

HOPE Community Advisory Committee Members' Input to Burlingame City Council

June 9, 2023

The City of Burlingame convened a Community Advisory Committee (CAC), known as the “Housing Opportunity, Priorities, and Education (HOPE)” committee, to help the Burlingame City Council shape guidelines for the disbursement of the City’s housing funds. The Council Housing Fund Subcommittee, comprised of Mayor Michael Brownrigg and Vice Mayor Donna Colson, identified community members representing a range of experiences and relationships with different parts of the Burlingame community. Over a dozen community members participated in some part of the HOPE Committee’s proceedings. Nine CAC members have chosen to be part of an ongoing discussion with staff and the Council Subcommittee. The following report shares highlights from the Committee’s four public meetings.

BACKGROUND: THE OPPORTUNITY & CONTEXT

The City’s housing funds are generated by commercial linkage fees, which are a non-recurring source of revenue, tied to what commercial development projects get approved and built. These funds complement other ways that affordable housing can be provided in Burlingame for people who have incomes below the Area Median Income (AMI) – such as affordable units built as part of market rate residential developments in lieu of impact fees or “naturally occurring affordable housing” from landlords who charge rents below market rate. Another current example of a way to stimulate affordable housing is the Village at Burlingame where the City donated land to a development instead of direct financial support.

The City of Burlingame recently completed its first draft Housing Element for the 2023-2031 cycle. Providing access to homes for people with very low and extremely low income was identified as a priority. During the HOPE CAC discussions and with support from industry experts, it has been clarified that the housing funds generated by commercial linkage fees need to have a use that relates to providing housing for Burlingame’s workforce, based on the premise that commercial development generates new jobs and, by extension, increased housing demand. Therefore, to be clear about intent, the Committee referred these funds as funds affordable workforce housing.



HOPE COMMUNITY ADVISORY COMMITTEE INPUT

Committee members were invited in to join the HOPE Community Advisory Committee in January 2023. The first two meetings were conducted on Zoom (January 25 and February 15) and the third and fourth meetings were in person on March 29 and April 12 at the Burlingame Community Center. The HOPE CAC has a webpage and Q&A resources (www.burlingame.org/HOPE). While the group was not charged with reaching consensus, many interests and perspectives overlapped through the four meetings.

1 – CLARIFYING PURPOSE – The Who and Why

Committee members were presented with the demographics of who lives and works in Burlingame, as well as information about pay rates for different types of jobs compared to Adjusted Area Median Income (AMI). Affordable housing policy and financing uses the nomenclature of Extremely Low Income (ELI), Very Low income (VL), Low and Moderate.

Across the Committee, there was broad confirmation of a deep-seated interest in helping Burlingame both retain and increase socio-economic and occupational diversity. Multiple voices explicitly stated respect for the value and dignity of all professions, independent of pay scale.

When asked whether they wanted to prioritize housing opportunities for ELI, VL, Low or Moderate income, a majority of Committee members expressed an interest in wanting to help all of those categories. Some were particularly dedicated to helping extremely low and very low-income households because they need the most assistance. A few others specifically indicated that they wanted to include housing opportunities for people earning closer to the median income because they see a "missing middle" in terms of housing supply.



Several of the meetings included discussion of specific types of households and work categories that could be supported. Examples of what was shared:

- People making less than \$50,000 (<50% of Area Median Income (AMI))
- Households making 60-80% of AMI (income range for professions such as teachers, public service employees, etc.)
- Low-income families (single head of household as well as other family configurations) – a recurring theme was to provide children with a stable home with access to good schools and expanded opportunities
- Essential workers making minimum wage – e.g., caregivers; early childhood educators
- Employees that sustain small businesses – retail, restaurants
- Low-wage workers for larger employers, such as housekeepers at hotels, to reduce long commutes

By the fourth CAC meeting, after several specific types of potential residents were discussed, a majority of the Committee landed on a broad priority category of “people who work in Burlingame” as long as they met the income criteria. Some specifically called out public employees as a first priority, but most preferred a less restrictive criteria screen since the need for workforce housing crosses all sectors of employment. For a given set of affordable homes that would be offered, some suggested an eligibility hierarchy of:

- People who work in Burlingame
- People who live in Burlingame
- People who work in San Mateo County
- People who live in San Mateo County

The above were discussed as criteria for eligibility to be offered and move into an affordable home. After that, Committee members did not want residents to have to move out if they got a raise, got married or increased their income in other ways. Several on the HOPE CAC articulated different approaches to give people a chance to improve their opportunities. For example, if household income increased, hold rent stable to enable savings to add to education tuition and/or build a nest egg for future home ownership.

