Overview of the CASA Compact

February 2019
CASA is a panel of Bay Area leaders across various sectors convened by MTC and ABAG in 2017 to address the region’s housing affordability crisis by identifying and unifying behind bold, game-changing ideas.
Job Growth Far Surpassed New Housing Between 2010 to 2016

Ratio

# Jobs Added : # Housing Permitted

- Alameda: 4:1
- Contra Costa: 5:1
- Marin: 20:1
- Napa: 17:1
- San Francisco: 13:1
- San Mateo: 17:1
- Santa Clara: 8:1
- Solano: 5:1
- Sonoma: 12:1
The Bay Area faces a housing crisis because we have failed at three tasks:

- Failed to produce enough housing for residents of all income levels
- Failed to preserve existing affordable housing
- Failed to protect current residents from displacements
Components of Compact

- Elements 1, 2 & 3: Tenant Protection
- Element 4: Remove Barriers to ADUs
- Elements 5, 6 & 7: Production Initiatives
- Element 8: Surplus Public Land
- Element 9: Potential Funding Sources
- Element 10: Regional Housing Enterprise
ELEMENT #1: JUST CAUSE EVICTION POLICY

• Ensure Bay Area tenants are protected from arbitrary evictions by adopting region-wide requirement landlords cite specific "just causes" (fault and no-fault) for evictions, e.g. failure to pay rent, violating lease.

• San Francisco, Oakland and San Jose have already adopted
ELEMENT #2: RENT CAP

• Establish Bay Area-wide emergency rent cap that limits annual rent increases to reasonable amount in order to decrease number of households at risk of displacement and to prevent homelessness.

• For emergency period (15 years), CPI+5% in any one year with certain exemptions and banking provision.
ELEMENT #3: RENT ASSISTANCE AND ACCESS TO LEGAL COUNSEL

• For low-income tenants facing eviction: access to free legal counsel and emergency rent assistance for tenants with an urgent, temporary financial gap.

• Regional Housing Enterprise (Element #10) would establish policy guidelines and provide funding for programs.
**ELEMENT #4: REMOVE REGULATORY BARRIERS TO ACCESSORY DWELLING UNITS (ADUs)**

- Extend current Bay Area best practices on Accessory Dwelling Units (ADUs) and Junior ADUs to all jurisdictions in the region.
- Allow an ADU and a Junior ADU on single family lots and multiple ADUs in existing multi-family buildings with ministerial approval.
ELEMENT #5: MINIMUM ZONING NEAR TRANSIT

• Establish minimum zoning for housing in neighborhoods with:
  
  * High quality bus service – within ½ mile of stop, allow up to 36 ft.
  * Major transit stop (rail and ferry served by bus) – within ¼ mile, allow up to 55 ft.

• Retain local development standards such as setbacks, density limits, maximum unit sizes and lot coverage.

• For “sensitive communities” in or adjacent to a major transit stop, defer height increases above 36 ft. until jurisdiction develops context-sensitive plan.
TRANSIT ACCESS AREAS

• Rail and ferry stations are shown in blue dots

• High quality bus service areas are shown in orange and limited to East Bay, San Jose and S.F.
ELEMENT #6: GOOD GOVERNMENT REFORMS TO HOUSING APPROVAL PROCESS

• Establish ‘good government’ standards for entitlement and permitting of zoning-compliant residential projects, including but not limited to:
  - Require local jurisdictions to create and maintain in publicly accessible format all rules, codes and standards that apply to residential applications, including how an application is deemed complete.
  - Rules, fees and historic designation are set at the date of an application’s completeness.
  - For zoning-compliant residential projects, no more than three public hearings required prior to approval.
ELEMENT #7: EXPEDITED APPROVALS AND FINANCIAL INCENTIVES FOR SELECT HOUSING

• Ensure timely approval of zoning-compliant projects and provide financial incentives for creation of on-site affordability and use of prevailing wages:
  • 15 years of property tax increment abatement, modeled on NYC program, aimed at missing middle housing
  • Cap impact fees at a reasonable level that allows project feasibility targeted to regional median income
  • Density bonus of 35%
    Parking minimums reduced to 50% of local requirement
ELEMENT #8: UNLOCK PUBLIC LAND FOR HOUSING

• Promote increased utilization of public land for affordable housing through variety of legislative and regulatory changes, as well as the creation of new regional coordination and planning functions.

