CASA
Committee to House the Bay Area
CASA Goals

1. Significant systemic shift

2. Wins and must haves for key constituencies

3. Compact will guide implementation and will have “pledge” component

4. ↑ positives; ↓ negatives

5. Bold, effective, shared, best practices
Goals:

- **Shared** responsibilities and benefits across sectors and interests
- **Balanced** among 3 Ps; components cannot detract from each other and move together
- **Fair** more uniform region-wide standards ("Level playing field across Bay Area")
- **Effective** to address massive displacement, exclusion, underproduction in region
- **Rapid and Efficient** maximum effect with minimum new administration
- **Inclusive** developed in cross-sector conversations to break down divisions with more inclusive process that will create improved and more inclusive outcomes
1. Production: Build new affordable homes
2. Preservation:
Preserve existing affordability
3. Protection: Protect tenants from displacement
Fred Blackwell of San Francisco Foundation

Leslye Corsiglia of SV@Home

Michael Covarrubias of TMG Partners

Steve Heminger of Metro Bay Area (MTC/ABAG)
Goals of CASA from the Co-Chairs

• “Our goal is to reach consensus on some big picture responses that will move the needle on housing affordability in the Bay Area”
• “We must compromise, break down silos, and set aside differences for the greater good of the Bay Area”
• “The Bay Area is in a state of great peril today; CASA is the best chance to fix this crisis”
• “Every sector, every community participates and benefits”
# CASA Compact Overview

Bay Area Specific State Legislation
Protection (Pt), Preservation (Ps), Production (Pd)
*Pd: Affordable (AH), Missing Middle Income (MMI), Homeless (H), Market (M) or ALL*

| 1. Just Cause Eviction (Pt)                                                                 |
| 2. Anti-Gouging Cap (Pt)                                                                     |
| 3. Right to Legal Counsel (Pt)                                                                |
| 4. Amend Housing Element/RHNA for Preservation, Missing Middle, Site Feasibility (Pt, Ps, Pd ALL) |
| 5. No Net Loss (Ps, Pt)                                                                        |
| 6. $$ including Housing Trust Fund, Ballot Measures (Pt, Pr, Pd: AH, H, MMI)                  |
| 7. Promote Public Land for Affordable Housing (Pd: AH, MMI, H)                                 |
| 8. Redevelopment (Pd ALL, Pr)                                                                  |
| 9. Regional Inclusionary Zoning (Pd ALL)                                                      |
| 10. Remove Barriers to ADUs (Pd MM, H)                                                        |
| 11. Align and Improve Density Bonus & Inclusionary Zoning (Pd ALL)                            |
| 12. Amend Permit Streamlining, Mitigation Fee Act, and CEQA to Create Fair Process (Pd ALL)   |
| 13. Cap Impact Fees (Pd ALL)                                                                  |
| 15. Minimum Zoning Near Transit (Pd ALL)                                                      |
| 16. Modify Defect Liability for Condominiums (Pd ALL)                                        |
| 17. New Revenue to Cities that Build Housing (Pt, Ps, Pd)                                     |
CASA Compact Overview
3 P Laws and Standards

$ for 3P’s (see previous presentation)
1. Major regional funding
2. Public Land
3. Reinstating Redevelopment

Protect Tenants
1. Adopting Just Cause for Eviction
2. Adopting an Anti-Gouging Rent Cap
3. Providing Right to Legal Counsel

Housing Element
/ RHNA for 3 P’s
1. Reforming RHNA/Housing Element Law
   Include Provisions for 3P’s including Missing Middle, Cost, Site Feasibility Analysis
2. Adopting No Net Loss Requirements

Fair and Timely Process
1. Amend Permit Streamlining/Mitigation Fee Act/CEQA for timeliness and certainty (6-12 months)
2. Amend SB 35 to allow limited discretion, economic offsets

Inclusive regional standards
1. Align and Improve Density Bonus and Inclusionary Zoning Laws
2. Require Minimum Zoning Near Transit
3. Remove Barriers to ADUs
4. Cap Impact Fees
5. More Ownership-remove Liability/Insurance barriers
Annual Funding for Affordable Housing

$ Millions, Bay Area
Based on RHNA 2015-2022; only for low- and very-low income subsidized housing; does not yet account for other CASA initiatives related to cost reduction, regional inclusionary, tenant services, middle-income housing, etc.

