

Report on ABAG to MCCMC

March 2019

GENERAL ASSEMBLY: The ABAG General Assembly will meet on June 6, 2019 at the Oakland Scottish Rite Center located at 1547 Lakeside Drive, Oakland. I will distribute the draft budget and workplan to each city at the March MCCMC meeting and electronically to each ABAG delegate and alternate. ABAG will formally distribute the draft budget and workplan to each member city and county by May 6, 2019. As you may recall, the ABAG General Assembly will be voting on the draft budget and workplan for 2019-2020. You will notice that the membership dues are proposed to slightly increase to accommodate the cost of living adjustment; and, that the dues for counties includes the larger increase agreed to last year to help address the \$4.2M deficit primarily due to the \$18M pension and OPEB unfunded liabilities.

CASA: On March 18, 2019, David Rabbitt, ABAG President and Scott Haggerty, MTC Chair sent a letter to Honorable Philip Y. Ting, Chair of the Bay Area Legislative Caucus in the California State Assembly clarifying ABAG's and MTC's role in CASA and that the respective Boards authorized the organizations to sign off on the CASA document, but with conditions. I have sent the attached letter to both Senator McGuire and Assemblyman Levine. **See attached letter.**

At the March 21, 2019 ABAG Executive Board meeting, staff announced that the State of California Office of Legislative Counsel, has determined that three revenue proposals outlined in the CASA report are **not legal**. They are the:

- 1) 20% revenue sharing contribution from future property tax growth (Compact #9);
- 2) Regional vacant homes tax levied on property owners (Compact #9); and,
- 3) 5 or 15-year of property tax increment abatement (Compact #7).

Staff continues to reach out to cities and others on CASA to gain a better understanding of the concerns. Many comments to date focus on lack of involvement by small and medium sized cities and opposition to losing local control.

CASA LEGISLATIVE TASK FORCE: As reported to MCCMC in February, the ABAG Executive Board authorized the ABAG President to sign the CASA Compact with conditions. One of those conditions directed the formation of a task force of elected officials from Bay Area cities and counties to follow the legislative process and to "further inform staff's understanding of concerns of local government". On February 28, 2019, ABAG President Rabbitt and MTC Chair Haggerty, sent a memorandum requesting appointments to a "CASA Legislative Task Force". Each city selection committee in each County will be appointing two elected officials; and, each County Board of Supervisors will appoint one elected official that currently does not serve on ABAG and/or MTC.

On March 21, 2019, the ABAG Executive Board approved those nominated to date, approved the name change to the "Housing Legislation Task Force"; and, clarified that the Task Force will meet weekly during the current state legislative session to receive progress reports and provide feedback on proposed housing legislation. The Task Force will not take positions on legislation itself and is advisory in nature. Their comments will be relayed to the Joint ABAG/MTC Legislation Committees, the ABAG Executive Board and MTC who will take positions on the bills. The Chair of the Task Force is the Chair of the ABAG Legislation Committee (Past President Pierce) and the Vice Chair is the Chair of the MTC Legislation Committee (TBD). All meetings are subject to the Brown Act, will be webcast live and will be held at Bay Area Metro in San Francisco beginning in April, 2019. The first tentative meeting is Friday, April 5, 2019.

GOVERNOR NEWSOM TRAILER BILL: On March 21, 2019, the ABAG Legislative Committee and Executive Board discussed Governor Newsom's proposed trailer bill on housing released on Monday, March 11, 2019. The draft trailer bill to the Fiscal Year 2020-21 budget proposes to allocate \$250 million towards housing planning split evenly between regional agencies and local government. Of this amount, approximately \$46 million would be provided to the Bay Area. \$23 million would come directly to ABAG for housing-related planning activities such as technical assistance to local governments for improving permitting processes, infrastructure planning including water, sewer, etc., developing an affordable housing trust fund, etc. The other \$23 million would be distributed directly to cities and counties using a three-tier formula of \$150,000 for jurisdictions below 50,000; \$275,000 between 60,000 to 200,000 and \$750,000 to cities over 200,000. \$500 million in incentive funding would be distributed in proportion to each region's share of

affordable housing. Regional agencies, in our case, ABAG, would be in charge of determining the methodology for distributing the funds, consistent with a regional action plan, which the bill would establish as a new requirement.

The bill also allows, after July 1, 2023, SB 1 funding for local streets and roads to be withheld from any jurisdiction that does not have a compliant housing element and zoning or entitlement consistent with its annual housing goals. As a budget trailer bill, this bill will not go through the normal policy committee process but will be negotiated by leadership and ultimately resolved through the budget process.

