall receive a lesser abatement (i.e., 50% -75% abatement)
- Cap impact fees at a reasonable level that allows project feasibility targeted to regional median
- Density bonus of 35%
- Parking reduced to 50% of local requirement (at the discretion of the developer)
- Relief from strict liability standards for ownership housing

Sensitive Communities Implementation of this policy in sensitive communities should be automatically deferred for a period of up to 5 years where the local jurisdiction should develop a context-sensitive plan for that community. If a Sensitive Community so chooses, it may opt to implement this policy effective immediately. The decision to opt in should be made by the local legislative body (city council or board of supervisors) and must involve consultation with residents of the sensitive community, and at least one public hearing. Sensitive community areas represent the intersection of disadvantaged and vulnerable communities as defined by the following Bay Area regional agencies: MTC, SF Bay Conservation and Development Commission (BCDC), and the Bay Area Air Quality Management District. See Figure 5 for the map of these Transit Access and Sensitive Community Areas.

Figure 7: Regional Housing Production is Worst for the “Missing Middle”



Compact Element #8 – Unlock Public Land for Affordable Housing

Brief Summary Promote increased utilization of public land (surplus and underutilized) for affordable housing through a variety of legislative and regulatory changes, as well as the creation of new regional coordination and planning functions.

Desired Effect Encourage the reuse of public land for creation of mixed-income/affordable housing by reducing barriers to development on public land. See Figure 8 for the largest public agency landowners near public transit.

References and Models Action Plans 16.1; 16.2; Puget Sound region including Seattle; Enterprise; MTC/ABAG Study.

DETAILED PROPOSAL

Support reforms introduced in AB 2065 (Ting, 2017)

- Respond to the issue of charter cities and the requirement that all cities comply with State surplus lands law
- Create clear definition of “surplus” and “underutilized.”
- Require cities, counties, State agencies, and all public agencies to create a full inventory of their publicly-owned sites and report them to HCD.
- Direct HCD to develop a statewide public lands database that will include all publicly-owned sites in the State of California, starting with a pilot in the Bay Area. The database will also include information on present uses. HCD would enforce a revised State Surplus Land Act with referral power to the Attorney General’s Office for infractions.

Amend State Housing Element Law to:

- Allow residential uses on all developable public land, regardless of zoning, by establishing a presumption in Housing Element Law that homes may be built on public land meeting certain criteria (e.g., not parkland).
- Require that Housing Elements include a discussion of the jurisdiction’s policies and plans to encourage the development of affordable housing on these sites.
- Require jurisdictions to report annually through housing element progress reports how they disposed of public and surplus sites.
- State and regional agencies should give preference in screening and scoring projects for discretionary funds to public agency project sponsors that dispose of surplus lands for affordable housing.

Regulatory and Process Changes

- Require State agencies to comply with the State Surplus Land Act and make surplus and underutilized property available for affordable housing, including deploying 10% of underutilized/surplus property for affordable housing on an annual basis.
- Amend State law time frames for surplus land disposition to expedite the process to no more than 24 months.
- Competitive funding programs for affordable housing, including the Low-Income Housing Tax Credit (LIHTC) and Affordable Housing & Sustainable Communities (AHSC) programs, should reward additional points to projects that propose affordable development on public land.
- The State of California should review its spatial guidelines for public facilities (i.e., schools) to evaluate potential for changes that could open up land for housing without compromising the quality of on-site public services.

Labor Standards Public lands released for housing should include policies that help expand the trained labor pool available for housing construction including requirements for trained apprentices and prevailing wages. Exceptions to these requirements should be made for temporary housing built to address an emergency, and for housing built with volunteer labor (see Labor Code § 1720.4). Temporary housing shall be defined as follows:

- Designed and constructed to be relocatable and transportable over public streets.
 - Floor area of 500 square feet or less when measured at the most exterior walls.
 - Sited upon a temporary foundation in a manner that is designed to permit easy removal.
 - Designed to be removed within three (3) years of installation.
-

Figure 8: **Top Ten Landowners for Publicly-Owned Parcels Suitable for Housing Near Transit**

Publicly-Owned Land		
Landowner	Number of Parcels	Total Acres
Bay Area Rapid Transit (BART) District	91	229
Santa Clara Valley Transportation Authority (VTA)	26	178
State of California	17	42
City/County of San Francisco	18	26
San Mateo County Transit District (SamTrans)	11	18
Union City Community Redevelopment	6	15
County of Santa Clara	7	15
City of Oakland	19	10
City of San Jose	5	8
Suisun City	17	8
Total	217	548

Source: MTC

Compact Element #9 — Funding and Financing the CASA Compact

Brief Summary Raise \$1.5 billion in new revenue annually from a broad range of sources, including property owners, developers, employers, local governments and the taxpayers, to fund implementation of the CASA Compact. While not all revenue ideas in Figure 9 will be implemented, no one sector would bear the burden on its own. No more than one revenue idea should be implemented under each of the five categories.

Desired Effect The Compact identifies a range of strategies to protect tenants, preserve affordability and produce new units. Many of the strategies, such as “Access to Legal Counsel,” building 14,000 new subsidized housing units annually, and preserving 26,000 market-rate units as permanently subsidized units for lower-income households, require an infusion of new revenue.

References and Models The entire CASA Compact

DETAILED PROPOSAL

Funding gap CASA estimates that the funding gap to implement the Compact is \$2.5 billion per year over the next 15 years. CASA proposes to meet \$1.5 billion of this deficit with regional and local self-help measures. The remainder would be funded from additional state and federal sources. Any regional impositions that duplicate similar local impositions shall be reduced proportionally.

Potential sources New revenue could be raised through fees or taxes. In principle, new revenue would be raised from a range of sources to spread the responsibility among different sectors of the economy. These sources may include property owners, developers, employers, local governments and taxpayers. CASA also recommends exploring with other stakeholders whether a ‘mega measure’ involving transportation and housing could be pursued. The Compact identifies a menu of options (for further details see Figure 9)

- A. **Vacant Homes Tax** levied on property owners;
- B. **Parcel Tax** levied on property owners (residential and commercial);
- C. **Commercial Linkage Fee** charged to developers;
- D. **Gross Receipts Tax** levied on employers;
- E. **Head Tax** levied on employers;
- F. **Revenue Set Asides for Redevelopment Agencies** (local governments);
- G. **Revenue Sharing Contribution** into a region-wide housing program for local governments;
- H. **1/4-cent Sales Tax**; and
- I. **General Obligation Bonds**, reissued every five years.

Allocation formula New revenues would be allocated by the following shares:

- Up to 10 percent for local jurisdiction incentives (including funding for hiring more building inspectors);
- Up to 10 percent for tenant protection services;
- Up to 20 percent for preservation; and
- A minimum of 60 percent for subsidized housing production.

Distribution formula New revenues would be distributed by the following shares (total expenditures would still meet the allocation formula (see above), and be subject to objective performance standards and outcomes):

- 75 percent to county of origin (return to source); and
- 25 percent to a regional program (revenue-sharing).

Labor Standards Public funding through CASA shall include a requirement for trained apprentices and prevailing wages. Projects under a certain size should be required to comply with existing wage and labor laws and standards.

Administration Revenue collection and disbursement would be managed by the Regional Housing Enterprise (RHE) described in Compact Element #10. New revenue would be authorized based on fund source but may include state enabling legislation, a decision of the RHE board, or a vote of the people in the Bay Area.

Figure 9: Funding Options



Compact Element #10 — Regional Housing Enterprise

Brief Summary Establish a regional leadership entity to implement the CASA Compact, track and report progress, and provide incentives and technical assistance. The entity must be governed by an independent board with representation from key stakeholder groups that helped develop the Compact. The housing entity would not play a regulatory/enforcement role.

Desired Effect Existing regional agencies either do not have the mandate (e.g., the Metropolitan Transportation Commission) or the resources/tools (e.g., the Association of Bay Area Governments) to directly tackle the region's pressing displacement and affordable housing crisis. The CASA Compact will set a bold region-wide agenda for addressing protection of existing tenants, preservation of existing affordable units and production of both market-rate and subsidized units. To implement this agenda, a broad coalition of stakeholders, who have helped shape the CASA Compact, must stay engaged with state legislative advocacy, building support for raising new revenue and financing programs, tracking and monitoring progress, keeping the public engaged, and taking a regional approach to challenges such as homelessness. A regional approach can balance inequities and imbalances across multiple jurisdictions that have to contend with varying market strengths, fiscal challenges and staff expertise.

Models New York City Housing Development Corporation (housing finance); Twin Cities (revenue-sharing)

References The entire CASA Compact

DETAILED PROPOSAL

Board Structure and Governance CASA recommends establishing a Regional Housing Enterprise (RHE) to coordinate and lead implementation of the CASA Compact. State law should establish an independent board, with broad representation from MTC, ABAG and key stakeholder groups that helped develop the CASA Compact. See Figure 10 for a graphic depiction of the RHE.

Authority The state should form the RHE through an act of legislation and give it authority to collect new revenue (through fees or taxes); disburse the revenue to programs and projects in the expenditure plans (consistent with the CASA Compact); purchase, lease and hold land; and provide direct assistance. The RHE will not have regulatory authority.

Roles and Responsibilities

Revenue administration and debt issuance – Using the authority to levy fees and seek voter approval to impose taxes for housing, the RHE may collect and disburse new funding, issue debt as needed, and allocate funding to protection, preservation and production programs, as laid out in the CASA Compact.

Land leasing and disposition – The RHE may act on behalf of the related public agency to lease or purchase land for housing development and assemble parcels, when appropriate. The RHE may hold and bank land, based on market conditions.

Monitoring and reporting – The RHE will coordinate with MTC/ABAG and local jurisdictions to collect specified data (including on local housing performance), conduct research and analysis, and disseminate information as part of its monitoring and reporting role. The RHE may also conduct an evaluation of its program to improve stated CASA outcomes.

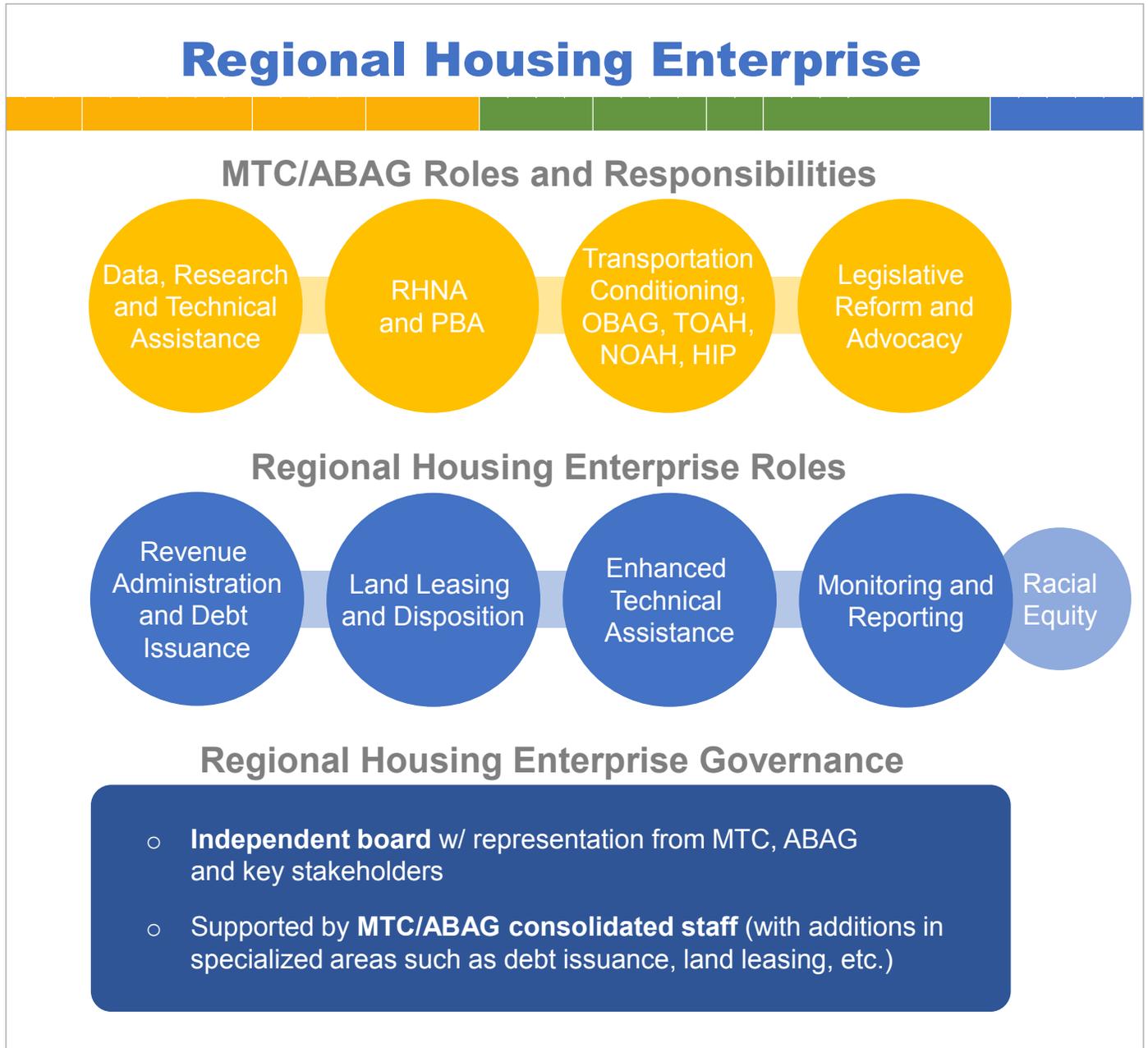
Enhanced technical assistance – The RHE may coordinate with MTC/ABAG to provide extensive support and technical assistance to local jurisdictions (especially smaller jurisdictions with limited staff capacity), education and awareness for stakeholders (such as tenants and landlords), and communication materials for the broader public.

Oversight of protections programs – While the RHE will not have an administrative role in implementing tenant protection policies, the board would provide oversight when allocating funding.

Staffing The RHE will be supported by the consolidated staff of MTC/ABAG, with additional staff added in specialized areas such as debt issuance, land leasing and disposition, financing projects, etc.

Administration This state-enabled policy package in the CASA Compact will be implemented by the RHE. Some capacity would be needed at the local and county-level to implement the protection strategies.

Figure 10: **Regional Housing Enterprise**



Calls for Action

The CASA Compact sets a bold region-wide agenda for addressing the protection of existing tenants, preservation of existing affordable units and production of both market-rate and subsidized units. The CASA Compact Elements represent key reforms that were developed through an intensive 18-month process encompassing multiple stakeholders and constituencies. Supportive state action on the issues outlined below in concert with the implementation of the CASA Compact will fundamentally “turn the tide” on the Bay Area’s housing crisis.

