

# CITY/COUNTY ASSOCIATION OF GOVERNMENTS

## LEGISLATIVE COMMITTEE

### SPECIAL MEETING MINUTES

## **C/CAG Board of Directors and Legislative Committee and Home for All Joint Workshop on the CASA Compact**

Friday, March 22<sup>nd</sup>, 8:00 – 10:00 AM

FATCO Building, 555 Marshall Street, Redwood City, CA 94063

On March 22, 2019, C/CAG and Home For All convened a joint workshop on the CASA Compact to clarify understanding of the Compact, provide opportunity for San Mateo County leaders to assess the potential value of the Compact and any current concerns, and identify approaches to monitor and/or influence developing legislative initiatives

The workshop was called to order at 8:10 AM. A quorum of the Legislative Committee was present as follows:

Catherine Mahanpour, Foster City  
Marie Chuang, Hillsborough  
Catherine Carlton, Menlo Park  
Gina Papan, Millbrae  
Sue Vaterlaus, Pacifica  
Maryann Moise Derwin, Portola Valley  
Irene O'Connell, San Bruno

In addition, roughly 75 individuals attended including:

- C/CAG Board of Directors members
- Home for All Steering Council and Work Group members
- California Apartment Association members
- San Mateo County Association of Realtors members
- Residents

Representatives from MTC presented an overview of the how the Compact came about, its provisions, and the current legislative efforts to enact those provisions. In addition, Josh Abrams from 21 Elements made a presentation about San Mateo County's housing challenges and current efforts, and provided additional context about how the Compact provisions impact the County. The presentations were followed by facilitated table discussions and public comments.

Table discussion revolved around the following three questions:

1. *Having heard this update, what in the Compact and its related legislation are you comfortable with?*

2. *What are your remaining concerns? How can your concerns be addressed?*
3. *Do you have suggestions for how we can work/engage with MTC going forward?*

Main takeaways:

- Strong concern about the lack of transparency in the process that led to the CASA Compact and specifically with the complete lack of representation from San Mateo County
- Areas of general agreement:
  - Broad consensus in favor of new housing construction
  - Favor proposals to ease the construction of second units and to streamline construction permitting
- The least well received parts of the CASA compact:
  - Provisions to preempt local zoning authority near transit – “One-size-fits-all” solutions don’t work, and ignore unique community considerations
  - Rent control and renter protection provisions - generally seen as contrary to the expressed will of the voters in local elections and a recent statewide election (Proposition 10, 2018).
  - Proposal to divert local revenues toward regional initiatives and creation of a regional housing body – concern over the possibility of higher taxes or loss of existing tax revenue
  - Perceived failure to force large employers to take more responsibility
- Participants had a wide variety of individual ideas and encouraged the community engagement process around CASA to continue

A condensed version of the concerns and suggestions from the table discussions can be found below:

<b>Concern</b>	<b>Corresponding Solution (if applicable)</b>
CASA’s proposals fail to adequately secure more land for affordable development (as there is no mention of greenbelt opportunities or other agencies in the public lands proposal).	Consider using spaces around or under freeways for development.
Several commenters expressed concern over the CASA Compact’s plans on taxation and funding, due to the high level of existing taxes and concerns about lost revenue for local schools and cities.	One suggestion was to extend the sales tax to services.
Many commenters expressed concern over rent control for various reasons. Some argued that it was primarily pushed by the big cities, others were worried rent control could depress the supply of available housing, and some expressed concerns that enacting rent control contrary to recent electoral outcomes	One idea was to create an incentive/recognition program for good landlords who choose to keep their rents affordable. Another idea was to establish a community land trust, and a third idea was to use shared equity homeownership to make homebuying easier. Alternatively, some participants thought that it would be possible

in state and local elections could undermine faith in the system.	to make a compromise arrangement to protect tenants while still providing a fair rate of return to the landlord.
Several people were concerned that the CASA Compact would grow bureaucracy at the regional level and expressed a skepticism towards the power of the Metropolitan Transportation Commission.	One person suggested transferring state funding from the Metropolitan Transportation Commission to the Association of Bay Area Governments.
Another concern was that affordable housing construction is mostly apartments, which was seen as geared toward younger populations	Ideas included building more single-family homes for families, conducting more lot subdivisions, and changing property tax rules to encourage seniors to downsize.
Several people expressed concern that the CASA Compact's proposals to automatically upzone near transit would ignore the existing accomplishments of cities in San Mateo County and would destroy the character of single-family neighborhoods.	One idea was that cities who demonstrate they are taking effective local action on housing should get an exemption from changes to height and density rules.
A few commenters expressed concern about what they saw as a lack of connection to transportation challenges and funding needs.	One suggestion was to invest more in transportation projects and east-west connections.
Several people expressed concern that large employers that have driven much of the region's recent job creation are not contributing adequately to solving our housing woes.	One idea was to force new commercial development to offset its housing demand.

Additional public comments:

- Appreciate the parts of the Compact that address housing production, but not rent control; voters have repeatedly dismissed this approach – increased supply is the answer.
- Tax codes hold a lot of blame for promoting commercial over residential use.
- More transparency is needed in this process; San Mateo County was left completely out of the discussion.
- Public needs to know this Compact includes \$2.5 billion/year in new taxes.
- Costa Hawkins (rent control) was just voted down statewide, so why is the Compact pursuing it again?
- No consideration has been given to the impact all this proposed construction will have on local schools, parks and water supply.
- Commercial projects should be held more accountable for housing impacts.
- Reinstate redevelopment; dissolution has contributed greatly to the current problems.
- Parts of the Compact force a “one-size-fits-all”, which works to destroy local character.
- MTC shouldn't be involved in housing, they should stick to providing transportation funding.
- People won't build if rent control is instituted. This Compact may be well-intentioned, but is misguided and counter-productive.

- Sunset clauses should be included in any of the subsequent legislation since this is supposed to be responding to an” emergency”.
- As a young person struggling in this housing environment I’m very much in favor of the Compact components. We’ve been underbuilding for decades under local controls, so appreciate this regional approach. Particularly supportive of tenant protections since there has been too much displacement, and believe that the proposed annual rent increase caps of approximately 9% are not overly burdensome on owners.

On next steps, there was general agreement on the need to work together to track and respond to the various legislative efforts that have begun to emerge in response to the Compact.

The meeting was adjourned at 10:05 AM.

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