Another way the Committee thought through the “who” for these affordable housing funds was to discuss the “why” of how Burlingame as a community will benefit. Across the four meetings CAC members identified these important benefits from providing more accessible housing for the priority groups:

- Community diversity
- Social and economic diversity
- Inclusion
- Sustaining the labor pool that sustains small businesses and/or local businesses
- Greater responsiveness and stability in public services
- Burlingame can continue to be a model for pro-housing practices
- Providing current/new residents with low income more access to quality schools and pathways to success
- Reducing long commutes and associated negative impacts on the environment and also on social/emotional well-being

2 – BALANCING PRIORITIES – The What: Preferred Possibilities

Many approaches were considered about how to achieve community value from these funds for affordable workforce housing. During the committee meetings, staff and members shared examples that clustered into these basic categories:

Contributing to **Building** of new housing

- Multi-unit, 100% affordable
- Multi-unit, mixed rate developments
- ADUs on Single Family Properties if able to be Deed Restricted for low income workers

Buying existing multi-unit housing

Leveraging/partnering with other resources and funds, especially including publicly owned land.

Any given project will have a lot of technical details and unknowns. During the Committee's discussions, participants acknowledged that they knew they were not recommending any specific project or scenario, but instead creating considerations and guidelines as future opportunities for affordable housing for workers are pursued and/or are presented to the City.

While considering different options, the entire Committee indicated interest in a **m**ix of possibilities, balancing projects the City could actively pursue and complete more quickly, as well as those which would require more collaboration with a longer time frame.

Two types of scenarios generated the greatest interest among the CAC members:

- Purchasing existing multi-unit housing in Burlingame to be able to preserve low rents and/or reduce rents
- Developing City-owned land or land owned by other public agencies (e.g., possibly the school district or health care district)

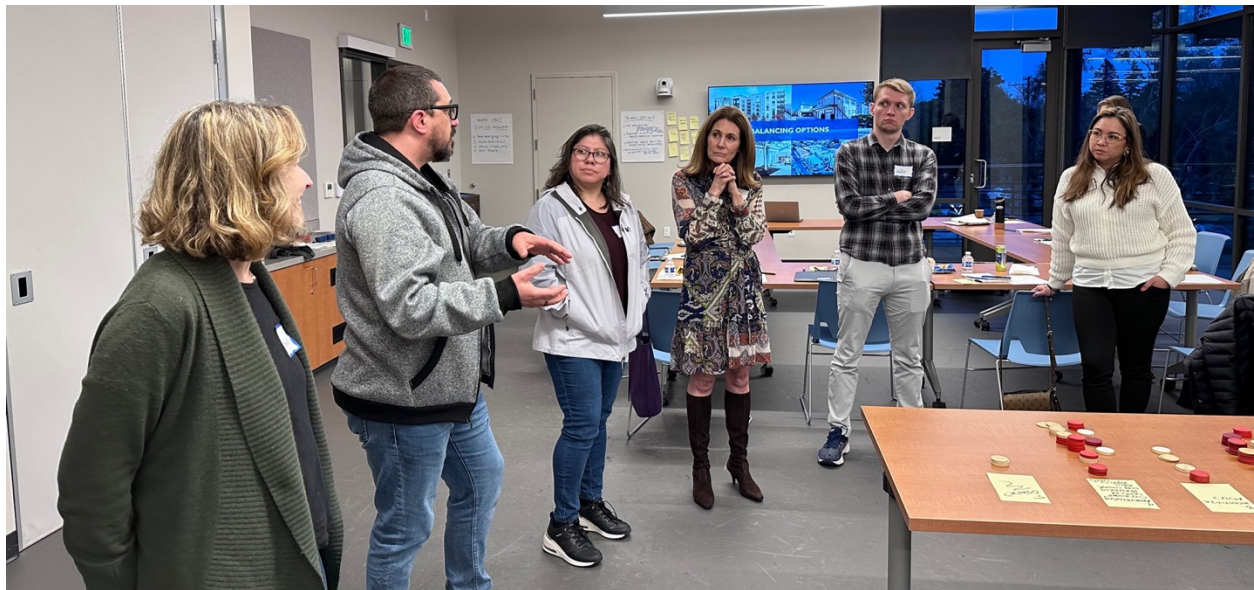
CAC members noted that the City purchasing existing multi-family housing would likely provide fewer units at a higher cost per unit, as opposed to a gap financing scenario where the City contributes funding to a project led by an outside developer. Some in the group envisioned an additional longer-term outcome from the City purchasing existing housing: once the City owned the land, it could redevelop it into more units overall. And it was again acknowledged that everything would be on a case-by-case basis as specific opportunities are identified.