Call for Action: Redevelopment 2.0

Background: The elimination of redevelopment agencies in California severely restricted the production of affordable housing and market rate housing in the Bay Area. Prior to dissolution, redevelopment agencies in the region provided \$200 million in annual funding for affordable housing that was highly leveraged with other funding sources. In addition, redevelopment agencies provided funding, expertise and infrastructure to advance the production of market rate housing in mixed-use, infill developments. CASA supports the development of a new redevelopment framework to advance the production of extremely low, very low, and low-income housing, and to leverage funding for mixed income, infill housing.

CASA Call for Action: Pass legislation enabling the re-establishment of redevelopment in California to provide a significant source of new funding for affordable and mixed income development. Redevelopment agencies should be focused on development activities that are audited regularly, with local projects subject to state level reviews. A new redevelopment framework in California should reinforce a strong link between housing and jobs and transit. Funding should be designed to leverage other sources, including new regional funding through the implementation of the CASA Compact.

References: The entire CASA Compact

Call for Action: Lower the Voter Threshold for Housing Funding Measures

Background: Bay Area voters have demonstrated — through their past approval of major transportation, school, housing, and water bonds — that they understand the importance of investing in the region’s future. Although Bay Area voters have passed a significant number of funding measures to expand the supply of affordable housing, on too many occasions an overwhelming majority of voters have supported new funding but the final tally fell short of the two-thirds majority needed for approval under current state law. When provided the opportunity, voters supported lowering the voter threshold for school bonds to a 55 percent vote. The well-being of California’s children was a motivating factor in lowering the voter threshold for school funding. Ensuring that future generations, our children and grandchildren, have the housing opportunities they will need to remain in the Bay Area is a central purpose of the CASA Compact.

CASA Call for Action: Pass legislation that will provide voters statewide with the opportunity to apply a 55 percent threshold for investments in affordable housing and housing production. This legislative priority is critical to the successful implementation of the CASA Compact — and to the Bay Area’s prosperity and quality of life.

References: The entire CASA Compact

Call for Action: Fiscalization of Land Use

Background: Under Proposition 13, local jurisdictions in California are “paid more” for commercial land uses than for housing. This “fiscalization of land use” is a central factor in the Jobs-Housing Imbalance that exists in the Bay Area resulting in long commutes, traffic congestion and a diminished quality of life for millions of Bay Area residents. The California Tax Code in effect punishes cities that build more housing and rewards cities that build commercial space without commensurate housing for workers and their families. To address the revenue imbalance related to new housing, jurisdictions have raised impact fees and other development requirements that make housing even more expensive so that cities and counties may maintain infrastructure and provide for the needs of existing residents.

CASA Call for Action: Pass legislation that will return e-commerce/internet sales tax revenues 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. Also pass legislation that will change the Proposition 13 property tax allocation formula to provide jurisdictions building more housing with a higher share of property tax revenue.

References: CASA Elements # 9 and # 10.

Call for Action: Homelessness

Background: The Bay Area has one of the largest and least sheltered homeless populations in North America. The proliferation of homeless encampments from select urban neighborhoods to locations across the region is the most visible and arguably disheartening manifestation of the Bay Area's extreme housing affordability crisis. Although this is one of the most prosperous regions in the world, every night thousands of people sleep on our streets. The complexity and scale of homelessness in the Bay Area has increased exponentially as previously housed people including families with children, veterans, and senior citizens cannot find shelter. In the nation's most expensive housing market, commonplace life circumstances (e.g., illness, job loss, and separation/divorce) result in too many of our neighbors being unable to afford monthly rent, resulting in a downward spiral to homelessness.

CASA Call for Action: California is experiencing an affordability and housing crisis that is negatively impacting thousands of Californians. The work of CASA has endeavored to put forth a package of policy interventions to house the Bay Area. Homelessness is a humanitarian crisis that is deeply impacting the entire Bay Area. CASA recognizes that homelessness is a regional issue that requires alignment across geographies in order to tackle this problem. CASA's funding package must include resources that help produce housing for formerly homeless people, prevent homelessness when possible and make homelessness rare, brief and non-reoccurring.

References: The following CASA Elements include measures to reduce the region's unsheltered population, provide more temporary options for homeless housing, and streamline approvals of permanent homeless housing developments which are often strongly opposed by project neighbors:

CASA Elements 1,2,3 - Tenant Protections: Critical to stabilize households and reduce displacement from housing that has caused a significant rapid rise in the unsheltered population.

CASA Element 4 – Accessory Dwelling Units (ADUs)/Tiny Homes: Create more housing options for populations vulnerable to economic setback, including seniors or their family members, disabled family members, students and Section 8 recipients, by allowing more of the smallest naturally affordable home types in every neighborhood.

CASA Elements 5, 6, 7- Up-zone and streamline to increase income restricted and market rate housing options and reduce displacement and upward rent pressure on existing homes and neighborhoods.

CASA Element 8 - Public land: Encourage immediate disposal of more public land for affordable housing to create more sites and reduce the subsidy needed.

CASA Element 9 - Public funding: More funding for the preservation and production of affordable housing, the provision for new tenant protection measures, and new permanent supportive housing.

Call for Action: Grow and Stabilize the Construction Labor Force

Background: Growing the construction labor force and improving labor force productivity is critical to expanding the supply of housing. By increasing the safety and desirability of construction work, and thereby expanding the pool of available workers and contractors, we can grow the labor force without which we cannot increase housing production. The following are recommended by CASA as a starting point. We also recommend ongoing work to implement the CASA recommendations in a manner which creates an effective and coordinated regional and State response to the need for a larger construction labor force.

CASA Call for Action:

1. Grow the workforce by increasing apprentice training, placement, and payment of prevailing wages when direct public funding, public land, fee abatement, tax abatement, CEQA exemptions, and other fiscal/economic development incentives are provided for housing (Compact items 7, 8, 9).
2. Discourage the underground economy and require compliance with existing wage and workforce laws (Compact items 4, 5).
3. Create a CASA/State labor workgroup charged with coordinating implementation of CASA policies and needed labor force expansion consistent with CASA principles.
4. Call upon the State to use its workforce development and training programs to improve the construction employment pipeline and create improved pathways from secondary education into apprentice training programs.

References: Compact Elements 4, 5, 7, 8 and 9.

Local Best Practices

This section describes local best practices that are relevant to the CASA Compact.

Protection, Preservation and Production (3-Ps) Framework

While many jurisdictions in the Bay Area focus on one or two of three Ps, the City of Oakland was one of the first to codify the 3-P framework in a citywide policy developed through a multi-stakeholder process. The underlying policy outcome for Oakland was to address housing insecurity in a rapidly changing community that faces both historic disinvestment as well as very high displacement pressures.

City of Oakland

In 2016, the Oakland Housing Cabinet developed a comprehensive plan, called *Oakland at Home – Recommendations for Implementing A Roadmap Toward Equity*, to address the city’s chronic housing affordability and homelessness crisis. The plan outlines a three-pronged strategy to protect renters, preserve existing affordable housing by taking it off the speculative real estate market and produce more affordable and market-rate housing. The plan identifies several strategies under each “P” designed to significantly improve housing affordability in Oakland. CASA borrowed this concept from Oakland’s plan to form the three Ps framework.

Rent Stabilization

13 jurisdictions in the Bay Area have adopted some form of rent stabilization policies. This section highlights two such examples, in the City of Richmond and County of Sonoma.

City of Richmond

In 2016, Richmond residents approved Measure L, which established the *Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance*. The ordinance applies to all multifamily properties, including duplexes. The annual rent increase is set at 100% of the Consumer Price Index. Landlords are required to file all notices of rent increase, termination of tenancy, and change of terms of tenancy notices with the Rent Program. Landlords and tenants may petition the *Rent Board* for an Individual Rent Adjustment.

The city established a Rent Board, an appointed governing body, and a Rent Program Department to administer the program. The department is set up to function on a cost-recovery basis, with no financial assistance from the city’s general funds. Funding for the department comes from the Rental Housing Fee, which must be paid by all Richmond landlords on an annual basis.

City of Santa Rosa and County of Sonoma

On October 9, 2017, the Governor of California issued an Executive Order declaring a state of emergency in Napa and Sonoma Counties due to widespread damage caused by wildfires. California Penal Code section 396 prohibits price gouging (defined as increases over 10%) for necessary goods and services after the governor declares a state of emergency, including rental housing and hotels.

The City of Santa Rosa adopted additional protections for tenants, which allow renters to file civil lawsuits for violations. The county also adopted protections for tenants in mobile home parks. In addition, the county adopted several *Urgency Ordinances* to address the immediate need for housing for persons displaced by the wildfires. The Urgency Ordinance allows: the use of recreational vehicles and trailers as homes, with an emergency temporary permit; a Safe Parking Program for RVs, trailers and campers, to be parked overnight on county-owned land (basic services such as bathrooms, showers, and warming stations are provided); year-round occupancy in seasonal farmworker housing; replacement schools and child care centers in specific zones without a use permit; and long-term rental of bed and breakfasts, inns, resorts.

Just Cause Eviction Protections

Ten jurisdictions in the Bay Area have already adopted some form of just cause eviction protections for renters. This section highlights one such example, in the City of East Palo Alto.

City of East Palo Alto

East Palo Alto has adopted both a *Just Cause for Eviction* as well as a *Rent Stabilization Ordinance* to protect tenants in the city from harassment and displacement due to rising market pressures on the city’s existing housing stock. The just cause policy applies to both mobile home parks and residential rental units, including single family dwellings. The ordinance identifies fourteen just causes for eviction, establishes a noticing and filing requirement (with the city rent board) and gives tenants the right to request documentation of all rent payments and charges. The program is funded entirely through fees, half of which are passed on to tenants.

Access to Legal Counsel

City and County of San Francisco

In June of 2018, San Francisco voters approved Proposition F that guarantees free legal representation for any renter facing eviction, regardless of income. Proposition F calls for full-scope representation within thirty days of an eviction notice or filing of an unlawful detainer action. San Francisco estimates that as many as thirty-five hundred tenants a year will be eligible for the free services, for which it earmarked \$5.8 million over the first two years of the program. San Francisco also currently spends \$4.4 million a year on eviction-related services such as counseling, education, outreach and basic no-cost or low-cost legal services.

Rent Assistance

Twenty-six jurisdictions in the Bay Area provide some form of tenant assistance. This section highlights one such example, in the County of Sonoma.

County of Sonoma

The county's *Home Tenant-Based Rental Assistance Program (TBA)* provides rent subsidies to homeless families in shelters, survivors of domestic violence, seniors and persons with HIV/AIDS. Only very low-income individuals are eligible to receive this assistance. They are referred by emergency shelters, transitional shelters, non-profit service providers, the County's Human Services Department and the Division of Adult and Aging Services. The TBA program is administered similarly to the US Department of Housing and Urban Development's Section 8 program.

Acquisition and Rehabilitation of Affordable Units

Thirty jurisdictions in the Bay Area have established some form of a preservation program to support acquisition, rehabilitation and protection of affordable units occupied by low-income renters. This section highlights one such example, in the City and County of San Francisco.

City and County of San Francisco

Launched by the Mayor's Office of Housing and Community Development in 2014, San Francisco's *Small Sites Program (SSP)* is an acquisition and rehabilitation loan program for small multifamily rental buildings. The program was created to protect and establish long-term affordable housing throughout San Francisco. SSP is funded through multiple sources, including voter-approved bonds, inclusionary housing fees, and the city's *Housing Trust Fund*. As of May 2018, the program has acquired 160 units in 25 buildings, serving 327 residents that earn less than 65% of the Area Median Income. The units are located in the following neighborhoods: the Mission District, Downtown/Civic Center, South of Market, Castro/Upper Market, Haight Ashbury, Bernal Heights and Richmond.

Homebuyer Assistance

Twenty-eight jurisdictions in the Bay Area have established some form of a homebuyer program. This section highlights two such examples, in the cities of Napa and Oakland.

City of Napa

Napa's *Down Payment Assistance Program*, funded with grants from the State of California Department of Housing and Community Development, provides assistance to lower-income first time home buyers in the form of a silent (deferred) loan of up to \$150,000. To qualify, an applicant must meet income and credit restrictions and cannot have owned a home in the last three years. Homes must be located within city limits and cannot be bigger than 3 bedrooms and 2 baths.

City of Oakland

Hello Housing, a regional non-profit organization, has partnered with the City of Oakland and the Alameda County Treasurer-Tax Collector's Office, to acquire and convert formerly blighted and tax-defaulted properties into permanently affordable housing for low-and-moderate income residents. Hello Housing and three local developers have acquired 26 vacant properties, a majority of which will be developed into single-family homes for ownership and two properties into multifamily affordable rental units to house approximately 15 to 20 families. Construction on the first homes is now underway with occupancy on many of the homeownership properties expected in late 2018 and early 2019.

Permit Streamlining

Fifty jurisdictions in the Bay Area have adopted some form of permit streamlining policies. This section highlights two such examples, in the County of Sonoma and the City of San Jose.

City of Santa Rosa and County of Sonoma

In the aftermath of the wildfires in Sonoma in 2017, the City of Santa Rosa adopted multiple policies to expedite the permitting process for those who wanted to rebuild. These included: establishing a *Resilient City Permit Center* with dedicated staff; exemptions from environmental review; expansion of damaged nonconforming residential structures to added living areas, ADUs, and JADUs; increasing the allowable residential floor area in mixed-use projects from 50 to 80 percent; and delaying collection of fees until near occupancy. The county also established a *Resiliency Permit Center* to expedite permitting, and relaxed rules related to accessory dwelling units (ADUs).

City of San Jose

In 2014, the City of San Jose formed an ad-hoc committee to explore permit streamlining for small businesses as well as for major projects. Based on the committee's recommendations, the city created a planning desk dedicated to small projects and recently established an electronic plan review system to simplify permitting. The electronic system has resulted in time and cost savings for both the city as well as the applicant. The system provides real-time updates on the status of the approval process.

Fee Waiver

Twenty-six jurisdictions in the Bay Area offer some form of fee waivers to housing developers. This section highlights one such example, in the City of Sunnyvale.

City of Sunnyvale

Sunnyvale charges all new rental housing projects an impact fee of \$9 to \$18 per habitable square feet. If a developer opts to provide affordable units on-site instead of paying the housing impact fee, the city credits the developer \$300,000 per very low-income unit and \$150,000 for every low-income unit, up to the total housing impact fee amount owed by the project. In case any fee obligation remains after the affordable unit developer credits are applied, the developer may opt to provide additional affordable units to reduce the fee to zero.

These developer credits are based on the subsidy amounts required to develop affordable units, which the 2014 rental impact fee nexus study determined to be \$302,496 for a very low-income unit and \$146,233 for a low-income unit. The city also waives the park and recreation fee for affordable units.

Housing Overlay Zoning

Twenty-four jurisdictions in the Bay Area have adopted some form of a zoning overlay for housing projects. This section highlights one such example, in the City of Menlo Park.

