RESOLUTION 2019-23

RESOLUTION OF THE LAFAYETTE CITY COUNCIL SUPPORTING THE CONTRA COSTA COUNTY JURISDICTIONS' HOUSING AND POLICY FRAMEWORK

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the Key Themes are topic areas where there is consensus among the Contra Costa County and its 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, while the City Council supports the Framework's Key Themes, common areas of concern and current positions on the 2019 housing bills, it may from time to time take positions that are contrary to this Framework in order to focus on concerns that are specific to Lafayette.

WHEREAS, the Lafayette City Council met on May 13, 2019 to consider and discuss the Contra Costa County Jurisdictions' Housing and Policy Framework;

NOW, THEREFORE BE IT RESOLVED THAT THE LAFAYETTE CITY COUNCIL DOES HEREBY DECLARE, AND ORDER THE FOLLOWING:

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

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

<u>Section 3</u>. The City Council's Legislative Committee is authorized to take positions on behalf of the City in regard to pending legislation consistent with the Contra Costa Jurisdictions' Housing and Policy Framework and to communicate those positions to interested parties on behalf of the City Council.

APPROVED AND ADOPTED by the Lafayette City Council on May 13, 2019.

I, Joanne Robbins, City Clerk of the City of Lafayette, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the 13 day of March 2019, by the following vote:

Ayes: Anderson, Candell, Bliss, Burks and Gerringer

Noes: None Abstain: None Absent: None

Approved:

Mike Anderson,

Mayor

ATTEST:

Joanne Robbins City Clerk

ATTACHMENT

Contra Costa Mayors Conference Policy Framework on Emerging Housing Legislation County Jurisdictions' Housing and Policy Framework w/attachments



Policy Framework on Emerging Housing Legislation

The Contra Costa Mayors Conference (Conference) is an organization comprising the mayors of the nineteen cities of Contra Costa County acting in the interest of their cities. The Conference works collaboratively to share information, deliberate, and recommend positions on issues of regional and local significance.

As an association of local elected officials committed to serving the public, the Contra Costa mayors, with the support of Contra Costa city and county managers, has closely reviewed and discussed the implications of recent efforts at both the regional and state level to address the housing crisis, including the CASA Compact and numerous pieces of proposed State legislation on housing that have emerged. Based on this analysis and given the rapid rate in which housing legislation is moving through the State legislative process, the Contra Costa Mayors' Conference at their May 2, 2019 meeting adopting the following housing policy framework as a basis for ongoing advocacy work.

RECOMMENDATION

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

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

Balanced Solutions – Housing, Jobs, and Transportation

- We support solutions that take a balanced approach and consider the needs of housing, transportation/transit, and jobs together (never one at the expense of the others).
 Building housing without adequate transportation or other infrastructure would exacerbate not alleviate the affordable housing crisis.
- 2. We support policies that encourage a jobs-housing balance as a strategy to lower vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions, and oppose policies that exacerbate it.
- 3. We support additional investments in transportation infrastructure and technology to expand the Bay Area transit network to provide connections from job centers to existing as well as planned future housing.
- 4. **We support** efforts to ensure that housing and jobs are equitably distributed across cities and counties (no exempt areas).

Provide, Promote, and Protect Affordability

- 5. **We support** every city's ability to establish tenant protections, as they deem appropriate for their residents.
- 6. **We support** incentives that will streamline the production of new accessory dwelling units (ADUs) while allowing local agencies to count ADUs by right as *very low, low,* or *moderate* units in the RHNA attainment reporting process.

Context Sensitive Housing

- 7. We support maintaining local control of land use and the entitlement process. We urge the State to recognize that cities control only the entitlement process and have no ability to produce housing, which is a developer- and market-driven process. Therefore, cities should be measured by the number of entitlements approved when calculating RHNA attainment and not be penalized for private sector failure to produce housing.
- 8. **We oppose** top-down or one-size-fits-all approaches to land-use decision-making, including those mandating residential densities, building heights, development intensity, and parking.

Infrastructure and Services

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

Funding and Resources

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

The Contra Costa Mayors Conference is grateful for the State Legislature's leadership on these difficult issues and looks forward helping to ensure that new housing legislation is crafted in a manner that is compatible with - and supports the diversity of – all local communities. We invite State officials to partner with cities, small and large, to find solutions that address the housing shortage effectively and timely.

Adopted by the Mayors Conference May 2, 2019

Contra Costa County Jurisdictions'

HOUSING AND POLICY FRAMEWORK PROPOSAL









PREAMBLE

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

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

INTRODUCTION

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

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

BACKGROUND

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

In 2017, the State of California published a report titled, "California's Housing Future:

Challenges and Opportunities." The report identifies the severity of the housing shortage across the State and became a backdrop to the State's adoption of a suite of 15 housing-related bills known as the 2017 "Housing Package". The 15 bills focused on:

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

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

HOUSING ELEMENT

Purpose

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

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

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

Regional Housing Need Allocation (RHNA)

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

Planning vs. Building; No Net Loss

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

RHNA Cycles & Income Levels

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

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

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

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

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

Similar to many communities throughout the Bay Area, the Contra Costa County jurisdictions' RHNA for housing production of very-low, low, moderate, have been modest. In fact, most of the low- and very-low income unit production has been generated by inclusionary zoning ¹ requirements, or produced with substantial subsidies from local, state and federal dollars. The production data is indicative of the real challenges faced by local jurisdictions in meeting RHNA for lower income housing in a market-driven environment, where high land and development costs mean substantial subsidy is needed to build each unit, and where local, State and federal funding is inadequate to meet all but a tiny fraction of the need. Cities have the ability to designate Housing Opportunity Sites; however, with the loss of redevelopment, financing and construction of the housing unit is predominately driven by the private sector.

