


**CITY COUNCIL
AGENDA REPORT**



**CITY OF MILLBRAE
621 Magnolia Avenue
Millbrae, CA 94030**

SUBJECT: Informational Report on CASA Compact ATTACHMENTS: (1) CASA Compact Draft Document (2) Letter from Various Cities in San Mateo and Santa Clara Counties Opposing the CASA Compact	Report No. 6216
	For Agenda of: January 22, 2019
	Department: Community Development
	Approved: 
Budget Action Yes: ___ No: <u>X</u> Finance Review:	

REPORT TYPE: ACTION ___ INFORMATIONAL <u>X</u>
ITEM TYPE: CONSENT <u>X</u> PUBLIC HEARING ___ EXISTING BUSINESS ___ NEW BUSINESS ___

RECOMMENDATION:

Receive the CASA Compact and letters of opposition. Provide direction for future action as may be appropriate.

BACKGROUND:

The CASA Compact (Compact) is a set of policies drafted to address the current housing shortage throughout the Bay Area. The Compact was developed by a task force convened by the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). It is described as a 15-year emergency policy package to confront the region's housing crises and includes a series of policy reforms intended to build more housing at all income levels.

Millbrae supports the development of housing, including affordable housing, as is evident through its adoption of specific plans and entitlements for medium to high density residential developments inclusive of low income housing. Implementing best practices for Transit Oriented Development (TOD) has been a mainstay in Millbrae's housing and land use policies. These policies have created the opportunity for much needed housing production under the land use authority of the City

Although the CASA Compact is a laudable effort and a first start in an attempt to solve the current housing shortage, the document has several fatal flaws. The process failed to seek out and obtain input from primary city stakeholders in San Mateo and Santa Clara counties which house more than two-thirds of the Bay Area population. These cities formally objected to the Compact as written (see attachment 2) and requested further analysis of the draft policies. At the objection of these cities, including Millbrae, the ABAG Executive Board voted 18-9 on January 17, 2019, to authorize the President of the ABAG Board to sign the CASA Compact.

The Compact currently falls short in several areas including:

- It does not address a primary cause of the housing crisis: the responsibilities of the private sector development community and large employers to carry their fair share of meeting housing needs.
- The Compact unreasonably places the burden on the tax payers to solve the crisis alone.
- Contains proposed funding mechanisms and policies that are not feasible and would have the effect of usurping local control over specific land use decisions.
- A one size fits all approach is not appropriate to achieve the global objective for increasing the housing supply for all.
- No mention in the Compact for other possible options to lessen the housing crisis such as building transportation at locations where desirable single family housing is being built.
- Diversion of property taxes and lacks clarity regarding which taxing districts would be impacted – cities, counties, school districts, and other taxing entities.
- Reliance on current residents/tax payers to subsidize needed services such as police, fire, and possibly schools for the new development placing an undue cost burden on existing residents.
- Fails to consider the balance of other land uses, proximity to transit and parking, and a myriad of other variables that will deter people from taking public transportation.
- Diverts property tax revenues from cities to a central fund. This central fund concept creates a new costly administrative bureaucracy without any guarantees housing will be built and a city's ability to provide adequate services.

ANALYSIS:

It is uncertain how proposals regarding a housing only mentality, in and around transit corridors, will affect existing transit centers, transit operators and ridership. Access to stations is limited and new development at existing stations will reduce parking and cause greater congestion. The CASA compact should be further analyzed to consider all other variables. The Compact fails to realize findings such as those found in the City of San Francisco's Transit Center District Plan, released in November 2009. Specifically, on page 17 of the study - LAND USE, Regional Environmental Sustainability and Downtown San Francisco it states the following:

"the tendency to use transit for commuting drops 70 percent more for every 1,000 feet a workplace is from transit than for the same relationship between home and transit."

"These factor suggest that to maximize regional transit use and achieve the lowest overall auto travel, land immediately proximate to major regional transit (e.g. rail stations like BART or Caltrain) should be oriented more toward high-density jobs, with areas ringing these cores oriented more to high-density housing."

The cities in San Mateo County have a decades-long track record of innovative solutions by taking action long before recently enacted legislation in an attempt to solve the current housing dilemma. San Mateo County was the first in the state to create a sub-region for housing allocation through the

Regional Housing Needs Allocation (RHNA) process. This example and others in Millbrae and San Mateo County are a clear sign that we still do not need a top down approach from a new unelected body that can affect the health, livelihood and welfare of our residents.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

COUNCIL ACTION:

Receive the informational report and provide input and guidance as may be necessary.