City of Menlo Park

Menlo Park's *Affordable Housing Overlay (AHO)* zone was established to encourage the development of housing for low, very low and extremely low-income households on housing opportunity sites identified in the city's adopted Housing Element. The AHO establishes development standards for these sites and is designed to benefit all affordable housing projects, including market-rate developments that provide a higher share of low- and very low-income units than what is called for in the State's *Density Bonus Program*.

New Revenue and Organizational Capacity for Housing

Multiple cities and counties in the Bay Area have raised new revenue for housing in the last two election cycles and/or adopted a regional or sub-regional approach to solving the housing crisis. This section highlights four such examples, in the counties of Santa Clara, San Francisco, Alameda and Sonoma.

County of Santa Clara

In June 2016, Santa Clara voters approved Measure A, a \$950 million affordable housing bond program to build and preserve 5,000 affordable housing units countywide. The bond proceeds will help stabilize housing for the county's most vulnerable populations including veterans, seniors, the disabled, low and moderate-income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses. Measure A priorities include advancing supportive housing for special needs populations, including homeless and chronically homeless persons and increasing housing supply for extremely low-income populations.

As of June 2018, the first year of implementation, the county approved \$111 million for 10 projects that will add more than 800 multifamily units in 6 cities. The county also approved \$25 million for a first-time homebuyer program.

City and County of San Francisco

In November 2018, San Francisco voters approved Proposition C, a business tax measure, which will generate up to \$300 million per year to fund homelessness services. Businesses with over \$50 million in gross annual receipts will pay a tax equal to 0.175 percent to 0.69 percent of their gross receipts. Businesses with over \$1 billion in gross annual receipts and those with administrative offices in San Francisco will pay 1.5 percent of payroll expenses. In June 2018, San Francisco voters approved Measure F, which will provide tax-funded legal help to tenants facing eviction. The expanded legal services is estimated to cost the city \$5.6 million a year.

In November 2016, San Francisco voters approved Proposition C, which authorized the city to repurpose \$261 million in unused general obligation bond funding that voters originally approved in 1992 for seismic upgrades. Under Proposition C, bonds would be used to acquire and rehabilitate multi-unit properties and convert them to permanently affordable housing.

In November 2015, San Francisco voters approved Proposition A, a \$310 million General Obligation Bond for affordable housing, to finance the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing for low and middle income households. The bond will address pressing housing needs by: investing in neighborhoods; developing and acquiring housing for a broad population, from families to seniors; transitional-aged youth to single working adults; and veterans to disabled households; and, meeting housing needs through a range of activities, including new multi-family construction, acquisition of existing apartment buildings, SRO rehabilitations, down payment assistance for first-time homebuyers, and other efforts that will effectively increase the affordable housing supply.

County of Alameda

In November 2016, Alameda County voters approved Measure A1, a \$580 million general obligation bond to finance the construction and rehabilitation of affordable rental units, loans for moderate-income homebuyers and upgrades to existing low-income housing.

City of Oakland

In November 2018, Oakland voters approved Measure KK, a \$600 million infrastructure bond earmarking \$100 million for affordable housing. A citizen oversight committee would audit all spending from the measure.

County of Sonoma

The City of Santa Rosa and the county are moving forward with establishing a joint powers authority, called the Renewal Enterprise District (RED), with the explicit goal for regionalizing housing production; pooling and leveraging financing and funding; sharing risks and benefits of development in new ways; streamlining environmental review and providing confidence in good projects; and putting equity, affordability and climate solutions in the center of local economic strategy.

When established, the RED will focus housing development in specific geographies; define project criteria for which incentives and streamlined permitting processes are appropriate; pursue new models for public-private partnerships; expand, pool, and leverage public and private financing in new ways; explore the most strategic use of publicly-owned land; and leverage the regional housing planning tools and resources of MTC/ABAG.

Cross-Jurisdictional Collaboration

This section highlights the unique process in San Mateo County to coordinate housing strategies across jurisdictions, including conducting a “nexus” study for setting impact fees.

The 21 Elements Effort

21 Elements is a multi-year, multi-phase collaboration of all twenty-one San Mateo County jurisdictions, along with partner agencies and stakeholder organizations. The project aims to support jurisdictions in developing, adopting, and implementing local housing policies and programs. It is a forum for sharing resources, successful strategies and best practices. The project is co-sponsored and coordinated by the San Mateo County Department of Housing (DOH) and the City/County Association of Governments of San Mateo County (C/CAG).

The project recognizes that cities in the county often struggle with similar housing issues and consider similar solutions. 21 Elements helps those cities find policies that are right for them, working with their neighbors in a supportive, cooperative environment. Respecting local control, 21 Elements makes it easier to adopt innovative policies that address important housing needs. From affordable housing to accessory dwelling units, 21 Elements has resources to help.

Grand Nexus Study

Through a multi-jurisdiction collaborative process, 15 cities in San Mateo County and the City of Palo Alto embarked on developing a nexus study for their respective linkage fee programs. This project, which came to be known as the Grand Nexus Study, reduced costs by 75 percent and helped establish best practices. Customized, jurisdiction-specific reports focusing on local conditions were completed and provided to each participating city in the second half of 2015.

(continued on next page)

Affordable Housing Needs Allocation

In the fourth Regional Housing Needs Allocation (RHNA) cycle, 11 of San Mateo County's 21 jurisdictions engaged in "housing unit trades." Five of these jurisdictions accepted additional unit allocations for proposed development adjacent to their city limits. Three additional jurisdictions who had already adopted a land use plan that calls for more housing development also accepted additional allocations. In all, these trades covered a total of 396 units, or 2.5% of the total 8-year allocation for the county. While numerically insignificant, the trades represent an important accomplishment for these 11 jurisdictions as they work together on other multiple efforts to meet the county's housing crisis.

Signatures

Fred Blackwell

CASA Co-Chair

*Chief Executive Officer,
The San Francisco
Foundation*

Leslye Corsiglia

CASA Co-Chair

*Executive Director,
Silicon Valley @ Home*

Michael Covarrubias

CASA Co-Chair

*Chair and Chief Executive
Officer, TMG Partners*

Bob Alvarado

Northern California Carpenters
Regional Council

Kofi Bonner

FivePoint

London Breed

City/County of San Francisco

Keith Carson

Alameda County

Stuart Cohen

TransForm

Julie Combs

City of Santa Rosa

Dave Cortese

Santa Clara County

Grace Crunican

BART

Matthew Franklin

MidPen Housing

Ariane Hogan

Genentech

Sam Liccardo

City of San José

Jake Mackenzie

MTC

Michael Matthews

Facebook

Rebecca Prozan

Google

David Rabbitt

ABAG

Dave Regan

SEIU

Libby Schaaf

City of Oakland

Ellen Wu

Urban Habitat

Appendix A — CASA Leadership

Fred Blackwell, CASA Co-Chair

Chief Executive Officer | The San Francisco Foundation



Fred Blackwell is a visionary leader working to ensure shared prosperity, innovation, and equity in the Bay Area. As CEO of The San Francisco Foundation, he leads one of the largest community foundations in the country, working hand-in-hand with donors, nonprofits, community leaders, business, and government partners in philanthropy to identify, influence, and leverage best practices and long-term solutions to make a greater impact in our community.

Mr. Blackwell currently serves on the board of the San Francisco Bay Area Super Bowl 50 Legacy Fund, on the advisory council for Berkeley's College of Environmental Design, and as an advisor for Google Impact Challenge: Bay Area. He previously served on the boards of the California Redevelopment Association, Urban Habitat Program, LeaderSpring, SPUR, and Leadership Excellence. He holds a master's degree in City Planning from U.C. Berkeley and a bachelor's degree in Urban Studies from Morehouse College.



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Established in 1948, The San Francisco Foundation (TSFF) is committed to serving the people of the Bay Area. As an incubator for community investment, original ideas, and passionate leadership, TSFF has become one of the nation's largest community foundations in grant-making and assets, giving millions of dollars a year to make the Bay Area the best place it can be. Currently, TSFF is tackling widening inequality, increasing poverty, and declines in upward economic mobility despite historic levels of prosperity. Staying true to its commitment to serving the people of the Bay Area, TSFF recently launched an ambitious strategy to advance racial and economic equity across the Bay Area.

Leslye Corsiglia, CASA Co-Chair

Executive Director | Silicon Valley @ Home



Leslye Corsiglia began her professional career at the California Department of Housing and Community Development, where she held several positions before taking on the challenge of overseeing the day-to-day activities of the state's housing loan and grant programs. In that capacity, she worked to pass and then implement the first affordable housing bond initiatives, which made \$550 million available for the construction and rehabilitation of affordable housing throughout the state.

Ms. Corsiglia joined the City of San Jose as the Department of Housing's first Assistant Director in 1991, and then served for 14 years as the Director. While with the City, she oversaw a program that developed and improved 21,000 affordable housing units, leveraging the City's funds with more than \$2.7 billion from public and private sources. She has served on a number of federal, state, and regional boards and currently serves on the Board of the Non-Profit Housing Association of Northern California. She is a dedicated housing wonk, loves policy and research, and is excited to take on the challenge of leading the new start-up venture known as SV@Home.



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SV@Home is the voice for affordable housing in Silicon Valley. Based initially in the Housing Trust Silicon Valley, SV@Home is a membership organization that advocates for policies, programs, land use, and funding that lead to an increased supply of affordable housing. Additionally, SV@Home educates elected officials and the community about the need for housing and the link between housing and other quality of life outcomes, including education, health, transportation, and the environment.

Michael Covarrubias, CASA Co-Chair
Chair and Chief Executive Officer | TMG Partners



Michael Covarrubias joined TMG Partners in 1988. He oversees all of the company's operations and has directed the company since 1995. Prior to TMG, Mr. Covarrubias' professional background includes 17 years with Union Bank, including commercial and real estate lending as well as administrative management. In his last position, he served as Senior Vice President and Manager of Union Bank's Silicon Valley Regional Real Estate Center.

Mr. Covarrubias is a graduate of the University of San Francisco with a bachelor's degree in business administration.



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TMG Partners is a privately-held, full-service development company headquartered in San Francisco focusing on urban infill projects in the San Francisco Bay Area.

Its exclusive focus in the Bay Area helps the firm understand the nuances of market trends and timing. This allows TMG Partners to be highly responsive and opportunistic while contributing to the vibrancy of the communities that make up the Bay Area region.

Dr. Jennifer Martinez, Protection Work Group Moderator
Executive Director | Faith in Action Bay Area



Dr. Jennifer Martinez currently leads Faith in Action Bay Area, a regional network of community and faith-based organizations. She has also been an organizer with the PICO National Network since 2001. Dr. Martinez has a bachelor's degree from Stanford University and a master's degree and Ph.D. from the University of Nottingham in England. Her graduate research focused on social movement strategies in the struggle for housing and land rights in Venezuela and South Africa. In 2011, her Ph.D. won the British International Studies Association thesis of the year award.

She has several published works and, in addition to being a participant in faith-based movement-building, continues to write about the ways in which social movements transform people and places.



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Faith in Action Bay Area is a regional network of community and faith-based organizations working to create innovative solutions to problems facing urban and suburban communities in San Mateo and San Francisco Counties. Faith in Action Bay Area has successfully worked to increase access to health care, improve public schools, make neighborhoods safer, build affordable housing, redevelop communities, and revitalize democracy.

The organization helps engage ordinary people in public life, building a strong legacy of leadership in local communities across the region, and is part of PICO, a national network of faith-based organizing groups. Faith in Action Bay Area is non-partisan, multi-faith, and multicultural.

Linda Mandolini, Protection Work Group Moderator

President | Eden Housing



Linda Mandolini has served Eden Housing as a Project Developer, as Director of Real Estate Development, and since 2001 as President. She oversees affordable housing production, resident support services, and property management components of the organization, and a staff of more than 340 employees. She is guided in her work by Eden's active, volunteer Board of Directors.

Under Ms. Mandolini's strong leadership, Eden has become one of the most productive and successful nonprofit affordable housing developers in California. Eden has received numerous awards including being named as a Best Place to Work in the Bay Area in 2012, 2015, and 2016 and Healthiest Employers in the Bay Area by the San Francisco Business Times for the past five years in a row (2012-2016).

Ms. Mandolini received her A.B. from Wheaton College in Massachusetts and earned a master's of Business Administration at Boston University.



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Eden Housing revitalizes California communities through its affordable housing development and property management activities, through the partnerships it establishes and the investments it makes in California neighborhoods, and through the resident services programs it provides to meet the needs of its residents.

Since its founding in 1968, Eden Housing has developed or acquired 7,450 affordable housing units in nearly 100 properties that have provided homes for more than 65,000 people. Eden currently has more than 1,000 units in its immediate pipeline.

Eden's housing now includes rental apartments, cooperatives, and supportive living environments for families, seniors, and people with disabilities. Eden has so far partnered with 29 cities in 10 California counties and it is rapidly expanding its geographical operations to new communities, including the greater Sacramento area, the Central Valley, and Southern California.

Derecka Mehrens, Production Work Group Moderator

Executive Director | Working Partnerships USA



Derecka Mehrens, Executive Director at Working Partnerships USA, brings 15 years of community organizing, civic engagement, and public policy experience working in communities of color and with low- and moderate-income families.

Under Ms. Mehrens' leadership, Working Partnerships USA co-founded Silicon Valley Rising, a coordinated regional campaign to inspire a tech-driven economy where all workers, their families, and communities thrive. The unprecedented labor-faith-community alliance is working to build a new economic model that rebuilds the middle class, to raise wages and workplace standards for all workers in this valley, and to address a regional housing crisis that is pushing families and children to live in garages, cars, or near creek beds in order to survive.

Ms. Mehrens graduated from the University of Oregon with a bachelor's degree in Sociology, History, and International Studies.

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Working Partnerships USA is a community organization that drives the movement for a just economy by bringing together public policy innovation and the power of grassroots organizing.

Working Partnerships USA builds the capacity of workers, low-income neighborhoods, and communities of color to lead and govern. Based in Silicon Valley, it tackles the root causes of inequality and poverty by leading collaborative campaigns for quality jobs, healthy communities, equitable growth, and vibrant democracy.

Denise Pinkston, Production Work Group Moderator

Housing Committee Co-chair | Bay Area Council



Denise Pinkston has over 30 years of experience in real estate including acquisitions, asset and construction management, marketing, leasing, planning/entitlements, transit and green building program development, and public affairs. Ms. Pinkston was named one of the Bay Area's Most Influential Women in Bay Area Business by the San Francisco Business Times in 2012 and 2013 and was named to their Forever Influential Honor Roll in 2014. Ms. Pinkston teaches real estate at the Lorry I. Lokey Graduate School of Business at Mills College.

Ms. Pinkston attended the University of California, Berkeley where she earned a bachelor's degree in History and a master's degree in City and Regional Planning.