Certification and Annual Progress Report (APR)

After local adoption, State law provides HCD with the authority to review and "certify" each

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

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

RECENT CHANGES TO STATE LAW

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

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

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

Housing Accountability Act (SB 167, AB 678, AB 1515): The bills affecting the Housing Accountability Act apply to every housing development application, not just those with an affordable housing component. The legislation requires that local governments provide developers with a list of any inconsistencies between a proposed project and all local plans, zoning, and standards within 30 to 60 days after the application is complete or the project will be deemed complete with all local policies. Additionally, if a housing project complies with all "objective" general plan, zoning, and subdivision standards, it may not be denied or have its density reduced unless a city or county can find that the project would have a specific adverse impact on public health and safety. If a project includes affordable units, a local jurisdiction is responsible for making additional findings to deny the project, reduce its density, or add a condition that makes the project infeasible, even if the project does not comply with all "objective" standards.

No Net Loss (SB 166): State law in place prior to 2017 prohibited cities from downzoning sites or approving projects at less density than identified in their Housing Elements. Under the 2017 modification, if the approval of a development project results in fewer units by income category, the jurisdiction must identify additional sites to accommodate the RHNA obligation lost as a

result of the approval and make corresponding findings. This change is significant because, for many cities, the Housing Element will have counted most of the high-density housing sites as producing very-low and low-income units, when actual projects constructed will typically provide only a portion of their units at below-market rates. This means cities will likely need to zone additional land for higher density development to ensure there is an adequate number of sites to meet RHNA, and to make more conservative assumptions about future yield of affordable units on those sites.

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

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

PENDING LEGISLATION

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

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

CASA Compact Overview

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

The CASA Compact sets out to achieve three goals:

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

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

Elements 1-3 – Preserve and Protect

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

Elements 4-8 – Production

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

Elements 9-10 – Revenue and Administration

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

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

- Redevelopment 2.0: Pass legislation enabling the re-establishment of redevelopment in California to provide new funding for affordable and mixed income development.
- Lower the Voter Threshold for Housing Funding Measures: Pass legislation that would apply a 55% threshold for affordable housing and housing production measures.
- Fiscalization of Land Use: Pass legislation that would return e-commerce/internet sales
 tax revenues to the point of sale not at the point of distribution as it is currently to
 provide cities that have a significant residential base with a commensurate financial
 incentive to develop new housing. Also, pass legislation that would change the
 Proposition 13 property tax allocation formula to provide cites that build more housing
 with a higher share of property tax revenue.

- Homelessness: CASA's funding package includes resources that help produce housing for formerly homeless people and prevent homelessness when possible.
- Grow and Stabilize the Construction Labor Force: Increase the construction labor pool
 by requiring prevailing wages on projects that receive incentives, calling upon the State
 to improve the construction employment pipeline, and creating a CASA/state labor
 workgroup to implement.

Concluding Thoughts Regarding CASA

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

- One-Size-Fits-All Approach: The Compact proposes one-size solutions that may be
 effective in large urban cities but can be counterproductive in smaller suburban and rural
 communities. As an example, rent caps may disincentivize multifamily housing
 production in suburban communities. In another example, mandating high density
 housing near transit lines presumes transit service remain static when in fact that is not
 the case in suburban communities.
- Potential to Jobs/Housing Imbalance: The Compact's singular focus on housing production throughout the entire region minimizes the fact that the most acute housing pressure is focused in three of the nine counties in the Bay Area (San Francisco, San Mateo and Santa Clara), where most of the jobs are being created. Imposing housing production in far reaches of the Bay Area, including certain areas of Contra Costa County, would not alleviate the crisis in the three counties with the largest employment centers. Instead, it would likely induce significant congestion and exacerbate the jobs/housing imbalance. A more reasonable approach could be to adjust the production requirements based on a county's existing housing supply.
- Absence of Public Engagement: One of the most concerning aspects of the Compact is the absence of a transparent public process that would have incorporated input from those most affected - the general public and cities throughout the region. An oftenrepeated concern is that this top-down approach is not only ill-informed of the issues highlighted above but could breed anti-growth sentiment that would actively resist reasonable measures to build or fund affordable housing in the future.

