AGENDA Legislative Committee

Date: Thursday, June 13, 2019 - 5:30 p.m. to 6:30 p.m. Place: San Mateo County Transit District Office¹ 1250 San Carlos Avenue 2^{nd} Floor Auditorium San Carlos, California

PLEASE CALL Jean Higaki (599-1462) IF YOU ARE UNABLE TO ATTEND.

1	Public comment on related items not on the	Presentations are limited to 3	
	agenda.	Minutes	
2	Approval of Minutes from	Action	Pages 1-4
	May 9, 2019.	(O'Connell)	
3	Review/ recommend approval of the		Pages 5-11
	C/CAG legislative policies, priorities,	(Update from	
	positions, and legislative update (A	Shaw/Yoder/Antwih)	
	position may be taken on any legislation,		
	including legislation not previously		
	identified).		
	Consider letter on:		
	SB 50 (Wiener)		
4	Adjournment	Action	
		(O'Connell)	

NOTE: All items appearing on the agenda are subject to action by the Committee. Actions recommended by staff are subject to change by the Committee.

PUBLIC NOTICING: All notices of C/CAG regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA, and on C/CAG's website at: http://www.ccag.ca.gov.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the City/County Association of Governments of San Mateo County (C/CAG), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Such public records are also available on C/CAG's website at: http://www.ccag.ca.gov.

PUBLIC PARTICIPATION: Public comment is limited to two minutes per speaker. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at (650) 599-1406, five working days prior to the meeting date.

¹From Route 101 take the Holly Street (west) exit. Two blocks past El Camino Real go left on Walnut. The entrance to the parking lot is at the end of the block on the left, immediately before the ramp that goes under the building. Enter the parking lot by driving between the buildings and making a left into the elevated lot. Follow the signs up to the levels for public parking.

For public transit access use SamTrans Bus lines 390, 391, 292, KX, PX, RX, or take CalTrain to the San Carlos Station and walk two blocks up San Carlos Avenue.

CITY/COUNTY ASSOCIATION OF GOVERNMENTS LEGISLATIVE COMMITTEE

MEETING MINUTES May 9, 2019

At 5:32 P.M. Chair O'Connell called the Legislative Committee meeting to order in the 2nd Auditorium at the San Mateo Transit District Office.

Attendance sheet is attached.

Guests or Staff Attending:

Matt Robinson - Shaw/ Yoder/ Antwih Inc. Sandy Wong, Jean Higaki, Matt Fabry - C/CAG Staff

1. Public comment on related items not on the agenda.

No public comments

2. Approval of Minutes from April 11, 2019.

Member Masur moved and member Lewis seconded approval of the April 11, 2019 minutes. Motion passed 7-0.

3. Update from Shaw/ Yoder/ Antwih (SYA).

Matt Robinson, with Shaw/ Yoder/ Antwih Inc., provided a description and status update of bills that have enough details to consider for action:

The Policy Committee deadline passed on May 3, 2019. May 17, 2019 is the Fiscal Committee deadline. Many of the bills that the Board has taken a position on may not move forward after May. Some may become two-year bills.

AB 738 (Mullin) allowing cities to pool resources and share credit on their housing production reports based on their proportionate share of funds contributed to fund the proposed affordable project is finished for the year.

The Governor released the May revise of the Budget on May 9, 2019. The Governor is continuing to look for ways to tie transportation funding to housing production. There is incentive funding for housing development including \$250 million for technical assistance and \$500 million for general purposes such as infrastructure improvements to facilitate housing development.

Member Masur asked for clarification that cities who approved entitlements vs. development would be eligible for the \$500 million incentive program since entitlements are within local

control and development is not. Entitlement is the current understanding with details to follow in a trailer bill.

Very little is listed in the budget for transportation except for clean transportation (fleet electrification) from Cap and Trade.

Matt provided a brief recap of the April 23, 2019 Lobby Day. Chair O'Connell stated that it was very valuable to speak with housing staff and policy makers in Sacramento who they do not get to interact with on a regular basis.

Chair O'Connell asked about AB 847 (Grayson) -Housing: transportation-related impact fees grant program. This bill is finished for the year.

Member Lewis asked if SB 5(Beall) would potentially lower the total ERAF funds by redirecting funds for affordable housing. No, those funds would be backfilled by the state. This is a version of redevelopment 2.0.

Member Masur asked how many bills we took position on are still moving forward this year. AB 738 (Mullin) and AB 847 (Grayson) are the only bills not moving forward currently. The fate of other bills will be known by May 17, 2019.