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The Bay Area Council is a business-sponsored, public-policy advocacy organization for the nine-county San Francisco Bay Area. The Council proactively advocates for a strong economy, a vital business environment, and a better quality of life for everyone who lives here.

Steve Heminger, CASA Convener

Executive Director | Metropolitan Transportation Commission



Steve Heminger is Executive Director of MTC and responsible for the administration of more than \$2 billion per year in funding for the operation, maintenance, and expansion of the Bay Area's surface transportation network.

Mr. Heminger was appointed by House Democratic Leader Nancy Pelosi to serve on the "National Surface Transportation Policy and Revenue Study Commission," which helped chart the future course for the federal transportation program. As Chair of the Toll Bridge Program Oversight Committee, he also oversaw construction of the new east span of the San Francisco-Oakland Bay Bridge, the largest transportation project in California history. In addition, he is a member of the Board of Trustees for the Mineta Transportation Institute and of the Executive Committee for the Transportation Research Board.

Mr. Heminger received a bachelor's degree from Georgetown University and a master's degree from the University of Chicago.



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The Metropolitan Transportation Commission (MTC) connects the nine-county Bay Area's communities by allocating regional, state, and federal funds for transportation projects, planning for the future, and coordinating the participation of governments and residents in the planning process.

The Commission's central purpose is to make sure that the transportation networks that connect the residents and communities within the Bay Area region function smoothly and efficiently. Its job is to plan responsibly to meet the mobility needs of residents, now and in the future.

Appendix B — Committee Members

Steering Committee Members		Technical Committee Members	
<i>Name</i>	<i>Organization</i>	<i>Name</i>	<i>Organization</i>
Bob Alvarado	Northern California Carpenters Regional Council	Robert Apodaca	California Community Builders
Kofi Bonner	FivePoint	Ophelia Basgal	Terner Research Center
London Breed	City/County of San Francisco	Michele Byrd	City of Oakland
Keith Carson	Alameda County	Andreas Cluver	Building and Construction Trades Council
Stuart Cohen	TransForm	Jonathan Fearn	GREYSTAR
Julie Combs	City of Santa Rosa	Jacky Morales Ferrand	City of San José
Dave Cortese	Santa Clara County	Amie Fishman	Non-Profit Housing Association
Grace Crunican	BART	Caitlyn Fox	Chan Zuckerberg Initiative
Matthew Franklin	MidPen Housing	Bob Glover	BIA Bay Area
Ariane Hogan	Genentech	Rich Gross	Enterprise
Sam Liccardo	City of San José	Jennifer Hernandez	Holland and Knight
Jake Mackenzie	MTC	Joshua Howard	California Apartment Association
Michael Matthews	Facebook	Lynn Hutchins	Goldfarb Lipman LLP
Rebecca Prozan	Google	Aimee Inglis	Tenants Together
David Rabbitt	ABAG	Janice Jensen	Habitat for Humanity
Dave Regan	SEIU	Mark Kroll	Saris Regis Group
Libby Schaaf	City of Oakland	Scott Littlehale	Nor Cal Carpenters Reg. Council
Ellen Wu	Urban Habitat	Linda Mandolini	Eden Housing
		Dr. Jennifer Martinez	PICO California
		Derecka Mehrens	Working Partnership, USA
		Tomiquia Moss	Hamilton Families
		Mary Murtagh	EAH Housing
		Adhi Nagraj	SPUR
		Denise Pinkston	Bay Area Council
		Ken Rich	City/County of San Francisco
		Matt Schwartz	CA Housing Partnership Corp.
		Doug Shoemaker	Mercy Housing
		Abby Thorne-Lyman	BART
		Randy Tsuda	City of Mountain View
		Matt Vander	Sluis Greenbelt Alliance
		Joseph Villarreal	Contra Costa Housing Authority
		Bill Witte	Related California

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED POLICY POSITION	RELATED LEGISLATION (information current as of 3/12/2019; subject to change)
<p>1. Just Cause Eviction Standards: Adopt a Bay Area-wide requirement that landlords must cite specific "just causes" (both fault and no-fault) for an eviction. Landlords are required to cover relocation assistance in all "no-fault" evictions. Exemptions would apply.</p> <p>Objective: <i>Protect tenants from arbitrary evictions.</i></p>	<p>DANVILLE CONCERN STATUS: Moderate, given limited rental housing stock. However, there is a potentially significant <i>unfunded mandate</i> if cities are responsible for administering/ adjudicating disputes.</p> <p>GENERAL CONCERNS</p> <p>Element 1 disincentivizes "house rich/cash poor" landlords (example: seniors) from rent if they are required to provide relocation assistance.</p>	<p>RECOMMENDATION</p> <p>Monitor legislative progress of these elements. If efforts move forward, advocate for amendments that would allow:</p> <ul style="list-style-type: none"> Require a "means test" (demonstration of need) to be required before receiving free legal assistance. Implementation to occur <i>after</i> new regional funding sources are available for administration. 	<p>AB 1481 (Bonta) [spot bill] – Non-substantive amendments to existing provisions of state law relating to residential tenancy (intro: 2/22/19).</p>
<p>2. Rent Cap: Establish a Bay Area-wide emergency rent cap that limits annual rent increases to "reasonable" amount. For an emergency period (defined as 15 years), the annual cap would be no more than CPI+5%. Certain exemptions and banking provisions would apply.</p> <p>Objective: <i>Decrease the number of households at risk of displacement and to prevent homelessness.</i></p>	<p>DANVILLE CONCERN STATUS: Moderate, given limited rental housing stock. However, there is a potentially significant <i>unfunded mandate</i> if cities are responsible for administering/ enforcing rent caps.</p> <p>GENERAL CONCERNS: Element 2 disincentivizes:</p> <ul style="list-style-type: none"> <i>Production</i> of housing units because it limits a project's potential return on a high-risk investment; <i>Maintenance and improvement</i> of the existing housing stock because property owners would be unable to recoup these investments. <i>Tenant turn-over</i>, leading to a potential "mismatch" between tenants and rental units, which could lead to a decrease in available housing stock. Once a tenant has secured a rent-controlled unit, he may not move and give up his rent control unit, even if housing needs change. Information source: https://www.brookings.edu/research/what-does-economic-evidence-tell-us-about-the-effects-of-rent-control/ 	<ul style="list-style-type: none"> Administrative responsibility to be assigned to an existing regional agency (no new regional bureaucracy). Mediation to be required as a part of a person seeking their legal remedies for unfair eviction. <p>If efforts move forward, advocate for amendments to apply statewide and/or apply the requirement on the counties that have the greatest disparity between job growth and housing (examples: San Francisco, San Mateo, and Santa Clara).</p>	<p>AB 1482 (Chiu) [spot bill] – Non-substantive amendments to existing provisions of state law relating to tenant rights (intro: 2/22/19).</p> <p>AB 36 (Bloom) [spot bill] – Stabilize rental prices and increase availability of affordable rental units (intro: 12/3/18).</p>
<p>3. Rent Assistance and Free Legal Counsel: Provide access to free legal counsel and emergency rent assistance for tenants with an urgent, temporary financial gap. Funding, policies and guidelines to be determined (presumably by the new regional housing authority) at a later time.</p> <p>Objective: <i>Ensure right to legal counsel; provide funding for emergency/temporary rent gap.</i></p>	<p>DANVILLE CONCERN STATUS: Moderate, given limited rental housing stock. However, there is a potentially significant <i>unfunded mandate</i> if cities are responsible for funding the program.</p> <p>GENERAL CONCERNS: Element 3 presumes <i>all</i> tenants lack resources to legal counsel while <i>all</i> landlords do not. The inverse could be true and would result in abuse on the part of tenants seeking to thwart a lawful eviction by a "house rich/cash poor" landlord (such as a senior citizen).</p>		<p>SB 18 (Skinner) [spot bill] – "Keep Californians Housed Act" (<i>applicable statewide</i>):</p> <ul style="list-style-type: none"> Extend provisions of state law to grant month-to-month tenants a 90-day notice prior to eviction Require State HCD to post landlord/tenant guide Appropriate funds from General Fund to State HCD to provide and administer statewide rental assistance grants Establish the "Homelessness Prevention and Legal Aid Fund" <p>(intro: 12/3/18, amended: 3/4/19)</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED POLICY POSITION	RELATED LEGISLATION (information current as of 3/12/2019; subject to change)																								
<p>4. Remove Regulatory Barriers to Accessory Dwelling Units (ADUs): Extend existing state law to allow ADUs on single family lots and multiple ADUs in existing multi-family buildings with ministerial approval.</p> <p>Forgives code violations in grandfathered ADUs. Impact fees to be based on a square foot basis and only on net new living area >500 SF.</p> <p>Objective: Increase more affordable units, provide income source for cost-burdened homeowners.</p>	<p>DANVILLE CONCERN STATUS: None. Danville has always championed construction of ADUs by making it simpler, faster and cheaper to build these units.</p> <p>CONSIDERATIONS</p> <ul style="list-style-type: none"> This Element indicates a lack of understanding that cities serve as a collection point for many pass-through fees, which represent the majority of all fees imposed on an ADU. <p>In Danville, these pass-through fees represent 82-percent of the fees incurred by a typical 742 SF ADU.</p> <ul style="list-style-type: none"> Removing energy efficiency requirements is contrary to established State GHG reduction goals. 	<p>RECOMMENDATION</p> <p>Full support and expansion of this element by:</p> <ul style="list-style-type: none"> Extending the fee limitation/reduction to all pass-through fees (including utility connection fees and school district student generation fees). Currently, pass-through fees represent 82% of total fees. <div data-bbox="1566 592 2243 1064" data-label="Figure"> <table border="1"> <caption>Permit Fees for Typical ADU in Danville (742 SF)</caption> <thead> <tr> <th>Category</th> <th>Fee Type</th> <th>Amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Total Pass-Through Fees (82%)</td> <td>EBMUD Meter Fee (Pass Through)</td> <td>\$7,100.00</td> <td>30%</td> </tr> <tr> <td>Central Sanitary Fee (Pass Through)</td> <td>\$8,500.00</td> <td>36%</td> </tr> <tr> <td>School District Fee (Pass Through)</td> <td>\$3,790.00</td> <td>16%</td> </tr> <tr> <td rowspan="3">Total Danville Fees (18%)</td> <td>Building Permit</td> <td>\$4,106.00</td> <td>17%</td> </tr> <tr> <td>Drainage Area Fee</td> <td>\$340.00</td> <td>1%</td> </tr> <tr> <td>School District Fee (Pass Through)</td> <td>\$3,790.00</td> <td>16%</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> Developing standardized ADU construction 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). Allow ADUs to be constructed without sprinklers. 	Category	Fee Type	Amount	Percentage	Total Pass-Through Fees (82%)	EBMUD Meter Fee (Pass Through)	\$7,100.00	30%	Central Sanitary Fee (Pass Through)	\$8,500.00	36%	School District Fee (Pass Through)	\$3,790.00	16%	Total Danville Fees (18%)	Building Permit	\$4,106.00	17%	Drainage Area Fee	\$340.00	1%	School District Fee (Pass Through)	\$3,790.00	16%	<p>AB 68 (Ting) – Accessory Dwelling Units - Land Use Requirements (<i>applicable statewide</i>):</p> <ul style="list-style-type: none"> Reduces ministerial approvals from 120 to 60 days Restricts ability to impose standards related to minimum lot size, floor area ratio (FAR), setbacks, replacement of off-street parking if garage is converted to ADU Prohibits local regulations from restricting ADUs if they are ≥ 800 SF and ≥ 16-feet high Clarifies definition of “owner occupant” and restricts frequency of occupancy monitoring Requires cities without ADU ordinances to grant ministerial approval consistent with state law (intro: 12/3/18) <p>AB 69 (Ting) – Accessory Dwelling Units – Small Home Building Standards (<i>applicable statewide</i>):</p> <ul style="list-style-type: none"> Require State HCD to propose small home building standards to the California Building Standards Commission governing ADUs and homes ≤ 800 SF Authorizes State HCD to notify State Attorney General if an ordinance violates state law (intro: 12/3/18) <p>SB 13 (Wieckowski) [spot bill] – Accessory Dwelling Units – Reduce Impact Fees (intro: 12/3/18)</p>
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SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED POLICY POSITION	RELATED LEGISLATION (information current as of 3/12/2019; subject to change)
<p>5. Minimum Zoning Near Transit: Establish state-wide <i>minimum zoning</i> for housing on all residential, commercial and institutional zones to allow ‘missing middle’ housing product types to be:</p> <ul style="list-style-type: none"> • Minimum 36-feet high within ½-mile of <i>high quality bus service</i>, defined as a bus stop with 15-min headways (weekday peak) and 30-min headways (weekend) • Minimum 55-feet high (75’ with density bonus) within ¼-mile of a major transit stop, defined as a rail station and a ferry terminal) <p><i>Housing Overlay on Low-Density Commercial Sites:</i> Make housing an allowable use on large commercially-zoned parcels near job centers with high quality transit.</p> <p><i>Tenant Protections:</i> Sites rezoned would be subject to tenant protections, demolition controls and “no net loss” provisions.</p> <p><i>Affordable Housing:</i> Required at levels not less than state density bonus law. Projects with 10-20 units should have option to pay in-lieu fee as its affordable housing obligation.</p> <p><i>Sensitive Communities:</i> receive an automatic 3-year deferral on implementation while the city develops a context-sensitive plan.</p> <p>Objective: <i>Spur development of the ‘missing middle’ housing types within reach of working families.</i></p>	<p>DANVILLE CONCERN STATUS: Low to moderate, as Danville has limited transit service and no major job centers. However, this is precedent-setting policy.</p> <p>GENERAL CONCERNS: This is a one-size-fits-all approach that:</p> <ul style="list-style-type: none"> • <i>Globalizes a housing crisis</i> that is really localized to 3 out of 9 counties in the San Francisco Bay Area, where the greatest disparity between job growth and housing growth exists (San Francisco, San Mateo and Santa Clara counties). • <i>Ignores community context</i> – creating potential land use incompatibility issues with tall developments immediately adjacent to low density neighborhoods. • <i>Generates impacts on local infrastructure</i> (i.e., water, sewer, schools, traffic) while fee limitations proposed in Element 6 limits ability to mitigate those impacts. • <i>Creates land speculation</i> around transit zones, driving up land costs and in turn causing housing development costs to rise. • Requiring minimum <i>height does not create density</i>, as it is possible to build a tall multi-story project with large, lower density, luxury units. • Unaware of the fact that <i>transit service is not static</i> in suburban cities; tying housing requirements to transit routes which may be eliminated due to budget cuts (or lowering demand) is problematic as it introduces density to areas that may not have any transportation. • Unaware of the fact that some commercially zoned properties are purposely zoned as such to serve predominately residential areas; as a State GHG reduction goal to lower vehicles miles traveled (VMT). 	<p>RECOMMENDATION</p> <p>Oppose unless amended as follows:</p> <ul style="list-style-type: none"> • Apply minimum zoning requirements in subregions where job growth has far exceeded the existing housing stock plus new growth by a pre-determined percentage. • Apply a higher RHNA allocation to those subregions where job growth has far exceeded the existing housing stock plus new growth by a pre-determined percentage. • Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit. • 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. • Apply density increase as a <i>percentage</i> of adjacent land uses (example: 50% increase in density or height) in acknowledgement that not all communities take the same form near transit lines (example: San Francisco vs the Rockridge area of Oakland). • 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. <p>Monitor any legislation regarding the definition and requirements on “low density” commercial areas.</p>	<p>SB 50 (Wiener) – “Equitable Communities Incentive” (<i>applicable statewide</i>):</p> <ul style="list-style-type: none"> • Qualified “job-rich” and or “transit-rich” housing projects would receive waivers in from maximum density controls, parking requirements, and up to three additional incentives allowable under existing Density Bonus Law • Additional waivers for projects located within ½-mile or ¼-mile radius of major transit stop • Defers these requirements for “sensitive communities” until January 1, 2025 <p>(intro: 12/3/18)</p>