Equitable Communities Incentive (SB 50)

SB 50 is an evolution of Senator Wiener's 2018 proposed bill, SB 827. It is a developer opt-in bill that would require a city or county to grant an "equitable communities incentive," which is a waiver from maximum controls on density, height, and parking spaces per unit, and up to three

concessions (such as deviation from setbacks or other development standards), if the project provides low, very low or extremely low income housing and is located in a "job-rich housing project" or "transit-rich housing project," as defined below:

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

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

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

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

PROACTIVE APPROACH TO LEGISLATIVE ADVOCACY

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

Key Themes

Balanced Solutions - Housing, Jobs, and Transportation

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

Provide, Promote, and Protect Affordability

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

Context-Sensitive Housing

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

requirements given their distance from reliable and frequent public transit.

Infrastructure and Services

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

Funding and Resources

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

NEXT STEPS

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

ATTACHMENTS

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

RELATED LEGISLATION (information current as of 30.2/2019; subject to change)	AB 1481 (Bonta) [spot bill] – Non-substantive amendments to existing provisions of state law relating to residential tenancy (intro: 2/22/19).			
RECOMMENDED APPROACH	Monitor legislative progress of these elements. If efforts move forward, advocate for amendments that would allow: Implementation to occur after 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.
CONCERNS AND CONSIDERATIONS	1. Just Cause Eviction Standards: Adopt a Bay Arca- 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. CONCERNS Disincentivizes property owners, who spend a large portion of total income on housing cost. from makine busine	avallable for rent on the open market if they are required to provide relocation assistance.		
SUMMARY OF CASA ELEMENT	Just Cause Eviction Standards: Adopt a Bay Areawide 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.	Objective: Protect tenants from arbitrary evictions.		

UMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	RELATED LEGISLATION (information current as of 3/12/2019; subject to change)
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. Objective: Ensure right to legal counsel; provide funding for emergency/temporary rent gap.	CONCERN STATUS: Low, there is a potentially significant infinited mandate if cities are responsible for administering/enforcing measures. CONCERNS Presumes all tenants lack resources to legal coursel while all 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.	Monitor legislative progress of these elements. If efforts move forward, advocate for amendments that would allow: • Implementation to occur after 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.	SB 18 (Skinner) [spot bill] - "Keep Californians Housed Act" (applicable statewide): • Extend provisions of state law to grant month-to-month tenants a 90-day notice prior to eviction • Require State HCD to post landing the Appropriate funds from General Fund to State HCD to provide and administer statewide rental assistance grants • Establish the "Homelessness Prevention and Logal Aid Fund" (intro: 12/3/18, amended: 3/4/19)

(information current as of 3/12/2019; subject to Qualified "job-rich" and or "transit-rich" housing projects would receive waivers within 1/2-mile or 1/2-mile radius of major Defers these requirements for "sensitive Additional waivers for projects located parking requirements, and up to three SB 50 (Wiener) - "Equitable Communities Incentive" (applicable statewide): additional incentives allowable under communities" until January 1, 2025 in from maximum density controls, RELATED LEGISCATION existing Density Bonus Law (intro: 12/3/18) latter does not necessarily result in more units) and Focus requirement on density not on height (as the Exempt historic districts/downtowns where high-density housing is not compatible with the historic Allow all chies (not just Sensitive Communities) to (example: San Francisco vs the Pleasanton/Dublin transit agency's ability to maintain headways for a communities take the same form near transit lines Balanced Approach: Pursue and support policies that develop context sensitive community plans that achieves the overall goal of providing affordable Apply density increase as a percentage of adjacent Allow a time period for cities to incorporate these requirements into their General Plans and obtain Monitor any legislation regarding the definition and services. Actively discourage policies that favors one RECOMMENDED APPROACH housing around transit and a balanced land use considered for rail stations, specifically ACE or land uses (example: 50% increase in density or Establish increases contingent upon funding a network to connect new housing to jobs and daily allow cities to retain design quality control to requirements on "low density" commercial areas. Establish realistic frequency thresholds to be Amtrak train lines, which have very limited affordable housing, and a robust transportation maintain the delicate balance of jobs, adequate height) in acknowledgement that not all Oppose unless amended as follows of these at the expense of the others. specified number of years. facilitate local acceptance. context of the area. infrequent service. local feedback. framework. Area). Creates Innd speculation around transit zones, driving up land costs and in turn causing housing development costs to possible to build a tall multi-story project with lower density which may be eliminated due to budget cuts (or lowering demand) is problematic as it introduces density to areas that suburban cities; tying housing requirements to transit routes predominately residential areas; as a State Green House Gas CONCERNS AND CONSIDERATIONS schools, traffic) while fee limitations proposed in Element 6 Creates housing near transit but is unclear about proximity incompatibility issues with tall developments immediately CONCERN STATUS: High, as it ignores community context Generates impacts on local infrastructure (i.e., water, sewer, Requiring minimum height does not create density, as it is Ignores community context - creating potential land use (GHG) reduction goal to lower vehicles miles traveled headways for rail station or ferry terminal definitions with the potential for significant displacement and land Does not include frequency thresholds or minimum Unaware of the fact that transit service is not static in Unaware of the fact that some commercially zoned CONCERNS: This is a one-size-fits-all approach that: properties are purposely zoned as such to serve adjacent to low density areas or within historic limits ability to mitigate those impacts. may not have any transportation. districts/downtowns. speculation near transit tuxury units. (VMT) to jobs. residential, commercial and institutional zones to allow 'missing middle' housing product types to Minimum 36-feet high within ½-mile of high quality bus service, defined as a bus stop with 15-min headways (weekday peak) and 30-min commercially-zoned parcels near job centers with than state density bonus law. Projects with 10-20 Minimum 55-feet high (75' with density bonus) within ½-mile of a major transit stop, subject to tenant protections, demolition controls units should have option to pay in-lieu fee as its Minimum Zoning Near Transit Establish state-Sites: Make housing an allowable use on large Affordable Housing: Required at levels not less Sensitive Communities: receive an automatic 3year deferral on implementation while the city defined as a rail station or a ferry terminal) Housing Overlay on Low-Density Commercial SUMMARY OF CASA ELEMENT Fenant Protections: Sites rezoned would be wide minimum zoning for housing on all Objective: Spur development near transit. develops a context-sensitive plan. affordable housing obligation. and "no net loss" provisions. headways (weekend) high quality transit.