Member Carlton asked about individual cities giving testimonies in Sacramento. Periodically city council members or supervisors will provide testimony. Usually cities delegate it to the league or their lobbyist, but it is not uncommon for elected officials to provide testimony.

Matt Robinson provided an SB 50 (Wiener) graphic. SB 50 and SB 4 (McGuire) are now combined. There is also a 600,000-population threshold, a modified headway threshold for transit, and an across the board by-right for fourplexes for non-transit rich areas.

With regards to SB 50, Chair O'Connell stated that potential options include: let the cities take their own positions, direct staff to draft a comment letter for review and recommendation to the C/CAG Board, table the item, or send comments to Cliff Lentz to take back to the MTC Housing Leadership Working Group (HLWG).

Member Carlton asked if we want C/CAG to send a letter instead of individual cities sending comments. Individual cities were encouraged to send their own letters.

Member Masur stated that the League of Cities had originally adopted an oppose position but has changed their stance to state if cities have a plan, by a certain date, that addresses the principles of SB 50, let those plans stand. If that date is not met, then let SB 50 take effect. She met with McGuire's chief of staff who said that they were interested in that concept. Her understanding is that fourplexes can only be built on vacant land or can only increase the size of an existing building by 15%. Member Lewis asked for clarification between the community fourplex proposal and the areas near transit. Matt Robinson clarified that the areas near transit in Atherton would be subject to the transit area proposal.

Member Garbarino stated that South San Francisco did not take a position but instead wrote a letter describing the work they had accomplished in meeting the intent of SB 50. He added that concern affecting many jurisdictions in our county is the parking ratio.

Member Carlton stated that she shared the parking ratio concern. She added that the Facebook facility was designed and built with the assumption millennials would have less car ownership and Facebook and the City are dealing with consequences of those false premises where cars are parking in nearby neighborhoods.

Carlton's other concern is that high density housing impacts schools for example and cities charge impact fees for floor area ratios (FARs) to help offset those impacts. If the state takes that away that ability to negotiate the FAR impact fees it would have a negative impact on schools or other services.

Chair O'Connell stated some of the potential options again: do nothing, have staff distill the issues discussed and draft a letter for review and recommendation. Chair O'Connell preferred to send a letter with concerns and suggested on how to make SB 50 work for cities. Member Lewis said that not all cities had a chance to weigh in and was concerned that a letter might not be representative of all jurisdictions. Member Masur asked if a letter would have to be in the packet before Legislative Committee could comment on a draft letter. She also wanted to know if we should wait to see if changes were made in the upcoming appropriations committee.

The Committee directed staff to draft a letter with comments and concerns which would be distributed in two weeks for member comment. Committee members were requested to submit comments on the letter back to staff which would be incorporated in a version for the June meeting packet. (This draft letter was emailed to the committee members on May 16, 2019 with a request for comments by May 31, 2019). If, at the June meeting, a position is taken the letter can be revised and sent.

4. Receive an update regarding the MTC Housing Legislative Working Group (HLWG)

The CASA legislative task force has ended however subgroups are forging ahead with promoting legislation in Sacramento. The MTC formed the HLWG as a forum for local jurisdictions to provide input to the legislation that is coming out of Sacramento. The MTC is supposed to collect comments from the counties and use it to develop recommendations. Some members of the Legislative Committee (Irene, Shelly, Gina, Maryann) met with San Mateo representatives of the HLWG (Don Horsley, Donna Colson, Cliff Lentz) and County housing department staff on May 1, 2019 to discuss a white paper developed by Cliff Lentz. Legislative Committee members provided edits to the white paper during the May 1 meeting.

5. Adjournment

The meeting adjourned at approximately 6:27 P.M.

Legislative Committee 2019 Attendance Record

Agency	Name	Jan 10	Feb 14	March 14	April 11	May 9	June 13	July 11	August	Sept 12	Oct	Nov	Dec 12
Elizabeth	Atherton												
Lewis		N/A	N/A	Х	х	Х							
Foster City	Catherine Mahanpour	х		х	х								
Hillsborough	Marie Chuang (C/CAG Vice Chair)	Х	Х	x	х								
Menlo Park	Catherine Carlton		Х		Х	Х							
Millbrae	Gina Papan	Х	Х		Х								
Pacifica	Sue Vaterlaus	Х	Х	Х	Х	Х							
Portola Valley	Maryann Moise Derwin (C/CAG Chair)	х	х	х	х	х							
Redwood City	Shelly Masur	Х		х	х	Х							
San Bruno	Irene O'Connell (Leg Vice Chair)	Х	х	х	х	Х							
Sounth San Francisco	Richard Garbarino	х	х	x	х	х							

no meeting

C/CAG AGENDA REPORT

Date:	June 13, 2019
To:	C/CAG Legislative Committee
From:	Sandy Wong, Executive Director
Subject:	Review and recommend approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified). (For further information, contact Jean Higaki at 650-599-1462)

RECOMMENDATION

That the C/CAG Legislative Committee review and recommend the C/CAG Board to take a position on any legislation or direct staff to monitor any legislation for future positions to be taken.