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<p>6. “Good Government” Reforms to Housing Approval Process: Streamlining the permitting process and how residential impact fees are set and enforced.</p> <ul style="list-style-type: none"> • <i>Streamlining</i> (zoning compliant projects <500 units): Includes “locking” rules, fees and historic status at the date of the “application completeness”; permits no more than 3 de novo hearings for each project. • <i>Impact Fees:</i> Impose a state standard for establishing and imposing impact fees using objective standards rather than current “reasonableness” test. Allow for fee deferral (pay some fees at a later point in the development process). • <i>Inclusionary Zoning:</i> Establish state law that precludes inclusionary programs from being ‘additive’ (density bonus, housing impact fees, local inclusionary requirements). Requires in-lieu fees to be an option for fulfilling inclusion (i.e., ability to ‘buy’ out of providing onsite affordable housing). • <i>Downzoning and Moratoria:</i> State to set criteria for when these can be used locally. • <i>Annual ‘Impositions’ Report:</i> Recommends cities annually document any impositions (undefined) that would increase the hard cost (excludes labor and materials) of housing construction (such as fees and inclusionary zoning requirements). <p>Objective: Remove ‘regulatory uncertainty’ perceived to be a major cause of economically infeasible projects.</p>	<p>DANVILLE CONCERN STATUS: Moderate to high. Danville has limited transit service and no large employment centers. However, this is precedent-setting and the definition of “high quality” transit may change.</p> <p>GENERAL CONCERNS: This is a one-size-fits-all approach that:</p> <ul style="list-style-type: none"> • Disincentivizes developers to collaborate on delivering projects that best meet community needs (such as mitigating traffic and infrastructure impacts, offering community amenities). • Potentially eliminates ability to negotiate community benefits (services and infrastructure to support those who would occupy the housing) as a part of the development process. • Sends a mixed message regarding inclusionary housing, which has been the greatest single contributor to affordable housing in Danville. Elements of the Compact require inclusionary housing, while this element alleviates the inclusionary requirement for developers. • As written, this Element severely limits a city’s ability to use good design and planning techniques to integrate new affordable housing into the fabric of a community, which will likely result in further community resistance to affordable housing development. 	<p>RECOMMENDATION</p> <p>Support with amendments as follows:</p> <ul style="list-style-type: none"> • Require a higher on-site affordability percentage for any project that benefits from permit streamlining or fee caps/waivers (i.e., minimum of 25% on-site affordability level for a 35% density bonus with permit streamlining and/or fee caps). • 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 local design standards and controls to ensure context sensitivity. <p>Monitor any legislation regarding the definition and requirements related to an “impositions report.”</p>	<p>AB 1483 (Grayson) – Transparency in fees and reporting requirements (<i>applicable statewide</i>):</p> <ul style="list-style-type: none"> • Compile zoning and development standards and development fees imposed and post on website, submit to State HCD and metropolitan planning organization (such as MTC) • Annually submit list of all pending housing development projects to State HCD and metropolitan planning organization (such as MTC) <p>(intro: 2/22/19)</p> <p>AB 1484 (Grayson) – Restrictions on changes in housing and development fees after project submittal (<i>applicable statewide</i>):</p> <ul style="list-style-type: none"> • Prohibits cities from imposing a fee unless it is specifically listed on the website at the time of project submittal • Requires cities to provide the project applicant the web location which lists all fees applicable to the housing development • Prohibits cities from imposing, increasing or extending fees on a housing development project that is in excess of the list provided <p>(intro: 2/22/19)</p> <p>SB 330 (Skinner) – “Housing Crisis Act of 2019” (<i>applicable statewide</i>): Among other things, this would prohibit cities and voter-approved initiatives from down-zoning land, imposing housing moratoriums, imposing costly design standards, establishing caps on discretionary approvals, and establishes maximum 3 de novo hearings on housing proposals.</p> <p>(intro: 2/19/19)</p>

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<p>7. Expedited Approvals and Financial Incentives: Another permit streamlining effort to accelerate approvals of zoning-compliant projects and enable on-site affordability with financial incentives.</p> <p><i>Streamlining:</i> Applies to zoning compliant projects that restrict at least 20% of onsite housing units to middle-income households, defined as 80-150% of area median income (AMI). Projects granted a statutory CEQA exemption and limited discretionary review.</p> <p><i>Financial Incentives</i> include 15-year property tax increment abatement, cap on impact fees, parking standards reduced to 50% of local requirement. Projects to pay prevailing wage.</p> <p><i>Sensitive Communities:</i> receive an automatic 3-year deferral on implementation while the city develops a context-sensitive plan.</p> <p>Objective: Build more of the 'missing middle' housing units.</p>	<p>DANVILLE CONCERN STATUS: Moderate. Danville has limited developable lands remaining. However, the remaining new and infill developments generate impacts that rely on fees to mitigate.</p> <p>CONCERNS: This is a one-size-fits-all approach that generates many of the same concerns as described in Element #6. Additionally:</p> <ul style="list-style-type: none"> • Capping to a "reasonable" level ignores the fact this test is <i>already in place</i>; further, "reasonable" is currently undefined • Further caps on impact fees would eliminate funding sources to provide services and infrastructure (example: school, transit, etc.). • Requirement to pay prevailing wage is inconsistent with the overall goal to lower housing construction costs. 	<p>RECOMMENDATION</p> <p>Support with amendments as follows:</p> <ul style="list-style-type: none"> • Require a higher on-site affordability percentage for any project that benefits from expedited approvals or financial incentives (i.e., minimum of 25% on-site affordability level for a 35% density bonus with permit streamlining and/or fee reductions). • Require fee caps or reductions to apply across the board to all agencies and services districts (i.e., school districts, water districts, sewer/sanitary districts, fire districts). • 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 local design standards and controls to ensure context sensitivity. • Allow an automatic deferral on implementation all cities (not just Sensitive Communities) to incorporate these requirements into their General Plans and obtain local feedback. 	<p>AB 1485 (Wicks/Quirk) [spot bill] – Housing development streamlining for zoning-compliant projects, financial incentives for onsite affordability and prevailing wages. Would allow "sensitive communities" to defer implementation. (intro: 2/22/19)</p> <p>AB 1706 (Qirk) [spot bill] – Affordable housing streamlining, tax incentives and other benefits to developers of qualified middle-income housing projects. (intro: 2/22/19)</p> <p>SB 6 (Beall/McGuire) [spot bill] – Requires State HCD to provide list of local lands suitable and available for residential development (to be identified by cities as a part of their Housing Element). Database to be searchable and publicly accessible. (intro: 12/3/18)</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED POLICY POSITION	RELATED LEGISLATION (information current as of 3/12/2019; subject to change)
<p>8. Unlock Public Lands for Affordable Housing: Promote use of “surplus” and “underutilized” public lands (undefined) for affordable housing through legislative and regulatory changes.</p> <p>This would also create a database listing all publicly owned land in the Bay Area, limit approval process to no more than two years, and deploy 10 percent of underutilized/surplus public land to affordable housing development on an annual basis.</p> <p>Element also calls for policies to help expand the housing construction labor pool, including requiring trained apprentices and prevailing wages. Exceptions would apply to temporary housing built to address an emergency.</p> <p>Objective: <i>Encourage re-use of public land for mixed income/affordable housing units.</i></p>	<p>DANVILLE CONCERN STATUS: Low to moderate. Danville has limited “surplus” and “underutilized” lands remaining, based on an interpretation of these terms.</p> <p>CONCERNS: This is a one-size-fits-all approach that:</p> <ul style="list-style-type: none"> • Ignores the fact that not all public lands have the same value for affordable housing development, as some large tracts of public land are located at the suburban fringe, away from transit and its development would lead to urban sprawl – thereby exacerbating the jobs/housing imbalance. • Ignores the fact that land development is driven by market forces, which cities do not control. • Disregards the efforts underway by local communities to plan vacant lands around transit in a context-sensitive manner. 	<p>RECOMMENDATION</p> <p>Monitor any developing legislation regarding the definition of “surplus/underutilized” lands.</p> <p>As appropriate, advocate for amendments that would allow:</p> <ul style="list-style-type: none"> • Clear and objective standards for the definition of “surplus land.” • Cities to partner with the public entity which owns the surplus land to ensure projects are developed in a manner consistent with local plans and design standards. • Apply requirements in counties where job growth has far exceeded the existing housing stock plus new growth by a pre-determined percentage. 	<p>AB 1486 (Ting) – Public surplus land for housing development, among other things:</p> <ul style="list-style-type: none"> • Expands definitions of “local agency” to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies (RDAs), etc.; • Defines “surplus land” to mean land owned by any local agency that is not necessary for the agency’s government operations • Defines the term “dispose of” to include sale, lease, transfer or other conveyance of interest in real property; • Notification requirements to include council of governments (e.g., Association of Bay Area Governments or ABAG); • Limits negotiations on sales price and lease terms, including the amount and timing of payments <p>(intro: 2/22/19)</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED POLICY POSITION	RELATED LEGISLATION (information current as of 3/12/2019; subject to change)
<p>9. Funding and Financing the CASA Compact: Raise \$1.5 billion new revenue annually from broad range of sources including (but not limited to) property taxes, ¼-cent sales tax, head tax, and General Obligation Bonds (reissued every 5 years). Of the total \$1.5 billion, \$300 million would come from local communities (former RDA set aside and future tax increment).</p> <p>New revenue <i>allocation</i> formula: - Up to 10% for local jurisdiction incentives - Remainder to tenant protection, preservation, housing subsidies</p> <p>New revenue <i>distribution</i> formula: - 75% to county of origin (“return to source”) - 25% to regional program (“revenue sharing”)</p> <p>Revenue collection and disbursement would be managed by a new regional housing authority (described in Element 10).</p> <p>Objective: <i>Fund elements of the Compact that requires public subsidy (e.g., rental assistance, free legal counsel, financial incentives, etc.).</i></p>	<p>DANVILLE CONCERN STATUS: High. Though not included in the Compact, the Governor has already suggested withholding SB1 funds from cities that do not meet their RHNA assignment.</p> <p>CONCERNS</p> <ul style="list-style-type: none"> No “return to source” formula at the city-level, resulting in a greater perception of some communities being “donor communities” without having resources to meet its assigned housing obligation. Vacant property tax could be punitive to small property owners, particularly if vacancy is beyond their control. Potential <i>unfunded mandate</i> if enforcement responsibility falls upon local cities. Commercial fees/taxes may be counterproductive if it drives employers out of the region and suppresses business retention. The property tax “set aside” is punitive to those cities – such as Danville - whose tax base is largely from property taxes. Wide range of new taxes and fees may limit a city’s taxing capacity (limit its voters’ appetite to pass local funding measures). 	<p>RECOMMENDATION</p> <p>Oppose unless amended as follows:</p> <ul style="list-style-type: none"> Defined 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., a city that receives lower funding level should receive a lower regional housing assignment). Eliminate proposals that would reduce current property tax or transportation funding to cities. <p>Support for following funding sources:</p> <ul style="list-style-type: none"> Statewide voter-approved sales tax or General Obligation bonds to pay for housing initiative. “Head tax” on new employers with ≥ 500 employees. 	<p>AB 1487 (Chiu) – Changes to Housing Element Law (non-substantive) (intro: 2/22/19)</p> <p>AB 10 (Chiu) – Expands state’s Low Income Tax Credit Program by \$500 million per year, up from \$94 million, for farmworker housing projects. (intro: 12/3/18)</p> <p>AB 11 (Chiu) – “Community Redevelopment Law of 2019” would authorize a city, county (or a combination) to form an affordable housing and infrastructure agency; use tax increment financing to fund affordable housing and infrastructure projects. (intro: 12/3/18)</p> <p>SB 5 (Beall/McGuire):</p> <ul style="list-style-type: none"> Authorizes cities to use ERAF funds for affordable housing or community improvement purposes; Establishes the “Local-State Sustainable Investment Incentive Program” Authorizes cities, JPAs, infrastructure financing districts, affordable housing authorities (etc) to apply for program funding <p>(intro: 12/3/18)</p> <p>ACA 1 (Aguiar-Curry) - Local government financing for affordable housing and public infrastructure:</p> <ul style="list-style-type: none"> Creating additional exception to the 1% limit on the ad valorem tax rate on real property Reduces the voter threshold to 55% for local bonds for affordable housing or public infrastructure <p>(intro: 12/3/18)</p>

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<p>10. Regional Housing Enterprise (RHE): Establishes a new independent regional housing agency - formed through state legislation - to implement the Compact. It would have the authority to collect and distribute revenue, issue debt, buy/lease/hold land, and track/report on local progress. No regulatory or enforcement powers.</p> <p>Composition: independent board with representation from MTC, ABAG, and stakeholder groups that created the Compact.</p> <p>Objective: <i>Administers the Compact.</i></p>	<p>CONCERNS</p> <ul style="list-style-type: none"> • Creating a new agency 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 reporting requirements that necessitates a commitment of limited staff resources 	<p>RECOMMENDATION</p> <p>Oppose unless amended as follows:</p> <ul style="list-style-type: none"> • Assign any regional implementation efforts to existing agencies (i.e., MTC or ABAG) and housing authorities (i.e., county housing authority). 	<p>SB 5 (Beall/McGuire) - Establishes the "Sustainable Investment Incentive Committee" to administer "Local-State Sustainable Investment Incentive Program"</p>

Tri-Valley Cities

DANVILLE • DUBLIN • LIVERMORE • PLEASANTON • SAN RAMON

Date: February 20, 2019
To: Tri-Valley Mayors and City Councils
From: Tri-Valley Cities City Managers
Subject: Tri-Valley Cities Housing and Policy Framework

Background

The Tri-Valley cities of Dublin, Livermore, Pleasanton, San Ramon, and the Town of Danville (collectively known in this document as, “Tri-Valley Cities”) value regional leadership and collaboration to maintain and improve the quality of life for Tri-Valley residents and to create a positive environment for employers. The Tri-Valley Cities recognize the challenge of providing adequate and affordable housing opportunities in the region. Recent efforts at the regional level, through the Committee to House the Bay Area (CASA) and by State legislators have brought these challenges and the resultant policy implications for the Tri-Valley into sharper focus.