standards and development fees imposed Prohibits cities from imposing, increasing RELATED LEGISLATION (miormatinn current as of 3/12/2019; subject to change) AB 1484 (Grayson) - Restrictions on changes approved initiatives from down-zoning land, applicant the web location which lists all costly design standards, establishing caps on development project that is in excess of things, this would prohibit cities and voterunless it is specifically listed on the website at the time of project submittal imposing housing moratoriums, imposing Annually submit list of all pending housing development projects to State AB 1483 (Grayson) - Transparency in fees maximum 3 de novo hearings on housing SB 330 (Skinner) - "Housing Crisis Act of 2019" (applicable statewide): Among other Requires cities to provide the project discretionary approvals, and establishes and post on website, submit to State Prohiblis cities from imposing a fee in housing and development fees after and reporting requirements (applicable Compile zoning and development project submittal (applicable statewide): HCD and metropolitan planning HCD and metropolitan planning or extending fees on a housing fees applicable to the housing organization (such as MTC) organization (such as MTC) the list provided development into: 2/22/19) (intro: 2/22/19) (intro: 2/19/19) statewide): Allow all cities (not just Sensitive Communities) to Eliminates abuse by developers who might "lock" a future application to avoid addressing future federal, state or local requirements that may Monitor any legislation regarding the definition and controls, and support fee deferral programs that achieves the overall goal of providing affordable RECOMMENDED APPROACH regulations locked at application completeness develop context sensitive community plans thal changes be introduced during the course of the development review process to avoid potential Require an "expiration date" for all fees and ensure they are applicable to viable projects. Require a "reset" should substantive project requirements related to an "impositions report." Maintain clear and objective standards and Oppose unless amended as follows: ensure context sensitivity. housing around transit. abuse of the system. ٠ projects that best meet community needs (such as mitigating As written, this Element severely limits a city's ability to use Significantly reduces the ability to provide public input and CONCERNS AND CONSIDERATIONS which has been the greatest single contributor to affordable require inclusionary housing, while this element alleviates the inclusionary requirement for developers. benefits (services and infrastructure to support those who significantly reduce public input in the review process which the ability to satisfy the public concerns. Reducing public affordable housing into the fabric of a community, which would occupy the housing) as a part of the development Sends a mixed message regarding inclusionary housing. Disincentivizes developers to collaborate on delivering housing in the Contra Costa. Elements of the Compact traffic and infrastructure impacts, offering community good design and planning techniques to integrate new Potentially eliminates ability to negotiate community will likely result in further community resistance to CONCERN STATUS: High. This has the potential to CONCERNS: This is a one-size-fits-all approach that: may lead to distrust and community concern. affordable housing development. Contra Costa County Policy Framework - Attachment 1: CASA Compact (April 2019) interest may lead to distrust. amenifies). process. 'additive' (density bonus, housing impact fees, local inclusionary requirements). Requires inlieu fees to be an option for fulfilling inclusion (i.e., ability to 'buy' out of providing (undefined) that would increase the hard cost Streamlining (zoning compliant projects <500 precludes inclusionary programs from being "reasonableness" test. Allow for fee deferral establishing and imposing impact fees using historic status at the date of the "application Inclusionary Zoning: Establish state law that Approval Process: Focused on streamlining the permitting process and how residential impact SUMMARY OF CASA ELEMENT Annual Impositions' Report: Recommends construction (such as fees and inclusionary completeness"; permits no more than 3 de criteria for when these can be used locally. cities annually document any impositions (excludes labor and materials) of housing units): Includes "locking" rules, fees and Objective: Remove 'regulatory uncertainty' perceived to be a major cause of economically Impact Fees: Impose a state standard for Downzoning and Moratoria: State to set objective standards rather than current "Good Government" Reforms to Housing (pay some fees at a later point in the novo hearings for each project. onsite affordable housing). development process). fees are set and enforced. zoning requirements. infeasible projects.