Funding Gap for Subsidized Housing
~$1.68 billion
$350 million of which is due to recent federal and state cuts

$1,472
November 2018

$537

$860

$105

$65

$35

$145

Federal LIHTC*
Federal Section-8 HCV
California (AHSC/SB2)
Federal Home Loan AHP
Local (incl. 2016 Ballot)

Other Federal

Source: Funding Affordable Housing Near Transit, May 2017, Great Communities Collaborative; MTC Analysis
* Value of LIHTC reduced from $993 million to $860 million as a result of the 2017 federal tax reforms
### CASA Funding/Financing Compact

**Potential New Sources of Revenue**

*Note: tax and fee rates are arbitrarily set to raise $100 million annually for each proposal*

<table>
<thead>
<tr>
<th>Property Owners</th>
<th>Developers</th>
<th>Employers</th>
<th>Local Governments</th>
<th>Taxpayers</th>
<th>Philanthropy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$100 million</strong></td>
<td>$100 million</td>
<td>$100 million</td>
<td>$100 million</td>
<td>$100 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>3.35 percent</td>
<td>$2-4 per sq. ft.</td>
<td>$8-32 per job</td>
<td>17.5 percent</td>
<td>1/16-cent</td>
<td>CZI-TSFF Initiative</td>
</tr>
<tr>
<td><em>Inflation-Indexed Windfall Tax on home value appreciation at point of sale, region-wide</em></td>
<td><em>For development inside TPAs Commercial Linkage Fee</em></td>
<td><em>Revenue Sharing Contribution from future property tax growth, region-wide, starting in 2020</em></td>
<td>Sales Tax, region-wide</td>
<td><em>5-Yr. Term</em></td>
<td>Policy and Infrastructure Fund</td>
</tr>
<tr>
<td>$100 million</td>
<td>$4-8 per sq. ft.</td>
<td>$16-64 per job</td>
<td><em>Revenue Sharing Contribution from future property tax growth, region-wide, starting in 2020</em></td>
<td><em>General Obligation Bonds, issued by a regional housing entity created through state legislation, renewed every five years, region-wide</em></td>
<td></td>
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<tr>
<td>$48 per year</td>
<td><em>For development outside TPAs Commercial Linkage Fee on new construction; variable rates based on the number of new workers at the location, and jobs-housing ratio of host jurisdiction, region-wide</em></td>
<td><em>Redevelopment Revenue Set-Aside for affordable housing (for city/county portion of property tax revenue), statewide</em></td>
<td><em>20 acres Public Land Set Aside annually for affordable housing, region-wide</em></td>
<td></td>
<td></td>
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<tr>
<td><strong>$100 million</strong></td>
<td>$5 per sq. ft.</td>
<td>$100 million</td>
<td>$100 million</td>
<td><strong>$100 million</strong></td>
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<tr>
<td><strong>$1.35 per $1,000 Real Estate Transfer Tax, paid by the seller at point of sale, region-wide</strong></td>
<td><em>Fiat Commercial Linkage Fee on new construction, region-wide</em></td>
<td><em>Fiat Annual Head Tax, region-wide</em></td>
<td><em>Sales Tax, region-wide</em></td>
<td></td>
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<tr>
<td><strong>$100 million</strong></td>
<td>$30 per job</td>
<td></td>
<td><strong>$100 million</strong></td>
<td></td>
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<tr>
<td>1 percent</td>
<td><em>Fiat Annual Head Tax, region-wide</em></td>
<td></td>
<td><em>Sales Tax, region-wide</em></td>
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<td><strong>$100 million</strong></td>
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<td><em>1-cent per mile Commuter VMT Fee, paid by the employer, region-wide</em></td>
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<td><strong>$100 million</strong></td>
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<td><strong>Threshold For Approval</strong></td>
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<td>2/3</td>
<td>50+1</td>
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<td></td>
<td>Voters</td>
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<td>State Legislature</td>
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</tbody>
</table>

**Key**

- **$1/12-cent Gross Receipts Tax, variable rates based on sector and firm size, region-wide**
- **$100 million, 20 acres Public Land Set Aside annually for affordable housing, region-wide**
## CASA Funding/Financing Compact

### Potential Allocation of New Revenue

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Jurisdiction Incentives</strong></td>
<td>10 percent</td>
</tr>
<tr>
<td>Partial payments to local jurisdictions to make up for lost revenue due to proposed cap on impact fees.</td>
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<tr>
<td><strong>Tenant Protection Services</strong></td>
<td>10 percent</td>
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<tr>
<td>Short-term rental assistance and access to legal counsel for low- and moderate-income households.</td>
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</tr>
<tr>
<td><strong>Affordable Housing Preservation</strong></td>
<td>20 percent</td>
</tr>
<tr>
<td>Grants and financing, including for seismic retrofitting and energy efficiency upgrades. Priority to projects in low-income neighborhoods facing displacement.</td>
<td></td>
</tr>
<tr>
<td><strong>Affordable Housing Production</strong></td>
<td>60 percent</td>
</tr>
<tr>
<td>Grants and financing. Priority to projects in TPAs and HOAs. Construction training programs. Land acquisition program.</td>
<td></td>
</tr>
</tbody>
</table>
CASA Compact Implementation
Bay Area Specific Strategy

- Regional Housing Entity
- New Revenue
- State Legislation
- 3P Laws and Standards
Next Meetings

• **Technical Committee**  
  Bay Area Metro Center - Yerba Buena, First Floor  
  San Francisco  
  Wednesday, **October 17, 2018**  
  11:00 AM-2:00 PM

• **Steering Committee**  
  Bay Area Metro Center - Yerba Buena, First Floor  
  San Francisco  
  Wednesday, **October 24, 2018**  
  12:00 PM-2:00 PM
CSA
COMMITTEE TO HOUSE
THE BAY AREA