Purpose

There is a unique opportunity for the Tri-Valley 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 control.

Knowing that new housing bills are likely to be introduced by State legislators in 2019 and beyond, the Tri-Valley Cities are collaborating to take a proactive and nuanced approach to advocacy and engagement. Each jurisdiction has its own perspective on how to best meet the needs of their residents and business communities. However, many of our interests overlap, which allows for collaboration and advocacy that will strengthen the voice of the Tri-Valley.

Action and Information

Tri-Valley Cities have developed the Tri-Valley Cities Housing and Policy Framework to provide a comprehensive statement of the Tri-Valley Cities legislative approach in the area of housing. Included within the Framework are a CASA Compact Summary with Recommendations, and SB 50 Overview. In addition, the Tri-Valley Cities has prepared a Housing and Policy Framework Frequently Asked Questions (FAQ) exhibit as well as a Draft Resolution. The Tri-Valley Cities will collectively and individually consider adopting a Resolution in support of the Tri-Valley Cities Housing Paper and Policy Framework.

Attachments:

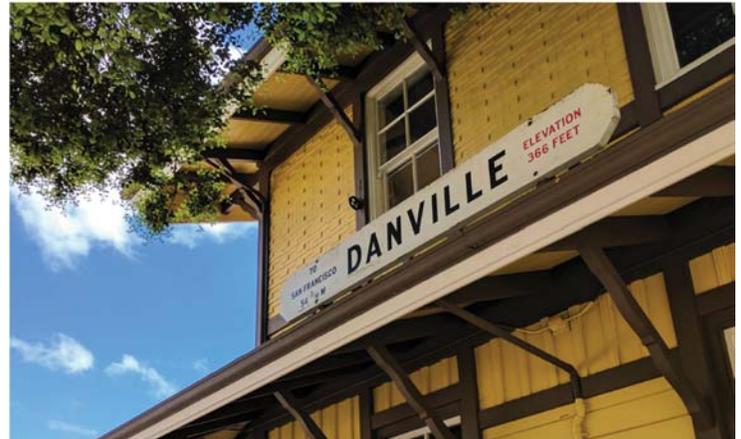
1. Tri-Valley Cities Housing and Policy Framework with Attachments
2. Housing and Policy Framework Frequently Asked Questions
3. Draft Resolution supporting the Tri-Valley Cities Housing and Policy Framework





TRI-VALLEY CITIES

Housing and Policy Framework



February 2019

PREAMBLE

The Tri-Valley cities of Dublin, Livermore, Pleasanton, San Ramon, and the Town of Danville (collectively known in this document as, “Tri-Valley Cities”) value regional leadership and collaboration to maintain and improve the quality of life for Tri-Valley residents and to create a positive environment for employers. The Tri-Valley Cities recognize the challenge of providing adequate and affordable housing opportunities in the region. Recent efforts at the regional level, through the Committee to House the Bay Area (CASA) and by State legislators have brought these challenges and the resultant policy implications for the Tri-Valley into sharper focus. There is a unique opportunity for the Tri-Valley 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 Tri-Valley Cities 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 goals are to influence the legislative process and create a shared Tri-Valley position on key topics, where possible. While this approach identifies common areas of concern, each city continues to pursue their own individual areas of concern that are context sensitive to their community.

INTRODUCTION

Each jurisdiction has its own perspective on how to best meet the needs of their residents and business communities. However, many of our interests overlap, which allows for collaboration and advocacy that will strengthen the voice of the Tri-Valley. Tri-Valley Cities 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. To that end, the Tri-Valley Cities have adopted a Legislative Framework to help collectively work on legislative issues at the local, regional, state and federal levels. There are seven (7) Focus Areas which guide this education and advocacy work together which are:

1. Public Infrastructure
2. Transportation
3. Housing
4. Local Decision Making
5. Fiscal Sustainability
6. Economic Development
7. Public Safety

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 the Tri-Valley. Recent history has demonstrated that simply opposing legislation does not work (and in fact, may be counter-productive) and that the Tri-Valley Cities will need to collaborate to influence legislative efforts, including 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 laws known as the 2017 "Housing Package". The 15 new laws focus 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 the Tri-Valley Cities) responded to the proposed legislation with an outright rejection of the entire Housing Package. Nonetheless, 15 new bills were signed into law and in 2018 most local jurisdictions began implementation of these measures in various ways. Key pieces of that new 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.

Certification and Annual Progress Report (APR)

After local adoption, State law provides the California Department of Housing and Community Development (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.

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. 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* these housing units. 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 SB166) 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 2014-2022 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 the five Tri-Valley jurisdictions.

Table 1 – Tri-Valley Cities 2014-2022 RHNA and Housing Production

Income Level	RHNA Allocation by Income Level	2015	2016	2017	Total Units Built to Date	Total Remaining RHNA by Income Level
Very Low	3,063	80	148	52	280	2,783 ¹
Low	1,701	58	121	36	215	1,486 ¹
Moderate	1,734	35	571	36	642	1,092
Above Moderate	2,557	2,551	911	1,824	5,286	0
Total RHNA	9,055	2,724	1,751	1,948	6,423	5,361

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

Similar to many communities throughout the Bay Area, the Tri-Valley has met its RHNA for above-moderate housing, production of very-low, low- and moderate-income units has been more modest. In fact, most of the low- and very-low income unit production has been generated by inclusionary zoning² 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.

RECENT CHANGES TO STATE LAW

The extensive housing legislation passed in 2017 (Housing Package) and supplemented in 2018 reflects the seriousness of the affordable housing crisis for State leaders. The focus has been largely on holding local government accountable (increasing reporting and monitoring), reducing public 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 Tri-Valley 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

¹ Very low and low income housing is only produced through inclusionary zoning or subsidies through City Low Income Housing Fees (LIHF), Regional/County Bonds, state and federal tax credits, or other subsidized programs.

² Inclusionary Zoning = local zoning code standards that require a portion of a market rate project to be provided (and maintained) at below-market-rate.

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 its units to be affordable to households classified as having 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 government 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, within one-half mile of an existing or planned BART station entrance. All cities must adopt conforming standards within two years of BART adopting 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.

FUTURE LEGISLATION

Local jurisdictions should expect another round of significant housing legislation in 2019 and likely beyond. 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, or the Committee to House the Bay Area, 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 work product is referred to as the CASA Compact (Compact), an ambitious 10-point plan to remedy the Bay Area's housing issues.

CASA Compact (see [Attachment 1](#))

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)
- 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 (such as Napa) would not alleviate the crisis in the three big counties. 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.

See [Attachment 1](#) for a more detailed breakdown of the CASA Compact, local concerns, and recommended approaches for future advocacy work.

PENDING LEGISLATION (2019)

The 2019 legislative cycle in Sacramento will result in numerous housing-related bills. The Tri-Valley Cities will continue to monitor and advocate as appropriate. One bill that has received significant attention at this time is SB 50.

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 attached 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.

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.

NEXT STEPS

- Housing and Policy Framework Workshop for Mayors and City Councilmembers
- Develop engagement materials that highlight the narrative regarding key themes
- Work with advocacy firm Townsend Public Affairs to identify and coordinate opportunities for the Tri-Valley Cities to engage with local, regional, and State representatives

ATTACHMENTS

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

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>1. Just Cause Eviction Standards: Adopt a Bay Area-wide requirement that landlords must cite specific "just causes" (both fault and no-fault) for an eviction. Landlords are required to cover relocation assistance in all "no-fault" evictions. Exemptions would apply.</p> <p>Objective: Protect tenants from arbitrary evictions.</p>	<p>CONCERN STATUS: Low, there is a potentially significant <i>unfunded mandate</i> if cities are responsible for administering/enforcing measures.</p> <p>CONCERNS</p> <ul style="list-style-type: none"> Disincentivizes property owners, who spend a large portion of total income on housing cost, from making housing available for rent on the open market if they are required to provide relocation assistance. 	<p>Monitor legislative progress of these elements. If efforts move forward, advocate for amendments that would allow:</p> <ul style="list-style-type: none"> Implementation to occur <i>after</i> new regional funding sources are available for administration. Administrative responsibility to be assigned to an existing regional agency (no new regional bureaucracy). Mediation to be required as a part of a person seeking their legal remedies for unfair eviction. Provide exemptions for homeowners with ADUs and owner-occupied duplex and triplex units. 	<p>FUNDING AND RESOURCES</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>2. Rent Cap: Establish a Bay Area-wide emergency rent cap that limits annual rent increases to “reasonable” amount. For an emergency period (defined as 15 years), the annual cap would be no more than CPI+5%. Certain exemptions and banking provisions would apply.</p> <p><i>Objective: Decrease the number of households at risk of displacement and to prevent homelessness.</i></p>	<p>CONCERN STATUS: Low, this element has the potential to be counterproductive to multi-family housing production (rent cap disincentivize investment).</p> <p>CONCERNS</p> <ul style="list-style-type: none"> • <i>Production</i> of housing units because it limits a project’s potential return on a high-risk investment; • <i>Maintenance and improvement</i> of the existing housing stock because property owners would be unable to recoup these investments. • <i>Tenant turn-over</i>, leading to a potential “mis-match” between tenants and rental units, which could lead to a decrease in available housing stock. Once a tenant has secured a rent-controlled apartment, s/he may not choose to move in the future and give up the rent-controlled unit, even if housing needs change. Research information source: https://www.brookings.edu/research/what-does-economic-evidence-tell-us-about-the-effects-of-rent-control/ • <i>Rent control was recently defeated at the ballot box.</i> 	<p>Monitor legislative progress of these elements. If efforts move forward, advocate for amendments that would allow:</p> <ul style="list-style-type: none"> • Uninhibited production of new rental units and incentives for existing rental units to stay rental and not be converted to for-sale units. • Ensure landlords have ability to cover all necessary maintenance and administrative costs. • Allow a reasonable time period for newly constructed rental units not be subject to rent cap and then it can apply. 	<p>FUNDING AND RESOURCES PROTECT AFFORDABILITY</p>
<p>3. Rent Assistance and Free Legal Counsel: Provide access to free legal counsel and emergency rent assistance for tenants with an urgent, temporary financial gap. Funding, policies and guidelines to be determined (presumably by the new regional housing authority) at a later time.</p> <p><i>Objective: Ensure right to legal counsel; provide funding for emergency/temporary rent gap.</i></p>	<p>CONCERN STATUS: Low, there is a potentially significant <i>unfunded mandate</i> if cities are responsible for administering/enforcing measures.</p> <p>CONCERNS</p> <ul style="list-style-type: none"> • Presumes <i>all</i> tenants lack resources to legal counsel while <i>all</i> landlords do not. The inverse could be true and result in abuse of the system on the part of tenants seeking to thwart a lawful eviction. 	<p>Monitor legislative progress of these elements. If efforts move forward, advocate for amendments that would allow:</p> <ul style="list-style-type: none"> • Implementation to occur <i>after</i> new regional funding sources are available for administration. • Administrative responsibility to be assigned to an existing regional agency (no new regional bureaucracy). • A “means test” (demonstration of need) to be required before receiving free legal assistance. 	<p>FUNDING AND RESOURCES</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>4. Remove Regulatory Barriers to Accessory Dwelling Units (ADUs): Extend existing state law to allow ADUs on single family lots and multiple ADUs in existing multi-family buildings with ministerial approval.</p> <p>Forgives code violations in grandfathered ADUs. Impact fees to be based on a square foot basis and only on net new living area >500 SF.</p> <p>Objective: Increase more affordable units, provide income source for cost-burdened homeowners.</p>	<p>CONCERN STATUS: Low, cities have generally supported the production of ADUs by making it simpler, faster and cheaper to build these units.</p> <p>CONCERNS</p> <ul style="list-style-type: none"> This Element indicates a lack of understanding that cities serve as a collection point for many pass-through fees to other public agencies (such as utility connection and school district fees), which represent the majority of all fees imposed on an ADU. For example, in the San Ramon valley, these fees represent 79-percent of the fees incurred by a typical 742 SF ADU. <p>Given their disproportionate percentage of the total fee amount, limitations and reduction should apply to ALL pass-through public agencies.</p> <ul style="list-style-type: none"> Removing energy efficiency requirements is contrary to established State Green House Gas (GHG) reduction goals. Reducing fees across the board without an evaluation of the impacts to public services and infrastructure is contrary to the fiscal sustainability of each city. Code violations should not be forgiven if they pose health and safety concerns. 	<p>Full support and expansion of this element by:</p> <ul style="list-style-type: none"> Extending the fee limitation/reduction to <i>all</i> pass-through 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. 	<p>CONTEXT-SENSITIVE HOUSING</p>