Page 6

AB 1485 (Wicks/Quirk) [spot bill] - Housing development streamlining for zoning-(information current as of 3/12/2019; subject to part of their Housing Element). Database to development (to be identified by cities as a SB 6 (Beall/McGuire) [spot bill] - Requires State HCD to provide list of local lands compliant projects, financial incentives for onsite affordability and prevailing wages. Would allow "sensitive communities" to housing streamlining, tax incentives and other benefits to developers of qualified AB 1706 (Qirk) [spot bill] - Affordable be searchable and publicly accessible. RELATED LEGISLATION suitable and available for residential middle-income housing projects. defer implementation. (intro: 2/22/19) (intro: 2/22/19) (intro: 12/3/18) local standards (instead of 80-150% of AMI), which should initially be applied only in transit rich areas Projects should be required to agree to a 30-50 year Eliminates abuse by developers who might "lock" regulations locked at application completeness to Consider middle income household definition of RECOMMENDED APPROACH Allow all cities (not just Sensitive Communities) achieves the overall goal of providing affordable develop context sensitive community plans that 80-120% of area median income, consistent with a future application to avoid addressing future changes be introduced during the course of the Require outside agencies to cap/reduce fees to development review process to avoid potential where residents actually have to option to use There should be no net loss of local funding. Require an "expiration date" for all fees and ensure they are applicable to viable projects. Implement and maintain clear and objective federal, state or local requirements that may Require a "reset" should substantive project 50% parking reduction from local standards streamlining and financial incentives listed. standards and controls to ensure context frequent and high quality public transit. inclusionary requirement to receive the Oppose unless amended as follows: stimulate affordable housing. makes units more affordable. housing around transit. abuse of the system. sensitivity. surface. Requirement to pay prevailing wage is inconsistent with the CONCERN STATUS: High. Much of the Contra Costa has limited developable lands remaining. However, the remaining CONCERNS: This one-size-fits-all approach generates many of CONCERNS AND CONSIDERATIONS new and infill developments generate impacts that rely on fees covered is contrary to the fiscal sustainability of each city. the same concerns as described in Element #6. Additionally: Potential to reduce property tax allocations for each City. sources to provide services and infrastructure (example: Caps on impact fees to a "reasonable" level is currently Reducing tax allocations given to each city without an Further caps on impact fees would eliminate funding to mitigate. There should be no net loss of local funding. evaluation that the impacts generated continue to be overall goal to lower housing construction costs. school, transit, etc.). undefined. Streamlining: Applies to zoning compliant projects that restrict at least 20% of onsite housing granted a statutory CEQA exemption and limited increment abatement, cap on impact fees, parking Financial Incentives include 15-year property tax 80-150% of area median income (AMI). Projects Another permit streamlining effort to accelerate units to middle-income households, defined as standards reduced to 50% of local requirement. Objective: Build more moderate income housing Expedited Approvals and Financial Incentives: Sensitive Communities; receive an automatic 3year deferral on implementation while the city SUMMARY OF CASA ELEMENT approvals of zoning-compliant projects and enable on-site affordability with financial develops a context-sensitive plan. Projects to pay prevailing wage. discretionary review. incentives.

CONSIDERATIONS RECOMMENDED APPROACH (information current as of 3/13/2019; suf-	change)	
CONCERNS AND CONSIDERATIONS		TEXT OF THE SECOND SECO
MIMIARY OF CASA ELEMENT		

public lands (undefined) for affordable housing 8. Unlock Public Lands for Affordable Housing: Promote use of "surplus" and "underutilized" through legislative and regulatory changes.

SU

deploy 10 percent of underntilized/surplus public approval process to no more than two years, and land to affordable housing development on an This would also create a database listing all publicly owned land in the Bay Area, limit annual basis,

Element also calls for policies to help expand the wages. Exceptions would apply to temporary requiring trained apprentices and prevailing housing construction labor pool, including housing built to address an emergency.

Objective: Encourage re-use of public land for mixed income/affordable housing units.

amounts of public land between cities, However, the remaining public lands should include context sensitive community plans CONCERN STATUS: High. The Contra Costa has varying for each city.

CONCERNS: This is a one-size-fits-all approach that:

- Ignores community context creating potential land use incompatibility issues with fall developments inmediately adjacent to low density areas or within historic districts/downtowns.
- from transit and is inappropriate for housing development value for affordable housing development, as some large tracts of public land are located at the urban fringe, away Ignores the fact that not all public lands have the same 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
- community resistance to affordable housing development fabric of a community, which will likely result in further Limits a city's ability to use good design and planning techniques to integrate new affordable housing into the
- 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.

