



City of Palo Alto

COLLEAGUES MEMO

DATE: April 15, 2019

TO: City Council Members

FROM: Mayor Filseth, Council Member DuBois

SUBJECT: Colleagues Memo Regarding the Santa Clara County Cities Association's Position on Housing in Relation to State Legislative Initiatives

Goals

The State Legislature is currently considering multiple bills which seek to spur housing production; some elements of which override local zoning control and Comprehensive Plans and impose standardized statewide templates.

The Cities' Association of Santa Clara County, of which Palo Alto is a member, has released a consensus Position Paper on housing initiatives. Council should authorize Staff to communicate a position on the Cities' Association consensus in relation to State initiatives.

Background and Discussion

The Cities' Association of Santa Clara County, of which Palo Alto is a member, has released a formal Position Paper on these bills, which outlines Association support for many but not all proposed legislative policies. The Association adopted the Position Paper on a unanimous 13-0 vote.

Since some of these bills may have large impacts on Palo Alto's future evolution, and its residents' ability to define that evolution, it makes sense that Palo Alto should provide input. The current timeframe represents Palo Alto's main opportunity to provide that input, including on State Senate Bill SB50 (Wiener), which is scheduled to be heard by the Senate Governance Committee on April 24 (comments due April 17).

Recommendation

Staff should agendize a timely Council discussion on the Cities' Association position and its relation to state initiatives.

We recommend the City consider the following:

- Support the Cities' Association Position Paper

- Support legislation consistent with the Position Paper
- Oppose legislation not consistent with the Position Paper, until amended to be consistent

Resource Impact

As a legislative advocacy position, the recommended action is not expected to have a significant impact on resources. Staff will communicate the City's action as appropriate to state legislative representatives and other agencies. In the longer term, the state legislative actions under consideration could have a significant but indeterminate impact on City resources.

Attachments:

- Attachment A: CASCC Housing Paper Final approved 14march 2019 FINAL



Cities Association of Santa Clara County: Position Paper on Housing

The Cities Association of Santa Clara County (CASCC) is an association of the fifteen cities of the county that works collectively to discuss and find solutions on issues at a regional level.

CASCC recognizes the need for increased housing opportunities, especially for people earning below the area median income. We fully **endorse** local and regional efforts to encourage the production of more housing, preserve and increase subsidized below market rate housing at moderate- and below-income levels, and provide benefits to minimize the impact for current residents in rapidly changing neighborhoods.

The CASA Compact is a high-level document with only limited detail. Small and medium sized cities were not well represented in it's creation yet represent 66% of the Bay Area population. CASCC wants to ensure that their member cities' voices are heard as the details of legislation are being crafted. CASCC further encourages MTC, ABAG and the State Legislature collaborate with all cities on the ideas contained within the CASA Compact so that we can collectively formulate workable solutions to address the Bay Area's housing needs. It is the consensus of the CASCC that:

We support legislation that will provide voters statewide with the opportunity to apply a 55 percent threshold for revenue generating ballot measures for investments in affordable housing and housing production.

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.

We support Governor Newsom's investments proposed in the state budget that will benefit California cities including a substantial increase in state funding for affordable and workforce housing and to address the growing homelessness crisis in our state.

We support incentives for the production of new accessory dwelling units to streamline the entitlement of those ADU's.

We support removing barriers to planning complete communities, ensuring that adequate resources are available for new schools and parks to serve our growing population.

We support additional transportation investments to expand the Bay Area transit network that provide connections from job centers to existing housing as well as planned future housing.

We support establishing tenant protections as cities deem appropriate for their residents.

We support maintaining local control of the entitlement process. We urge the State to recognize that cities control entitlements, while developers build. Cities should therefore primarily be measured by entitlements when calculating RHNA attainment, and not penalized when funding is inadequate to build affordable housing.

We support ABAG, an elected body, to serve as the governance structure that administer new affordable housing funds and monitor housing production rather than establishing yet another agency to take on that role.

We oppose a one-size-fits-all approach to housing densities and land-use decision-making.

We oppose any diversion of existing revenue sources from cities.

Cities in Santa Clara County are actively addressing the housing shortage.

- All 15 cities have State-approved plans for new housing growth.
- Permits for 30,000 new residential homes have been approved since 2015 which represents over 50% of the state's housing goal for Santa Clara County of 58,836 new homes by 2023.
- Over 6,000 new residential units were approved in Santa Clara County in 2018.
- Santa Clara County voters increased local taxes to support \$950 million in affordable housing funds. As of 2018, \$234 million has been invested for 1,437 new multi-family units and 484 rehabilitated units.
- The Cities Association of Santa Clara County is leading the effort to form a 2023-2031 RHNA Sub-Region within the County.

About us: The Cities Association of Santa Clara County is an association of the fifteen cities of the county and the elected representatives of more than 1.9 million Bay-Area residents. Since 1990, the city representatives have been gathering to discuss and find consensus and solutions for regional issues. The cities of our association are diverse and include cities of a few thousand people and a city of a million people.