ABAG EXECUTIVE BOARD: On March 21, 2019, the ABAG Legislative Committee recommended and the ABAG Executive Board approved a support position for the following bills: **SB 5 (Beall)**: Local-State Sustainable Investment Incentive Program; **SB 128 (Beall)**: Enhanced Infrastructure Financing Districts; and, **AB 147 (Burke)** - Use Taxes: Collection: Retailer Engaged in Business in this State: Marketplace Facilitators.

PLAN BAY AREA 2050. As previously reported, ABAG/MTC continue our planning effort called “Horizon” that precedes development of Plan Bay Area 2050. This effort includes the following seven perspective papers that will become part of Plan Bay Area 2050:

- 1) Autonomous Vehicles issued June 2018. For more information: <https://mtc.ca.gov/whats-happening/news/video-gallery/expand-your-horizon-event-autonomous-vehicles-perspective-paper>
- 2) Toward a Shared Future issued September 2018. For more information: https://mtc.ca.gov/sites/default/files/TDM_Perspective_092618.WEB_.pdf
- 3) Regional Growth Strategies issued February 2019. For more information: https://mtc.ca.gov/sites/default/files/Horz_Perspective3_022719.pdf
- 4) The Future of Jobs (to be issued April 2019).
- 5) Bay Area Crossings (to be issued May 2019).
- 6) Regional Governance (to be issued June 2019).
- 7) Sea Level Rise (to be issued September 2019).

ABAG Delegates and Alternates Meeting: We will be meeting either April 29 or 30, 2019 to discuss: 1) Horizons; 2) Housing Issues; 3) ABAG General Assembly; 4) others. Please send me proposed agenda items no later than April 8, 2019. Here is the link to the doodle poll: <https://doodle.com/poll/3karkyazc9iiphdz>

UPCOMING MEETINGS¹

- **March 27, 2019 --** MTC Commission, 9:30 am
- **April 3, 2019 --** ABAG Regional Planning Committee, Housing Ad Hoc Subcommittee, 9:30 am
ABAG Regional Planning Committee, 1-3:00 pm
- **April 12, 2019 --** Joint ABAG Administrative and MTC Planning Committees, 9:00 am
Joint ABAG and MTC Legislation Committees, 9:30 am
- **April 24, 2019 --** MTC Commission, 9:30 am
- **May 10, 2019 --** Joint ABAG Administrative and MTC Planning Committees, 9:00 am
Joint ABAG and MTC Legislation Committees, 9:30 am
- **May 16, 2019 --** ABAG Legislative Committee, 5:00 pm
ABAG Executive Board, 7:00 pm
- **May 22, 2019 --** MTC Commission, 9:30 am
- **June 6, 2019 --** ABAG General Assembly
LOCATION: Oakland Scottish Rite Center located at 1547 Lakeside Drive, Oakland

If you have questions, contact Pat Eklund, Council Member, City of Novato at 415-883-9116 and/or pateklund@comcast.net).

¹ All meetings are held at 375 Beale Street in San Francisco, unless noted otherwise.



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March 18, 2019

The Honorable Philip Y. Ting
Chair, Bay Area Legislative Caucus
California State Assembly
State Capitol, Room 6026
Sacramento, CA 95814

Dear Assemblymember Ting:

Thank you for inviting MTC and ABAG leadership to speak to the Bay Area caucus about the recommendations of the Committee to House the Bay Area (CASA) in January. With the flurry of housing-related bills introduced this year, we would like to update you on actions taken by MTC and ABAG in relation to CASA and our agencies' respective roles going forward as it relates to legislation aimed at addressing the region's severe housing crisis.

As you know, MTC and ABAG convened CASA in mid-2017 in an effort to develop consensus among major employers, for-profit and nonprofit housing developers, labor and environmental leaders, public policy and affordable housing advocates, transportation providers, charitable foundations and local elected officials for substantive and enduring solutions to the Bay Area's housing crisis. The 10-point set of policy recommendations adopted by the CASA Steering Committee in late 2018 is known as the CASA Compact.

MTC at its December 2018 meeting authorized the Commission Chair to sign the CASA Compact, with the ABAG Executive Board authorizing the ABAG President to sign in January 2019. Both boards' authorizations were subject to the following understandings:

- Authorization does not constitute board approval of the Compact itself;
- Authorization will enable the Commission and the Association to be engaged as the process of implementing the Compact goes through the Legislature;
- Authorization should be accompanied by a comprehensive program of outreach to local government, and the MTC and ABAG legislative committees should include local jurisdictions in the development of Compact advocacy; and
- Authorization does not constitute an endorsement of any potential revenue source for housing.

The approved actions of each board, which include additional direction on specific policy items are attached.