AB 1486 (Ting) - Public surplus land for housing development, among other things: Allow all cities (not just Sensitive Communities) to

Expands definitions of "local agency" to

achieves the overall goal of providing affordable

housing around transit.

develop context sensitive community plans that

Support with amendments as follows:

- and regional park districts, joint powers authorities, successor agencies to former include sewer, water, utility, and local necessary for the agency's government owned by any local agency that is not redevelopment agencies (RDAs), etc.; Defines "surplus land" to mean land operations
- Defines the term "dispose of" to includes sale, lease, transfer or other conveyance of interest in real property;
- council of governments (e.g., Association Notification requirements to include of Bay Area Governments or ABAG);

place (e.g. specific plans) and consistent with

objective local standards.

adopted land use plans that are already in

Require projects to be consistent with locally

Should prioritize land around existing or

approved transit stops

Provide clear and objective standards for the

definition of "surplus land."

lease terms, including the amount and Limits negotiations on sales price and timing of payments

(intro: 2/22/19)

Cities to partner with the public entity which owns in a manner consistent with local plans and design

appropriate, advocate for amendments that would allow:

Monitor any developing legislation regarding the definition of "surplus/underutilized" lands. As

the surplus land to ensure projects are developed

Tax Credit Program by \$500 million per year, up from \$94 million, for farmworker housing (information current as of 3/12/2019; subject to AB 11 (Chiu) - "Community Redevelopment Law of 2019" would authorize a city, county AB 10 (Chiu) - Expands state's Low Income Authorizes cities to use ERAF funds for Establishes the "Local-State Sustainable financing for affordable housing and public ACA 1 (Aguiar-Curry) - Local government Creating additional exception to the 1% housing and infrastructure agency; use tax Authorizes cities, JPAs, infrastructure financing districts, affordable housing limit on the ad valorem tax rate on real Reduces the voter threshold to 55% for authorities (etc) to apply for program local bonds for affordable housing or (or a combination) to form an affordable increment financing to fund affordable AB 1487 (Chiu) - Changes to Housing Element Law (non-substantive) affordable housing or community RELATED LEGISLATION housing and infrastructure projects. Investment Incentive Program" improvement purposes; public infrastructure SB 5 (Beall/McGuire): (intro: 12/3/18) (intro: 2/22/19) (intro: 12/3/18) intro: 12/3/18) (intro: 12/3/18) infrastructure: property projects. Oppose unless amended to eliminate any reduction in current property tax or transportation funding to cities Obligation bonds for affordable housing to pay for Regional "fair share" housing assignment (RHNA Defined return-to-source funding formula at a city process) is correlated to level of funding received lower the regional housing assignment) (e.g., we (i.e., the less regional funding a city receives, the RECOMMENDED APPROACH Statewide voter-approved sales tax or General Support for the following funding sources: do not want to be donor cities). and amended as follows: housing initiative. level. No "return to source" formula at the city-level, resulting in a communities" without having resources to meet its assigned The property tax "set aside" is punitive to those cities whose drives employers out of the region and suppresses business Compact, the Governor has already suggested withholding SB1 CONCERNS AND CONSIDERATIONS Most cities do not meet the Ri-INA assignment for at least low and very low units, mostly because such affordability requires significant local subsidies to even get built - the private market Wide range of new taxes and fees may limit a city's taxing Vacant property tax could be punitive to small property funds from cities that do not meet their RHNA assignment capacity (limit its voters' appetite to pass local funding greater perception of some communities being "donor owners, particularly if vacancy is beyond their control. Commercial fees/taxes may be counterproductive if it CONCERN STATUS: High. Though not included in the Potential unfunded mandate if responsibility for simply won't build these units on its own. tax base is largely from property taxes enforcement falls upon local cities. housing obligation. measures). retention. CONCERNS . years). Of the total \$1.5 billion, \$300 million would come from local communities (former RDA Funding and Financing the CASA Compact: Raise \$1.5 billion new revenue annually from broad requires public subsidy (e.g., rental assistance, free legal counsel, financial incentives, etc.). Remainder to tenant protection, preservation, 25% to regional program ("revenue sharing") Revenue collection and disbursement would be 75% to county of origin ("return to source") range of sources including (but not limited to) SUMMARY OF CASA ELEMENT managed by a new regional housing authority Up to 10% for local jurisdiction incentives property taxes, 1/4-cent sales tax, head tax, and Objective: Find elements of the Compact that General Obligation Bonds (reissued every 5 set aside and future tax increment). New revenue distribution formula: New revenue allocation formula: (described in Element 10). housing subsidies

SUMMARY OF CASA ELEMENT	CONCERNS AND CONSIDERATIONS	RECOMMENDED APPROACH	RELATED LEGISLATION (information current as of 30.92019; subject to change)
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/fuold land, and track/report on local progress. No regulatory or enforcement powers. Composition: independent board with representation from MTC, ABAC, and etalcholder grouns that created the Compact	CONCERN STATUS: High. The Contra Costa Working Group does not support creating an unrepresentative layer of oversight. CONCERNS 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.	Oppose because it is not representative of each city and includes taxation without representation.	SB 5 (Beall/McGuire) – Establishes the "Sustainable Investment Incentive Committee" to administer "Local-State Sustainable Investment Incentive Program"
Objective: Administers the Compact.	 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. 		