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS N/A

BACKGROUND

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Important or interesting issues that arise out of that meeting are reported to the Board.

For SB 50 (Wiener) Planning and Zoning: Housing Development: Equitable Communities Incentives – At the May 9, 2019 Legislative Committee and C/CAG Board meetings, staff was directed to draft a letter with concerns and comments for the Legislative Committee's and Board's consideration at their respective June meetings. This bill has since become a two-year bill, however it recommended that concerns and suggested amendments be sent to the Senator to be considered when the bill is reintroduced next year.

ATTACHMENTS

- 1. June 2019 Legislative update from Shaw/ Yoder/ Antwih, Inc.
- 2. Draft letter of concerns and amendment requests for SB 50 (Wiener)
- 3. Full Legislative information is available for specific bills at http://leginfo.legislature.ca.gov/



DATE:	May 28, 2019
то:	Board Members, City/County Association of Governments, San Mateo County
FROM:	Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
RE:	STATE LEGISLATIVE UPDATE – June 2019

Legislative Update

The House of Origin deadline is May 31, the point by which houses must make final decisions on bills starting in the same house. Hundreds of bills were held in the Appropriations Committees on May 16, most notably SB 50 (Wiener). Policy committees will begin meeting again in early June and the Legislature will break for its month-long Summer Recess on July 12. We are tracking a number of bills for C/CAG, some of which are identified under **Bills of Interest** below.

State Budget Process Wrapping Up

As we reported earlier this month, Governor Newsom released the May Revise on May 9, which contains little discussion about transportation. However, the May Revise does revisit the Governor's January proposal to "encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds." The Administration proposed to convene stakeholders, including local governments, to assess the concept.

The May Revise reaffirms the Governor's commitment to the effort, stating, "Housing and transportation are inextricably linked. Given this nexus and to support local jurisdictions' ability to contribute to their fair share of the state's housing supply, the Governor's Budget provided that local streets and roads funds from the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) (SB 1) be distributed upon compliance with housing element law and zoning and entitling to meet updated housing goals. **This linkage remains part of the housing proposal at the May Revision.**" There is no indication as to when the Governor plans to begin the stakeholder process.

Additionally, the Governor is proposing to repurpose a portion of the \$750 million he recommended in January to help the state address its housing shortfall. In January, the Governor proposed \$250 million for planning and technical assistance for cities and counties, and \$500 million for general purposes related to housing. After hearing from local governments that the lack of funding for infrastructure, including sidewalks, lighting, site utilities, new sewer lines, broadband infrastructure, storm water drains, and street construction, is a barrier to building new housing, the Governor is now proposing the \$500 million be used for the Infill Infrastructure Grant Program administered by the Department of Housing and Community Development (HCD). The program provides gap funding for infrastructure that supports higher-density affordable and mixed-income housing in locations designated as infill.

These issues and more will be sorted out in the coming weeks as the Legislature begins the Budget Conference Committee Process; the reconciling of the two houses budget priorities along with the

Administration's. The Legislature must pass the Budget Bill by June 15, with the 2019-20 Fiscal Year beginning July 1. Several lingering issues remain, including funding for housing and homelessness, clean drinking water, and healthcare programs.

Bills of Interest

SB 5 (Beall) Local-State Sustainable Investment Incentive Program*

This bill would establish the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply to the Committee to participate in the program and would authorize the Committee to approve or deny applications for projects meeting specific criteria. Upon approval of a project application, the bill would require the Committee to issue an order directing the county auditor to reduce the total amount of ad valorem property tax revenue otherwise required to be contributed to the county's ERAF from the applicant by the annual reduction amount approved. The bill would require a county auditor, if the applicant is an enhanced infrastructure financing district, affordable housing authority, transit village development district, or community revitalization investment authority, to transfer to the district or authority an amount of property tax revenue equal to the reduction amount approved by the Committee.