Following the Commission's and ABAG Executive Board's direction, the agencies' staff has presented the CASA Compact to local elected officials, city and county staff, and other organizations across the nine counties. This outreach emphasizes our eagerness to receive productive feedback that can be incorporated into the staff's analysis of pending legislation that we can share with the members of the Bay Area delegation. Staff presentations have stressed that while development of the Compact is



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complete, the work to address the housing crisis through concrete policy via state legislation has just begun.

In addition, at the request of the ABAG Executive Board, we are convening a task force of local elected officials to provide input on housing legislation that would further inform staff's understanding of the concerns of local government. The task force will be comprised of a county representative of each of the nine counties, and two city representatives. We are still receiving each county's nominations for participation on the task force and expect to hold the first meeting in April. This task force will not take positions itself, but is advisory in nature. MTC and ABAG will take up housing bills this year on a case-by-case basis as we normally do, while keeping mindful that we cannot solve the Bay Area's housing crisis without a comprehensive approach, as embodied by the CASA Compact's "3Ps" approach of making simultaneous progress on protection, production, and preservation.

Implementing meaningful solutions to the Bay Area's housing crisis is a top priority for both MTC and ABAG. We look forward to working with the Bay Area delegation on housing policy this session and invite you to contact Therese McMillan, MTC/ABAG Executive Director at 415-778-5210 or tcmillan@bayareametro.gov or either of us at the contact information below.

Sincerely,

David Rabbitt
ABAG Executive Board President
David.Rabbitt@sonoma-county.org

Scott Haggerty
MTC Chair
scott.haggerty@acgov.org

Cc: San Francisco Bay Area Delegation

Metropolitan Transportation Commission Meeting, 12/19/18

Item 2b. CASA Compact – Authorization to Sign
Vote on the Motion: Yes—14 No—3; Absent—1

Upon the motion by Commissioner Spering and the second by Commissioner Pierce, the Commission authorized Chair Mackenzie to sign the CASA Compact, subject to the following understandings:

1. This authorization does not constitute an approval of the Compact itself.
2. This authorization will enable the Commission to be proactively engaged as the process to implement the Compact goes through the State Legislature.
3. This authorization should be accompanied by a comprehensive program of outreach to local government. With adequate representation from local elected officials, the MTC/ABAG legislative committees should include local jurisdictions in the development of Compact advocacy.
4. This authorization does not constitute an endorsement of any potential revenue source for housing.

ABAG Executive Board Meeting, 1/17/19

Item 12, Authorization to Sign CASA Compact

Motion by: Chavez; Second by: Arreguin

Vote on the Motion: Yes—21; No—9; Absent—3

Motion:

[To] authorize the ABAG President to sign the CASA Compact, subject to the following understandings: (1) This authorization does not constitute an approval of the Compact itself; (2) This authorization will enable ABAG to be proactively engaged as the process to implement the Compact goes through the State Legislature; (3) This authorization should be accompanied by a comprehensive program of outreach to local governments. With adequate representation from local government representatives, the ABAG Legislation Committee to include local jurisdictions in legislative advocacy; (4) This authorization does not constitute an endorsement of any particular funding strategy and will include engagement and education on impact of funding strategies.

Given the lack of clear emphasis on tenant protections in the legislative agenda currently being discussed statewide and the danger that new tenants with less than 12 months completed in their lease(s) will be evicted, ABAG should move to support a just cause ordinance that takes place immediately rather than begin after 12 months of a tenancy.

Direct MTC/ABAG staff to return with analysis of impact of current AMI levels in Compact Item #7 on low income housing production and recommendations on how to lower them to better address the housing needs articulated in the CASA Compact which is designated as 80% to 120% versus 80% to 150%. Additionally, the CASA Compact recommends the average affordability not exceed 110% AMI and it should similarly receive consideration to determine if it should be lowered to an average of 100% AMI.

The processes and timeline of determining the governance of the Regional Housing Enterprise and the final determination of the governance of MTC and ABAG should be aligned in order to ensure appropriate accountability and outcomes without degradation to public sector representation.

Establish a task force of elected officials throughout the Bay Area cities and counties to follow the legislative process and to give concurrent and robust feedback to each individual piece of legislation and to the value and fairness of the legislative package.

Ongoing report out to ABAG about the progress on the strategies that lay out the timing of implementation, specifically on proposed land use changes and funding opportunities and strategies.

MTC/ABAG staff will do an analysis of the financial and economic impact of the CASA Compact to small and medium cities and counties and will present documents, findings, and recommendations to the Legislation Committee and the Executive Board.

Direct MTC/ABAG staff to clarify language relative to the use of public lands to encourage housing development without encouraging the inappropriate disposition of public property. This is to be included in the legislative advocacy process.

Direct MTC/ABAG staff to compile comments on CASA Compact from Executive Board members to be included in the legislative advocacy process.