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

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

Oup 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.
- O 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.
- o A waiver from maximum height requirements less than 45 feet.
- o A wavier from maximum FAR requirements less than 2.5.
- o 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 followings:

- o A waiver from maximum controls on density.
- Oup 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.
- o A waiver from maximum height requirements less than 55 feet.
- o 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:

Zonina

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:



City Council

Mike Anderson, Mayor Susan Candell, Vice Mayor Steven Bliss, Council Member Cameron Burks, Council Member Teresa Gerringer. Council Member

City Legislative Agenda for 2019 and 2020

The City Council's Legislation Committee and Townsend Public Affairs, Inc. (TPA) have prepared this report for the City of Lafayette outlining potential areas of state legislative interest for 2019 and 2020. The report summarizes the City's legislative principles and potential policy topics of interest to the City for the current and upcoming legislative years.

The strategic agenda includes advocating for legislation, regulations, and funding that is consistent with the City's vision, goals and policies. If the City Council is supportive of the proposals listed below, TPA will continue to research what can be accomplished through legislation, regulations, or direct advocacy with state agencies and other organizations to help address Lafayette's needs. In addition to this City Legislative Agenda, TPA will also review City Council Resolution 2019-23 and the Contra Costa County Jurisdictions' Housing and Policy Framework (Framework). When legislation is introduced that impacts any of the items listed below or in the Framework, TPA will immediately alert the City and together assess next steps.

LEGISLATIVE PRINCIPLES

Preserving Local Control

The City deeply values its ability and authority to exercise local control, offer excellent public services, and protect and enhance the quality of life for Lafayette residents and businesses. Advocacy efforts may include:

- 1. Monitoring and opposing legislation that may reduce municipal authority, particularly in the areas of land use planning, zoning and development review.
- Supporting legislation that protects local revenue sources and prevents the imposition of unfunded mandates on cities.
- Supporting legislation that rolls back/unwinds existing unfunded mandates or increases funding to cities.
- Monitoring Opposing legislation that links-ties transportation funding with housing-the production of housing.
- 5-4. Monitoring legislation that could impact the City's ability to regulate the "sharing economy" (platforms such as Uber, Lyft, and Airbnb) as it develops.
- 6-5. Supporting legislation that creates a permanent source of revenue or strengthens existing revenue sources to local governments for the production and preservation of affordable housing.
- 7-6. Supporting legislation that provides funding for local governments to address homelessness.
- 8.7. Monitoring and opposing state housing mandates that may reduce local authority without providing funding or incentives to construct affordable housing.

Comment [SN1]: Already stated in Point 1:

Comment [SN2]: Already stated in Point 5

- 9-8. Monitoring legislation that would expand tenant protections.
- 9. Monitoring Opposing legislation that impacts the ability of local governments to utilize digital communication.

10.

- 11. Monitoring legislation that could impact commercial and/or recreational drone usage.
- 12.10. Other related topics.

Housing

The City acknowledges that California is currently facing a housing shortage and supports legislation and policies to develop affordable housing that will accommodate local workers' needs. Advocacy efforts may include:

- Supporting legislation that facilitates the streamlined construction and production of accessory dwelling units (ADUs).
- Supporting legislation that would allow cities to count ADUs towards the fulfillment of their regional housing needs allocations (RHNA).
- Supporting legislation that promotes <u>uses</u> a county and <u>regional jobs</u>-housing balance <u>as a basis</u> to <u>allocate RHNA and funding</u> <u>maximize utility and efficiency of the transportation network</u>
- 4-3. Opposing legislation requiring the production of housing away from job centers, which would further burden the region's strained transportation network and increase vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions.
- 4. Supporting legislation requiring housing and jobs to be equitably evenly distributed across cities and counties throughout the state. Statewide land use legislation should apply statewide and neither apply to only a small number of communities nor exempt a select set of communities.
- Supporting legislation that exempts high fire hazard areas from requirements to build higher density housing.
- 6. Other related topics.

Fiscal Matters

The City supports legislation to fund economic development and to protect and fund essential city services. Advocacy efforts may include:

- Continuing repeated interactions with elected representatives to predict fiscal year funding and to assess the City's ability to take advantage of political trends and preferences in the state budget.
- 2. Protecting local rate payers with regard to state utility mandates.
- 3. Supporting legislation and initiatives that would provide funding for libraries, arts and cultural expression in Lafayette.
- 4. Supporting legislation and initiatives that would provide funding for open spaces, parks, trails, and other public amenities.
- Supporting legislation and initiatives that would provide funding for downtown beautification and revitalization.
- 6. Supporting legislation that will return e-commerce/internet sales tax revenue to the point of sale.
- Supporting legislation that fully reimburses cities for agreements and loans with former redevelopment agencies.
- 8. Monitoring legislation that affects Transient Occupancy Taxes and regulations regarding

Comment [SN3]: "and regional" was inadvertently left in after the Legislation Committee meeting. The goal is to maintain a county-wide jobs/housing balance rather than a region-wide jobs/housing balance. such.

- 9. Monitoring legislation impacting Enhanced Infrastructure Financing Districts, redevelopment agencies, or tax increment financing districts.
- 10. Monitoring legislation that could impact local telecommunications infrastructure.
- 11. Other related topics.