SB 50 (Wiener) Planning and Zoning: Housing Development: Equitable Communities Incentives*

This bill was amended substantially in the Senate Governance and Finance Committee and as of this writing, the amendments have not come in to print. The bill would essentially grant development rights for projects within certain proximity to rail and bus routes, or in jobs-rich areas. The amended version of the bill will apply different standards to counties with populations over 600,000, scale back the triggering frequency for bus routes, and make certain exemptions for the coastal zone and wildfire prone areas. Additional changes were made regarding parking minimums. *This bill was held in Senate Appropriations and is now a 2-year bill.*

SB 128 (Beall) Enhanced Infrastructure Financing Districts: Bonds: Issuance

Existing law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters voting on a proposal to issue the bonds. This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters. The bill would require the resolution to issue bonds to contain specified information related to the issuance of the bonds. *C/CAG SUPPORTS this measure.*

SB 137 (Dodd) Federal Transportation Funds: State Exchange Programs

Existing federal law apportions transportation funds to the states under various programs, including the Surface Transportation Program and the Highway Safety Improvement Program, subject to certain conditions on the use of those funds. Existing law provides for the allocation of certain of those funds to local entities. Existing law provides for the exchange of federal and state transportation funds between local entities and the state under certain circumstances. This bill would authorize the Department of Transportation to allow the above-described federal transportation funds that are allocated as local assistance to be exchanged for Road Maintenance and Rehabilitation Program funds appropriated to the department. *C/CAG SUPPORTS this measure.*

SB 152 (Beall) Active Transportation Program Funding

This bill would increase the share of active transportation (ATP) funds dedicated to regional agencies to 75 percent, distributed by population. Currently, regional agencies receive 40 percent of the funding in the ATP funds for distribution. This bill would give MTC additional resources to program for ATP projects. *C/CAG SUPPORTS this measure. This bill was held in Senate Appropriations.*

SB 330 (Skinner) Housing Crisis Act of 2019*

This bill establishes the Housing Crisis Act of 2019, which, for five years, places restrictions on certain types of development standards, amends the Housing Accountability Act, makes changes to local approval processes and the Permit Streamlining Act, and requires a local agency, upon request of the residential property owner, to delay enforcement of a code violation for seven years, or earlier at the discretion of the enforcement agency, if the correction is not necessary to protect health and safety. The Senate Appropriations Committee Deleted provisions that would prohibit affected cities or counties from charging or increasing fees in connection with housing development projects.

AB 11 (Chiu) Community Redevelopment Law of 2019*

This bill, the Community Redevelopment Law of 2019, would authorize cities and counties to create agencies that would use tax increment financing to fund affordable housing and infrastructure projects. This bill takes a similar approach to the tax increment financing structure used by the former redevelopment agencies. *This is a 2-year bill.*

AB 252 (Daly) Caltrans NEPA Delegation

Existing law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts regarding the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the program. This bill would extend the operation of these provisions indefinitely. *C/CAG SUPPORTS this measure.*

AB 738 (Mullin) Affordable Housing

This bill would allow funds, that are set aside for construction of affordable housing, to be allocated across San Mateo County jurisdictions, allowing cities to pool resources and share credit on their housing production reports based on their proportionate share of funds contributed to fund the proposed affordable project. The amount of credit a jurisdiction may take shall not exceed 25% of its overall housing need allocation. *C/CAG SUPPORTS this measure. This is a 2-year bill.*

AB 825 (Mullin) San Mateo County Flood Control District

Existing law, the San Mateo County Flood Control District Act, establishes the San Mateo County Flood Control District for the purpose of controlling the floodwater and stormwater of the County of San Mateo. This bill would modify the District to change the name to the Flood and Sea Level Rise Resiliency Agency, revise the governance to a seven-member board including five city council representatives and two county supervisors, expanding authorities to address sea level rise, and updating funding and financing authorities to reflect changes in the State Constitution since the Act was first written. *C/CAG SUPPORTS this measure.*

AB 1487 (Chiu) Regional Housing Funding*

This bill would enact the San Francisco Bay Area Regional Housing Finance Act and establish the Housing Alliance for the Bay Area (HABA), a regional entity governed by members of MTC and ABAG. HABA would be tasked with establishing a regional funding program to address housing needs in the Bay Area. The funding source is unspecified and left to HABA to determine what's likely to meet the region's needs and garner voter-approval. A portion of the revenues would be returned to each county and a portion would be controlled by HABA.

AB 1568 (McCarty) Loss of Transportation Funding for Failure to Meet Housing Production Targets

This bill would require HCD to review each production report submitted by a city or county in to determine if that city or county has met the applicable minimum housing production goal for the reporting period. If a local agency fails to meet their production targets, the bill would prohibit the entity from applying for certain state grants, including the Transit and Intercity Rail Capital Program. *C/CAG OPPOSES this measure. This bill was held in Assembly Appropriations.*

ACA 1 (Aguiar-Curry) Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval.