<p>5. Minimum Zoning Near Transit: Establish state-wide <i>minimum zoning</i> for housing on all residential, commercial and institutional zones to allow ‘missing middle’ housing product types to be:</p> <ul style="list-style-type: none"> • Minimum 36-feet high within 1/2-mile of high quality bus service, defined as a bus stop with 15-min headways (weekday peak) and 30-min headways (weekend) • Minimum 55-feet high (75’ with density bonus) within 1/4-mile of a major transit stop, defined as a rail station or a ferry terminal) <p><i>Housing Overlay on Low-Density Commercial Sites: Make housing an allowable use on large commercially-zoned parcels near job centers with high quality transit.</i></p> <p><i>Tenant Protections: Sites rezoned would be subject to tenant protections, demolition controls and “no net loss” provisions.</i></p> <p><i>Affordable Housing: Required at levels not less than state density bonus law. Projects with 10-20 units should have option to pay in-lieu fee as its affordable housing obligation.</i></p> <p><i>Sensitive Communities: receive an automatic 3-year deferral on implementation while the city develops a context-sensitive plan.</i></p> <p>Objective: Spur development near transit.</p>	<p>CONCERN STATUS: High, as it ignores community context with the potential for significant displacement and land speculation near transit.</p> <p>CONCERNS: This is a one-size-fits-all approach that:</p> <ul style="list-style-type: none"> • <i>Ignores community context</i> – creating potential land use incompatibility issues with tall developments immediately adjacent to low density areas or within historic districts/downtowns. • Generates <i>impacts on local infrastructure</i> (i.e., water, sewer, schools, traffic) while fee limitations proposed in Element 6 limits ability to mitigate those impacts. • Creates <i>land speculation</i> around transit zones, driving up land costs and in turn causing housing development costs to rise. • Requiring minimum <i>height does not create density</i>, as it is possible to build a tall multi-story project with lower density luxury units. • Unaware of the fact that <i>transit service is not static</i> in suburban cities; tying housing requirements to transit routes which may be eliminated due to budget cuts (or lowering demand) is problematic as it introduces density to areas that may not have any transportation. • Unaware of the fact that some commercially zoned properties are purposely zoned as such to serve predominately residential areas; as a State Green House Gas (GHG) reduction goal to lower vehicles miles traveled (VMT). • Does not include frequency thresholds or minimum headways for rail station or ferry terminal definitions. • Creates housing near transit but is unclear about proximity to jobs. 	<p>Oppose unless amended as follows:</p> <ul style="list-style-type: none"> • 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 <i>percentage</i> of adjacent land uses (example: 50% increase in density or height) in acknowledgement that not all communities take the same form near transit lines (example: San Francisco vs the Pleasanton/Dublin Area). • 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. <p>Monitor any legislation regarding the definition and requirements on “low density” commercial areas.</p> <p>Balanced Approach: Pursue and support policies that maintain the delicate balance of jobs, adequate affordable housing, and a robust transportation network to connect new housing to jobs and daily services. Actively discourage policies that favors one of these at the expense of the others.</p>	<p>CONTEXT-SENSITIVE HOUSING BALANCED SOLUTIONS INFRASTRUCTURE AND SERVICES</p>
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SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>6. “Good Government” Reforms to Housing Approval Process: Focused on streamlining the permitting process and how residential impact fees are set and enforced.</p> <ul style="list-style-type: none"> • Streamlining (zoning compliant projects <500 units): Includes “locking” rules, fees and historic status at the date of the “application completeness”; permits no more than 3 de novo hearings for each project. • Impact Fees: Impose a state standard for establishing and imposing impact fees using objective standards rather than current “reasonableness” test. Allow for fee deferral (pay some fees at a later point in the development process). • Inclusionary Zoning: Establish state law that precludes inclusionary programs from being ‘additive’ (density bonus, housing impact fees, local inclusionary requirements). Requires in-lieu fees to be an option for fulfilling inclusion (i.e., ability to ‘buy’ out of providing onsite affordable housing). • Downzoning and Moratoria: State to set criteria for when these can be used locally. • Annual ‘Impositions’ Report: Recommends cities annually document any impositions (undefined) that would increase the hard cost (excludes labor and materials) of housing construction (such as fees and inclusionary zoning requirements). <p><i>Objective: Remove ‘regulatory uncertainty’ perceived to be a major cause of economically infeasible projects.</i></p>	<p>CONCERN STATUS: High. This has the potential to significantly reduce public input in the review process which may lead to distrust and community concern.</p> <p>CONCERNS: This is a one-size-fits-all approach that:</p> <ul style="list-style-type: none"> • Disincentivizes developers to collaborate on delivering projects that best meet community needs (such as mitigating traffic and infrastructure impacts, offering community amenities). • Significantly reduces the ability to provide public input and the ability to satisfy the public concerns. Reducing public interest may lead to distrust. • Potentially eliminates ability to negotiate community benefits (services and infrastructure to support those who would occupy the housing) as a part of the development process. • Sends a mixed message regarding inclusionary housing, which has been the greatest single contributor to affordable housing in the Tri-Valley. Elements of the Compact require inclusionary housing, while this element alleviates the inclusionary requirement for developers. • As written, this Element severely limits a city’s ability to use good design and planning techniques to integrate new affordable housing into the fabric of a community, which will likely result in further community resistance to affordable housing development. 	<p>Oppose unless amended as follows:</p> <ul style="list-style-type: none"> • 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. <p>Monitor any legislation regarding the definition and requirements related to an “impositions report.”</p>	<p>FUNDING AND RESOURCES</p> <p>CONTEXT-SENSITIVE HOUSING</p>

<p>7. Expedited Approvals and Financial Incentives: Another permit streamlining effort to accelerate approvals of zoning-compliant projects and enable on-site affordability with financial incentives.</p> <p><i>Streamlining: Applies to zoning compliant projects that restrict at least 20% of onsite housing units to middle-income households, defined as 80-150% of area median income (AMI). Projects granted a statutory CEQA exemption and limited discretionary review.</i></p> <p><i>Financial Incentives include 15-year property tax increment abatement, cap on impact fees, parking standards reduced to 50% of local requirement. Projects to pay prevailing wage.</i></p> <p><i>Sensitive Communities: receive an automatic 3-year deferral on implementation while the city develops a context-sensitive plan.</i></p> <p><i>Objective: Build more moderate income housing units.</i></p>	<p>CONCERN STATUS: High. Much of the Tri-Valley has limited developable lands remaining. However, the remaining new and infill developments generate impacts that rely on fees to mitigate. There should be no net loss of local funding.</p> <p>CONCERNS: This one-size-fits-all approach generates many of the same concerns as described in Element #6. Additionally:</p> <ul style="list-style-type: none"> • Potential to reduce property tax allocations for each City. • Caps on impact fees to a “reasonable” level is currently undefined. • Further caps on impact fees would eliminate funding sources to provide services and infrastructure (example: school, transit, etc.). • Requirement to pay prevailing wage is inconsistent with the overall goal to lower housing construction costs. • Reducing tax allocations given to each city without an evaluation that the impacts generated continue to be covered is contrary to the fiscal sustainability of each city. 	<p>Oppose unless amended as follows:</p> <ul style="list-style-type: none"> • 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. 	<p>FUNDING AND RESOURCES</p> <p>CONTEXT-SENSITIVE HOUSING</p>
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SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>8. Unlock Public Lands for Affordable Housing: Promote use of “surplus” and “underutilized” public lands (undefined) for affordable housing through legislative and regulatory changes.</p> <p>This would also create a database listing all publicly owned land in the Bay Area, limit approval process to no more than two years, and deploy 10 percent of underutilized/surplus public land to affordable housing development on an annual basis.</p> <p>Element also calls for policies to help expand the housing construction labor pool, including requiring trained apprentices and prevailing wages. Exceptions would apply to temporary housing built to address an emergency.</p> <p>Objective: Encourage re-use of public land for mixed income/affordable housing units.</p>	<p>CONCERN STATUS: High. The Tri-Valley has varying amounts of public land between cities. However, the remaining public lands should include context sensitive community plans for each city.</p> <p>CONCERNS: This is a one-size-fits-all approach that:</p> <ul style="list-style-type: none"> • Ignores community context – creating potential land use incompatibility issues with tall developments immediately adjacent to low density areas or within historic districts/downtowns. • Ignores the fact that not all public lands have the same value for affordable housing development, as some large tracts of public land are located at the urban fringe, away from transit and is inappropriate for housing development that leads to sprawl. • Ignores the fact that ability to deploy land is driven by market forces, which cities do not control. • Disregards the efforts underway by local communities to plan vacant lands around transit in a context-sensitive manner. • Limits a city’s ability to use good design and planning techniques to integrate new affordable housing into the fabric of a community, which will likely result in further community resistance to affordable housing development. • Lacks a definition for surplus and underutilized land and how this proposal relates to the exiting Surplus Land Act requirement to offer surplus land to affordable housing developers and other public agencies. 	<p>Support with amendments as follows:</p> <ul style="list-style-type: none"> • 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. <p>Monitor any developing legislation regarding the definition of “surplus/underutilized” lands. As appropriate, advocate for amendments that would allow:</p> <ul style="list-style-type: none"> • Cities to partner with the public entity which owns the surplus land to ensure projects are developed in a manner consistent with local plans and design standards. 	<p>CONTEXT-SENSITIVE HOUSING</p> <p>BALANCED SOLUTIONS</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>9. Funding and Financing the CASA Compact: Raise \$1.5 billion new revenue annually from broad range of sources including (but not limited to) property taxes, 1/4-cent sales tax, head tax, and General Obligation Bonds (reissued every 5 years). Of the total \$1.5 billion, \$300 million would come from local communities (former RDA set aside and future tax increment).</p> <p>New revenue allocation formula:</p> <ul style="list-style-type: none"> - Up to 10% for local jurisdiction incentives - Remainder to tenant protection, preservation, housing subsidies <p>New revenue distribution formula:</p> <ul style="list-style-type: none"> - 75% to county of origin (“return to source”) - 25% to regional program (“revenue sharing”) <p>Revenue collection and disbursement would be managed by a new regional housing authority (described in Element 10).</p> <p>Objective: Fund elements of the Compact that requires public subsidy (e.g., rental assistance, free legal counsel, financial incentives, etc.).</p>	<p>CONCERN STATUS: High. Though not included in the Compact, the Governor has already suggested withholding SB1 funds from cities that do not meet their RHNA assignment. Most cities do not meet the RHNA assignment for at least low and very low units, mostly because such affordability requires significant local subsidies to even get built – the private market simply won’t build these units on its own.</p> <p>CONCERNS</p> <ul style="list-style-type: none"> • No “return to source” formula at the city-level, resulting in a greater perception of some communities being “donor communities” without having resources to meet its assigned housing obligation. • Vacant property tax could be punitive to small property owners, particularly if vacancy is beyond their control. Potential <i>unfunded mandate</i> if responsibility for enforcement falls upon local cities. • Commercial fees/taxes may be counterproductive if it drives employers out of the region and suppresses business retention. • The property tax “set aside” is punitive to those cities whose tax base is largely from property taxes. • Wide range of new taxes and fees may limit a city’s taxing capacity (limit its voters’ appetite to pass local funding measures). 	<p>Oppose unless amended to eliminate any reduction in current property tax or transportation funding to cities and amended as follows:</p> <ul style="list-style-type: none"> • Defined 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). <p>Support for the following funding sources:</p> <ul style="list-style-type: none"> • Statewide voter-approved sales tax or General Obligation bonds for affordable housing to pay for housing initiative. 	<p>FUNDING AND RESOURCES</p>

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	TVC POLICY FRAMEWORK KEY THEMES
<p>10. Regional Housing Enterprise (RHE): Establishes a new independent regional housing agency - formed through state legislation - to implement the Compact. It would have the authority to collect and distribute revenue, issue debt, buy/lease/hold land, and track/report on local progress. No regulatory or enforcement powers.</p> <p>Composition: independent board with representation from MTC, ABAG, and stakeholder groups that created the Compact.</p> <p>Objective: <i>Administers the Compact.</i></p>	<p>CONCERN STATUS: High. The Tri-Valley does not support creating an unrepresentative layer of oversight.</p> <p>CONCERNS</p> <ul style="list-style-type: none"> • 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). • Creates taxation without representation. • Existing agencies that could do the same functions, with additional funding, are not being considered instead of a new public agency. 	<p>Oppose because it is not representative of each city and includes taxation without representation.</p>	<p>FUNDING AND RESOURCES</p>

HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT
Legislative Agenda
January 17, 2019

1. SB 50 (Wiener) More HOMES Act (Housing, Opportunity, Mobility, and Stability)

Bill Summary:

SB 50 (Wiener) is a developer opt-in bill that would exempt specified housing projects from locally adopted parking requirements, density limits, height maximums limits less than 55 feet, and floor area ratio (FAR) maximums less than 3.25.

Bill Description:

Key Definitions

“Affordable” means available at affordable rent or affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate incomes, as specified in context, and subject to a recorded affordability restriction for at least 55 years.

“High-quality bus corridor” means a corridor with fixed route bus service that meets all of the following criteria:

- It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.
- It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through Friday.
- It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

“Job-rich housing project” means a residential development within an area identified by the Department of Housing and Community Development and the 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. A residential development shall be deemed to be within an area designated as job-rich if both of the following apply:

- All parcels within the project have no more than 25 percent of their area outside of the job-rich area.
- No more than 10 percent of residential units or 100 units, whichever is less, of the development are outside of the job-rich area.

“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. A project shall be deemed to be 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 if both of the following apply:

- All parcels within the project have no more than 25 percent of their area outside of 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.
- No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of 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.

“Local government” means a city, including a charter city, a county, or a city and county.

“Major transit stop” means a site containing an existing rail transit station or a ferry terminal served by either bus or rail transit service.

“Residential development” means a project with at least two-thirds of the square footage of the development designated for residential use.

“Sensitive community” means an area identified by the Department of Housing and Community Development, in consultation with local community-based organizations in each region, as an area vulnerable to displacement pressures, based on indicators such as percentage of tenant households living at, or under, the poverty line relative to the region.

Specifically, SB 50 (Wiener) is a developer opt-in bill that would require a city, county, or city and county to grant an equitable communities incentive to eligible development proponents. In order to be eligible for an equitable communities incentive, a residential development shall meet all of the following criteria:

- The residential development is either a job-rich housing project or transit-rich housing project.
- The residential development is located on a site that, at the time of application, is zoned to allow housing as an underlying use in the zone, including, but not limited to, a residential, mixed-use, or commercial zone, as defined and allowed by the local government.
- The residential development must comply with a locally adopted inclusionary housing ordinance, if it requires more than 20% for low-income and 11% for very low-income households.
- States that it is the intent of the Legislature to require that any development of _____ or more residential units receiving an equitable communities incentive include housing affordable to low, very low or extremely low income households, which, for projects with low or very low income units, are no less than the number of onsite units affordable to low or very low income households that would be required pursuant to subdivision (f) of Section 65915 for a development receiving a density bonus of 35 percent (20% for low-income and 11% for very low-income households.)
- The site does not contain, or has not contained, either of the following:

- Housing occupied by tenants within the seven years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the application for a development permit.
- A parcel or parcels on which an owner of residential real property has exercised his or her rights under the Ellis Act, Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application.
- The residential development complies with all applicable labor, construction employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government's conditional use or other discretionary permit approval process, the California Environmental Quality Act, or a streamlined approval process that includes labor protections.
- The residential development complies with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements.
- The equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing, local hire, or payment of prevailing wages.

A residential development that meets the criteria specified above shall receive, upon request, an equitable communities incentive as follows:

- "Job-rich housing project" shall receive the following:
 - A waiver from maximum controls on density.
 - A waiver from maximum automobile parking requirements greater than 0.5 automobile parking spots per unit.
 - Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.
- "Transit-rich housing project" shall receive the following:

A residential development within one-quarter mile radius of a stop on a high-quality bus corridor:

 - A waiver from maximum controls on density.
 - A waiver from maximum automobile parking requirements greater than 0.5 automobile parking spots per unit.

- Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

A residential development that is located within a one-half mile radius, but outside a one-quarter mile radius, of a major transit stop and includes no less than ____ percent affordable housing units shall receive an additional incentive as follows:

- A waiver from maximum controls on density.
- Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.
- A waiver from maximum height requirements less than 45 feet.
- A waiver from maximum FAR requirements less than 2.5.
- A waiver from maximum automobile parking requirement.

A residential development that is located within a one-quarter mile radius of a major transit stop and includes no less than ____ percent affordable housing units shall receive an additional incentive as follows:

- A waiver from maximum controls on density.
- Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.
- A waiver from maximum height requirements less than 55 feet.
- A waiver from maximum FAR requirements less than 3.25.
- A waiver from any maximum automobile parking requirement.