Environmental Protection

The City supports legislation and policies that promote sustainable development, improve environmental standards, streamline the regulatory process, provide incentives and funding for preservation of natural resources, and support sustainable energy policies. Advocacy efforts may include:

- 1. Supporting legislation that conserves open space and natural resources.
- 2. Supporting legislation to increase funding for climate action planning.
- Supporting legislation to increase funding for green buildings, electric vehicle charging stations, and related infrastructure.
- 4. Monitoring Supporting legislation that supports climate adaptation solutions, including sea level rise, flood management practices, and wild fire fuel management solutions.
- 4-5. Monitoring legislation that imposes state mandates on cities to fund climate adaptation solutions.
- 5.6. Monitoring of legislation that impacts environmental review policy or CEQA.
- 6.7. Other related topics.

Transportation

The City supports legislation and policies that promote investing in the planning and implementation of regional and local transportation and traffic congestion relief projects, the maintenance and rehabilitation of aging transportation infrastructure, and building system capacity expansions where appropriate. Advocacy efforts may include:

- Supporting legislation to fund alternative modes of travel including expanding transit services and pedestrian and bicycle pathways.
- 2. Supporting new statewide funding opportunities for the ongoing maintenance and repair of local roads and highways.
- 3. Supporting efforts to address regional transportation congestion.
- 4. Monitoring legislation for the expansion of ADA facilities and public access.
- 5. Other related topics.

Public Health and Safety

The City supports legislation to access funding and resources to provide high quality police, fire, emergency management, and emergency medical and public health services. Advocacy efforts may include:

- 1. Supporting funding opportunities to address natural disaster mitigation and evacuation planning.
- 1.2. Supporting legislation to ban the sale of flavored tobacco products.
- 2-3. Supporting Monitoring legislation/research on the potential safeguards regarding the purchase, distribution, consumption and cultivation of cannabis.
- 3.4.Other related topics.

Elections

The City supports legislation to reduce unnecessary and costly procedures for conducting municipal elections, while streamlining voter registration efforts to ensure all eligible residents can vote freely. Advocacy efforts may include:

- Monitoring Supporting legislation that encourages and expands civic engagement and voter participation in elections.
- 2. Supporting legislation that lowers the voting requirements for passage of local special purpose agency funding propositions.
- 3. Monitoring legislation that affects municipal elections.
- 4. Monitoring legislation that affects the California Voting Rights Acts and by-district elections.
- 5. Other related topics.

Government Transparency

The City supports government transparency, public access to records and supports legislation that facilitates these principles while still allowing for necessary municipal operations and services. Advocacy efforts may include:

- 1. Monitoring legislation that affects the Brown Act.
- 2. Monitoring legislation that affects special districts and joint powers authorities and regulations of such.
- 3. Monitoring legislation that affects the Public Records Act.
- 4. Monitoring legislation that affects the Political Reform Act.
- 5. Other related topics.

Srivatsa, Niroop

From:

Walker, Michael J. @ Oakland < Michael. Walker@cbre.com>

Sent:

Monday, July 8, 2019 11:31 AM

To:

City Hall

Cc:

Srivatsa, Niroop; Robbins, Joanne

Subject:

Comments to City Legislative Agenda | July 8th Counsel Mtg Agenda Item 9C

Honorable Members of the City Council (Joanne Robbins and Niroop Srivatsa),

I was reviewing the Council's proposed *City Legislative Agenda for 2019 and 2020* provided us by Niroop Srivatsa.

I was surprised to see a goal within the Elections section that reads: 'Supporting legislation that lowers the voting requirements for passage of local special purpose agency funding propositions.'

My read of this is that the Counsel desires the percentage of voters necessary to tax or levy other fees from the citizens of Lafayette to be lowered. If I am misunderstanding this, I would be very pleased to learn otherwise. If so, please advise. Regrettably, I think not.

Cognizant of the current high hurdle necessary to create new taxes on the citizenry of Lafayette, I believe that it is a great benefit to the citizens that higher thresholds are required. Financial prudence requires cost/benefit prioritization and discipline. It should be difficult to raise taxes and fees. It is my belief that it is rare that the narrow benefits of extra funds raised by taxes for special purposes match the cumulative costs. Further, it is my opinion that over time ever greater costs are piled atop each previous one created (and almost never dissolved), creating increasing burdens of taxes and costs that damage the financial interests of our citizens.

It is simply not wise to permit any agency of government to raise taxes at low thresholds of citizen approval. If it is easier, it will be done more often, and (by definition under the text of this goal) with the support of a smaller proportion of our citizens.

Understand that many of us desire the higher voting thresholds to require fiscal discipline of our elected representatives to minimize the cost of government, to create a strong economy in an environment of entrepreneurial motivation and freedom, and to reserve the greatest possible share of our productivity to the prudent spending decisions of Lafayette's citizens.

In sum, if I am understanding what the Council is saying there, I do not like it. It is goal that works against the economic interests of the citizens of Lafayette and should not be a goal of the Council's Legislative Agenda.

Very respectfully,

Michael Walker Lafayette, CA 510.914.0310