This constitutional amendment would lower the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation bonds and special taxes for affordable housing and public infrastructure projects. *C/CAG SUPPORTS this measure.*

Bills marked with an * are being tracked by MTC as implementing elements of the CASA Compact. These bills are not sponsored by MTC. The above list does not include all bills MTC has identified.

C/CAG City/County Association of Governments of San Mateo County

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June 14, 2019

The Honorable Scott Wiener California State Senate State Capitol, Room 5100 Sacramento, CA 95814

RE: Senate Bill 50 (Wiener) – Comments and Concerns

Dear Senator Wiener:

The City/County Association of Governments of San Mateo County (C/CAG) writes to you today to convey several concerns with your bill, SB 50, that have been discussed by our Board in recent weeks. As you are aware, C/CAG is made up of all 20 cities in San Mateo County, as well as the County, and we deal with issues ranging from transportation to water quality. What is often overlooked is C/CAG's role in housing and development. C/CAG facilitates the sub-regional RHNA process and is the Airport Land Use Commission which evaluates development projects for consistency with the Airport Land Use Compatibility Plan around San Mateo County airports, including SFO. We very much appreciate the time you and your staff have spent with us discussing SB 50.

Let me begin by saying that we agree that California is in a housing crisis and in San Mateo County, we see the impact that our thriving job market is having on housing and transportation. We see lower-wage earners pushed out of the County due to affordability issues, exacerbating commute times, congestion, and transportation & housing costs. Our cities are aggressively zoning and permitting new housing and we have seen thousands of units under construction in recent years, many of them rising around our Caltrain stations thanks to a firm belief that transportation and housing are inextricably linked. We believe that San Mateo County is doing its part to build new housing. With that we offer the following comments on SB 50:

- Acknowledge Existing Plans: Several cities in San Mateo County, specifically in the areas your bill targets, have transit-oriented development plans in place that address development around our rail stations and transit hubs, under various names (Transit Corridor Plans, Station Area Plans, and Specific Plans). These plans were carefully crafted with local input and in some cases (City of San Bruno), have been approved by local voters. Additional cities (Burlingame, Brisbane, Millbrae) also have recently adopted these plans. SB 50 could have a significant impact on these plans and we believe *exemptions should be given in the bill to locally approved plans that incorporate a reasonable amount of housing*.
- No Credit for Current Work: As noted above, our member cities have been building housing to accommodate for the influx of workers and are well on their way to meeting their RHNA targets. For example, San Carlos has approved 61% of its RHNA target (596 units) for the current cycle and is processing additional projects that will result in 84% compliance of this requirement in the coming months. San Carlos is on target to wholly meet the total number of units allocated by the

State by the end of the cycle. Hillsborough is 90% of the way towards meeting its target and other cities in the County are also making good strides. *SB 50 should not apply to cities that are on target to meet the state-approved RHNA target*.

- **Parking is a Local Issue:** We acknowledge that requiring more parking than may be necessary adds costs to a development and/or takes up space that could be used for housing units. However, applying a statewide limit on parking does not account for existing conditions in our cities. The Caltrain system runs adjacent to many single-family neighborhoods. As multifamily projects come online, we fear that parking limitations that conflict with local standards will crowd our streets and worsen traffic in our neighborhoods. SB 50 could also jeopardize a city's ability to seek mitigation from developers for parking impacts to help lessen the burden on existing neighborhoods. *We believe SB 50 should provide discretion to local agencies in determining parking requirements, while still acknowledging the bill's intent.*
- Local Zoning Should Still Apply: Our understanding of SB 50 is that if a parcel is zoned for housing, regardless of whether it is zoned as a single-family parcel of multi-family parcel, a developer may seek to build 55- or 45-foot projects on those parcels. This is concerning given the existing conditions in some of our cities along the Caltrain corridor. *We would like to see flexibility in SB 50 to allow local zoning standards to remain in place to accommodate unique physical characteristics and limitations of cities.*

The above concerns highlight common themes we have heard from our members that we feel should be addressed as SB 50 continues to move through the process. However, we would argue that many of the changes you, and other members of the Legislature, enacted in recent years have not had time to play out to determine if there has been a positive impact on housing production in California. Before pursuing SB 50 (or any other major housing legislation impacting local processes), we feel the recent laws need time to progress. Additionally, C/CAG believes the most important thing the State can do is provide funding for local agencies to plan, incentivize, and mitigate for future housing development. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Maryann Moise Derwin, Chair City/County Association of Governments of San Mateo County

Cc: Assembly Member Marc Berman Assembly Member Kevin Mullin Assembly Member Phil Ting Senator Jerry Hill