Publicly-Owned Land

<table>
<thead>
<tr>
<th>Landowner</th>
<th>Number of Parcels</th>
<th>Total Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay Area Rapid Transit (BART) District</td>
<td>91</td>
<td>229</td>
</tr>
<tr>
<td>Santa Clara Valley Transportation Authority (VTA)</td>
<td>26</td>
<td>178</td>
</tr>
<tr>
<td>State of California</td>
<td>17</td>
<td>42</td>
</tr>
<tr>
<td>City/County of San Francisco</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>San Mateo County Transit District (SamTrans)</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Union City Community Redevelopment</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>County of Santa Clara</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>City of Oakland</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>City of San Jose</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Suisun City</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>217</strong></td>
<td><strong>548</strong></td>
</tr>
</tbody>
</table>

Source: MTC
Element #9: Funding to Finance the Compact

- Raise $1.5 billion/year in new revenue from a menu of potential sources, including property owners, developers, employers, local governments and the taxpayers, to fund implementation of the CASA Compact.
### Potential New Sources of Revenue

**Target:** $1.5 billion per year

<table>
<thead>
<tr>
<th>Category</th>
<th>Source</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Owners</strong></td>
<td>$100 million 1 percent Vacant Homes Tax on the assessed value of vacant home</td>
<td>$100 million</td>
</tr>
<tr>
<td></td>
<td>$100 million $48 per year Regionwide Parcel Tax</td>
<td></td>
</tr>
<tr>
<td><strong>Developers</strong></td>
<td>$200 million Variable Commercial Linkage Fee ($5-$20 per sq. ft.) on new construction with rate varied depending on location to incentivize infill development</td>
<td>$200 million</td>
</tr>
<tr>
<td></td>
<td>$200 million $40-120 per job Flat Commercial Linkage Fee ($10 per sq. ft) on new construction</td>
<td></td>
</tr>
<tr>
<td><strong>Employers</strong></td>
<td>$200 million $200 million 0.1%-0.75% Gross Receipts Tax variable rates based on sector and firm size</td>
<td>$200 million</td>
</tr>
<tr>
<td></td>
<td>$200 million $40-120 per job Head Tax variable rates based on number of employees, jobs-housing ratio and transit access</td>
<td></td>
</tr>
<tr>
<td><strong>Local Governments</strong></td>
<td>$200 million $200 million 25 percent Redevelopment Revenue Set-Aside for affordable housing in TPAs (including portion for schools and special districts)</td>
<td>$200 million</td>
</tr>
<tr>
<td></td>
<td>$100 million $100 million 20 percent Revenue Sharing Contribution from future property tax growth</td>
<td></td>
</tr>
<tr>
<td><strong>Taxpayers</strong></td>
<td>$400 million $400 million 1/4-cent Regionwide Sales Tax</td>
<td>$400 million</td>
</tr>
<tr>
<td></td>
<td>$100 million $100 million 5-Yr. Term General Obligation Bonds issued by a regional housing enterprise, renewed every five years</td>
<td></td>
</tr>
</tbody>
</table>

**Chan-Zuckerberg-SF Foundation Initiative Policy and Infrastructure Funds**
ELEMENT #10: REGIONAL HOUSING ENTERPRISE

• Establish a regional leadership entity to fund affordable housing and all elements of the CASA Compact, track and report progress, and provide incentives and technical assistance to local government.

• It would not have direct land use/zoning authority or play a regulatory/enforcement role.
CALLS TO ACTION

• Redevelopment 2.0
• Lower Vote Threshold for Housing Funding Measures to 55%
• Address Fiscalization of Land Use (e-commerce and property tax allocation reforms)
• Homelessness
• Grow and Stabilize the Construction Labor Force