Notwithstanding any other law, for purposes of calculating any additional incentive or concession in accordance with Section 65915, the number of units in the residential development after applying the equitable communities incentive received pursuant to this chapter shall be used as the base density for calculating the incentive or concession under that section (Density Bonus law).

An eligible applicant proposing a project that meets all of the requirements under Section 65913.4 (SB 35 streamlining) may submit an application for streamlined, ministerial approval in accordance with that section.

A local government may modify or expand the terms of an equitable communities incentive provided that the equitable communities incentive is consistent with, and meets the minimum standards specified in, this chapter.

It is the intent of the Legislature that, absent exceptional circumstances, actions taken by a local legislative body that increase residential density not undermine the equitable communities incentive program.

“Sensitive community” delayed implementation - It is the intent of the Legislature that implementation of SB 50 be delayed in sensitive communities until July 1, 2020.

It is further the intent of the Legislature to enact legislation that does all of the following:

- Between January 1, 2020, and _____, allows a local government, in lieu of the requirements of this chapter, to opt for a community-led planning process aimed toward increasing residential density and multifamily housing choices near transit stops.
- Encourages sensitive communities to opt for a community-led planning process at the neighborhood level to develop zoning and other policies that encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.
- Sets minimum performance standards for community plans, such as minimum overall residential development capacity and the minimum affordability standards set forth.
- Automatically applies the provisions of this chapter on January 1, 2025, to sensitive communities that do not have adopted community plans that meet the minimum standards whether those plans were adopted prior to or after enactment.

Fiscal Impact:

No direct fiscal impact to cities.

Existing League Policy:

Zoning

The League believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and

hearing requirements in order to meet concerns of the local community. The League opposes legislation that seeks to limit local authority over parking requirements.

Comments:

What is a “job-rich housing project?”

SB 50 fails to define “job-rich housing project.” As currently drafted, HCD and OPR are tasked with making the determination. Without this definition it is impossible to determine the full scope of communities that may be impacted by this measure. Additionally, SB 50 waives maximum density controls and reduces parking to a maximum of .5 parking spots per unit, even though the community may not have access to public transit. This is inconsistent with the desire to add density near major transit stops.

What is a “sensitive community?”

Much like a “job-rich housing project”, “sensitive community” is not defined. As drafted, HCD and OPR, in consultation with local community-based organizations from the region, are tasked with determining these communities. It should be noted that local governments are excluded from the consultation process.

When does CEQA apply?

SB 50 clearly states that residential projects seeking an equitable communities incentive shall comply with CEQA. However, it is unclear if CEQA will be conducted before or after the incentive is applied. It would be most appropriate to undergo the environmental review process after the incentive has been applied so that the entire project can be considered.

Can a city establish height limitations for “job-rich housing projects” or “transit-rich housing projects” within one-quarter mile of a stop on a high-quality bus corridor?

It is unclear if a city can establish height limitations in these areas. Eligible projects receive up to three incentives and concessions pursuant to Density Bonus law. One possible concession is an exemption from local height limitations. This will need to be clarified.

Mayors in support of SB 50?

It is important to note that several Mayor’s are supporting SB 50. Below are their quotes from Senator Wiener’s press release.

San Francisco Mayor London Breed:

“San Francisco, along with the entire Bay Area, needs to create more housing if we are going to address the out of control housing costs that are causing displacement and hurting the diversity of our communities. I have seen too many people I grew up with pushed out of San Francisco because we have not built enough housing, especially affordable housing, throughout our entire City. I look forward to working with Senator Wiener and others to make sure SB 50 creates more housing opportunities near transit, while maintaining strong renter protections and demolition restrictions so we are

focusing development on empty lots and underutilized commercial spaces. I want to thank Senator Wiener for his continued leadership in pushing for more housing throughout California.”

Oakland Mayor Libby Shaaf:

“The Bay Area must address our shared housing crisis with bold solutions and this bill is an important step toward inclusive communities where everyone has access to stable housing. I appreciate that Sen. Weiner has included key elements of the CASA process – an 18-month effort by Bay Area government officials and stakeholders to create new regional housing strategies – and I am committed to working with the state legislature to implement these solutions.”

Sacramento Mayor Darrell Steinberg:

“I strongly support the concepts outlined in SB 50 because cities throughout California are in the midst of a housing affordability crisis and we need tools that allow us to meet our housing demands. Recent state reports demonstrate cities are falling well short of the housing, climate and sustainable transit goals California committed to in SB 375, legislation I authored in 2008. Senator Weiner’s legislation provides a vital tool for local governments to meet those goals.”

Emeryville Mayor John Bauters:

"Every city in California has to do its part to solve the housing crisis, and I'm proud to stand with fellow housing champions in support of the More HOMES Act. In addition to the incredible burden on our workers, the housing crisis is now fueling the climate crisis by forcing people into long commutes. We should build much more housing near transit, and I'm excited to support this effort to do so."

Support-Opposition: (as of 12/4/18)

Support

San Francisco Mayor London Breed, Oakland Mayor Libby Schaaf, Sacramento Mayor Darrell Steinberg, Emeryville Mayor John Bauters, and El Cerrito Mayor Gabriel Quinto, Non-Profit Housing Association of Northern California (NPH), California Apartment Association,

Opposition:

City of Pasadena

Staff Recommendation:

Staff recommends the committee discuss SB 50 and determine a position.

Committee Recommendation:



Housing and Policy Framework Frequently Asked Questions



February 2019

**TRI-VALLEY CITIES
HOUSING PAPER AND POLICY FRAMEWORK
FREQUENTLY ASKED QUESTIONS**

How is Affordable Housing Developed

1. What is a Housing Element, who approves it and when does it get updated?

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)

Among other things, a Housing Element allows each community to take a local approach to identifying "how" and "where" their fair share of the region's housing needs should be accommodated. A community's Housing Element must be updated every eight years to demonstrate that an adequate amount of land (called "opportunity sites") is available to accommodate its fair share housing assignment.

The current Housing Element planning period is from 2015 to 2023. During the next update to the Housing Element, each city will likely need to identify new "opportunity sites" to meet future housing assignments. This update could begin in 2021 or 2022, and will require review and approval by each city's elected council through a public hearing process that allows for community input.

2. What is a community's "fair share" housing assignment and how is it calculated?

All California cities and counties are required to accommodate their "fair share" of its region's housing needs through a Regional Housing Need Allocation (RHNA) process. The "RHNA assignment" is comprised of four income categories: *very low*, *low*, *moderate*; and *above moderate*-income housing units.

At the state level, based on population projections, the Department of Housing and Community Development (HCD) determines each region's share of the state's housing need. In turn, each region's council of governments (COG) allocates the regional share among its member cities and counties. The San Francisco Bay Area region's COG is the Association of Bay Area Governments (ABAG).

Each city or county must demonstrate how they can accommodate their fair share RHNA assignment in its Housing Element. RHNA assignments are made approximately every eight years and are based on a formula that factors in the size of the community, its potential for housing and job growth, infrastructure and environmental constraints, and availability of public transit.

The RHNA process is not new and has been in effect since the early 1980s.

3. What is the relationship between multi-family housing and “affordable/low income” housing? Will these sites be developed with low income housing?

The RNHA process attempts to encourage development of housing at all income levels, with a focus on affordable housing. There is a presumed correlation between density (i.e. the number of housing units per acre) and affordability (i.e., housing built to higher densities is affordable to a greater segment of the population). However, it should be noted that RNHA process does not establish rental rates or sales prices. Ultimately, the type of housing built on these sites will depend on the housing market and local economy.

4. What is affordable or below market rate housing; and what are the definitions of *very low, low, moderate and above moderate* income?

This is housing that is offered at a price lower than the market rate. This is usually possible because of government subsidies and other programs that help lower the price or rent of housing. Affordable housing is usually limited to individuals and families that fit into a specific income category (ranging anywhere from less than 30% of area median income to 120% of area median income).

Below is an example of the maximum income limits that were used by all cities including Dublin, Livermore, and Pleasanton in Alameda County in 2018 for a family of four to qualify to buy an affordable home:

- Very Low: 50% of Area Median Income (AMI) or \$58,100
- Low: 80% of AMI or \$89,600
- Moderate: 120% of AMI or \$125,300
- Above Moderate: Anything above 120% AMI

5. Does the State require cities and counties to produce housing units?

Under current State law, a jurisdiction is *not* required to build these housing units. Rather, it is required to ensure that there are lands available (called “opportunity sites”) that have the appropriate General Plan and Zoning designation to accommodate these housing units under market-driven conditions.

6. Where will this housing be located and does all affordable housing have to be higher density rental housing?

Currently, the location of the housing is at the community’s discretion, but some of the current and pending state laws aim to facilitate higher density housing near fixed rail stations (e.g. BART and ACE Stations), high frequency bus routes, or in “jobs rich” areas. The density of the housing can vary depending on its location and local land use policies. Affordable housing can be either for-sale or rental housing. It is the goal of local jurisdictions to meet state and regional mandates in a manner that is compatible with its community character.

7. What is the State doing about the housing shortage?

In 2017, as a response to the statewide housing shortfall, State legislators crafted 15 new housing bills known as the “2017 Housing Package.” Collectively, the focus of these bills has been focused largely on holding local governments accountable (increased reporting and monitoring), reducing public process (permit streamlining), and identifying new funding sources. Despite the outright objection of many communities, the bills became law in late 2017.

8. How do State housing laws affect cities?

Cities are required by State law to ensure that sufficient lands are available to accommodate their “fair share” of housing units. This means that there must be a sufficient amount of land that is designated for all housing types.

As a part of the required Housing Element update, cities must determine whether enough land is available to accommodate its RHNA assignment. If not, then the city is required to designate new “opportunity sites” for this purpose – usually through amending the General Plan and Zoning designation to allow for multifamily housing development.

Under current state law, cities are not required to build housing units. Housing construction is still driven by the private market. Instead, a city’s obligation is to allow these units to be built (through General Plan and Zoning designations). Generally, new housing projects are still required to go through local land use entitlement review and public hearings. New legislation, in some cases, proposes to streamline this review process.

9. What happens if a city doesn’t comply with State housing laws?

Non-compliance could have a number of immediate impacts. First, any RHNA assignment that is not accommodated in one housing cycle will likely be rolled over to the next, increasing the amount of units, and potential land a city is required to designate for multi-family housing during the next cycle. Second, a city would become vulnerable to lawsuits for non-compliance. Third, a city would risk loss of significant transportation funding and become ineligible for a number of state and federal grants.

If sued for non-compliance, a city’s ability to regulate and influence the design and planning of future multifamily housing proposals could be compromised, further diminishing local decision making over what gets built in the future.

10. What is CASA and the CASA Compact?

In July 2017, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) convened the *Committee to House the Bay Area*,

also known as CASA. CASA was charged with developing a “bold plan” to tackle the Bay Area’s housing challenges.

In December 2018, CASA released the “*CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area.*” The CASA Compact (“Compact”) is a wide-ranging 10-point plan that sets out to achieve three overarching goals for the Bay Area:

- *Produce* 35,000 housing units per year
- *Preserve* 30,000 affordable units
- *Protect* 300,000 lower-income households

The Compact is comprised of 10 “elements” intended as a package of actions to be implemented in its entirety. These elements include tenant protections, housing production mandates, diversion of local community funds and new taxes, as well as the creation of a new regional authority to implement these ideas.

Representatives on CASA include major employers (Google, Facebook, Genentech), for-profit and non-profit housing developers, housing advocates, charitable foundations and elected officials from large cities and counties.

Details about the CASA Compact can be found at MTC’s website:

<https://mtc.ca.gov/our-work/plans-projects/casa-committee-house-bay-area/about>

11. How or why was CASA created and will it become State law?

CASA was created as a response to the statewide housing concerns, described in a report published in 2017 by the State of California titled, “*California’s Housing Future: Challenges and Opportunities.*” However, much of the CASA analysis and recommendations are focused on the San Francisco Bay Area.

CASA is not an actual legislative bill. However, it is recommended to be used as the framework for another round of state legislation in 2019, aimed at further expanding housing mandates at the expense of local government control.

12. What are the Tri-Valley Cities doing to influence pending state legislation?

With over 100 housing bills likely to be introduced by State legislators in 2019, the Tri-Valley Cities (Danville, Dublin, Livermore, Pleasanton and San Ramon) are working together on a proactive and nuanced approach to advocacy and engagement. In addition to educating the public and stakeholders on these issues, the Tri-Valley Cities’ goals are to influence the legislative process and create a shared Tri-Valley position on key topics. The Tri-Valley Cities have prepared a “Housing Paper and Policy Framework” which will guide our efforts. While this approach provides common areas of concern, each city continues to pursue their own individual areas of concern that are unique to their needs.

RESOLUTION NO. 17-2019

**SUPPORTING THE TRI-VALLEY CITIES HOUSING AND POLICY
FRAMEWORK AS A SUPPLEMENT TO THE TRI-VALLEY CITIES
LEGISLATIVE FRAMEWORK ON HOUSING MATTERS**

WHEREAS, in 2017 the Tri-Valley cities of Dublin, Livermore, Pleasanton, and San Ramon and the Town of Danville (collectively known as the “Tri-Valley Cities”) acknowledged the importance of collaborating on a legislative advocacy framework, which resulted in the development of the Tri-Valley Cities Legislative Framework; and

WHEREAS, the Tri-Valley Cities 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 Tri-Valley Cities 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 Tri-Valley 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 control of decision making; and

WHEREAS, the Tri-Valley Cities 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 Tri-Valley Cities have developed the Tri-Valley Cities Housing and Policy Framework to provide additional depth to the Tri-Valley Cities Legislative Framework in the area of housing; and

WHEREAS, the Tri-Valley Cities Housing and Policy Framework provides a comprehensive statement of the Tri-Valley cities legislative 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 Tri-Valley 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, on February 27, 2019, the Tri-Valley Mayors and Councilmembers met to discuss the Tri-Valley Cities Housing and Policy Framework; and

WHEREAS, the Danville Town Council met on March 19, 2019 to consider and discuss the Tri-Valley Cities Housing and Policy Framework; now, therefore, be it

RESOLVED, that the Danville Town Council does hereby resolve, declare, determine and order the following:

Section 1. The Tri-Valley Cities Housing and Policy Framework is hereby supported as supplemental material to the existing Tri-Valley Cities Legislative Framework on matters related to housing legislation.

Section 2. The Tri-Valley Cities may from time-to-time revisit the Tri-Valley Cities Housing and Policy Framework to ensure that the approaches and topics discussed within the report remain relevant and appropriate.

APPROVED by the Danville Town Council at a regular meeting on March 19, 2019 by the following vote:

- AYES:**
- NOES:**
- ABSTAINED:**
- ABSENT:**

MAYOR

APPROVED AS TO FORM:

ATTEST:

DocuSigned by:
Robert B. Ewing
 895C6C40AD3F4BF..

CITY ATTORNEY

CITY CLERK