The second of the two preferred scenarios, developing multi-unit housing on public land, was a high priority for the Committee because of how it could take advantage of underutilized resources and possibly allow the City to have more control over the levels of income provided in the development. It should be noted that the Committee did not engage in any discussion of specific parcels owned by other public agencies that might be available for collaboration. That is an example of a future discussion for the Council Housing Fund Subcommittee.

Of additional interest to the CAC members were scenarios of working with developers to create 100% percent affordable housing developments, or affordable housing in a mixed rate development. The housing funds generated from Burlingame's commercial linkage fees have already contributed to one of these types of projects, Eucalyptus Grove Apartments, which presented a very favorable "gap financing"

way for the City to leverage \$1.43 million to achieve 69 very low-income (VLI) and extremely low-income (ELI) units. During the discussions, it seemed that CAC members were better able to visualize the scenarios where the City was in a leadership role as a purchaser or collaborator on development. There were many more unknowns about the wide variety of rules, regulations, pools of layered financing and developer incentives that could come together to make a developer-led promising project. Yet, if another favorable gap financing opportunity appeared, it could likely meet the group's criteria.

There was also thoughtful discussion about subsidizing building of ADUs by single-family homeowners. Many on the Committee expressed concern about spending public funds to subsidize private gain (i.e., subsidizing ADUs for homeowners who are in a high enough income bracket that they would be able to afford to build one anyway). Yet during the conversation about this possible option, a few members were interested in pursuing this to determine interest in a scenario where a homeowner on a constraining fixed income could receive financing to build an ADU on their property if the owner would move into it themselves, and then rent the larger main home to a low-income family.



In multiple meetings, some CAC members spoke to the idea of using the housing funds to support homeownership. They liked the idea of helping low income households build equity. Other CAC members indicated that they thought that other funds, rather than the commercial linkage housing fees, would be better for that goal. The committee found more common ground on the approach mentioned above of not raising rents as income increases so that people could build savings. One idea was to help people “bank” part of their rent in an account dedicated toward a future Burlingame home.

3 – SHAPING PROCESS – The How of Creating/Responding to Priorities

As noted, the dynamic nature of these housing funds is such that the Community Advisory Committee understood that they were not in a position to define specific housing projects but instead had been asked to provide criteria for how to evaluate opportunities as they arise. In addition to guidance on the “who, why and what”, across the four meetings, the following types of “how” criteria have emerged for the City Council, subcommittee and staff to take into consideration for these housing funds:

- Agile/responsive to changing market conditions and government policies
- Attend to Cost/Unit and the total number of new homes that can be created, supporting the City's housing goals
- Amount of leverage, and what kind of "good deal for the money" the City can arrange
- Temper focus on cost per unit with attention to whether the City is gaining a long-term asset with future development possibilities

Regarding timing, many CAC members urged the City to begin utilizing funds as soon as possible because the need is great. At the same time, there was discussion that speed should not lead to overpaying if market conditions are not yet right. Some committee members expressed interest in a possibility of using other City funds as an advance loan (for future commercial linkage fees not yet realized) if the right project presents itself. Several spoke to different ways that the City could proactively explore possibilities rather than waiting for affordable workforce housing project opportunities to arise.

Regarding implementation, the HOPE Community Advisory Committee did not envision the City acting as a landlord in any scenario. If a property was purchased, there was Committee discussion about how the City of Burlingame should engage a competent cost-effective entity to manage the property. CAC members were particularly attentive to who might be displaced and urged the City to be extremely thoughtful about how people are asked to move to make new housing available.



At the end of the fourth meeting on April 12, many CAC members shared their gratitude for being invited to participate in this Committee and how much they learned through the process as they

grappled with potential trade-offs. In turn, Council Housing Fund Subcommittee members Brownrigg and Colson expressed their gratitude to the group and what was gained through the successive discussions. As future decisions arise, the Council Housing Fund Subcommittee indicated that it may contact HOPE CAC members for additional guidance and that Committee members will be invited to milestone events for Burlingame housing.

HOPE Community Advisory Committee Members:

Many of these committee members have multiple affiliations. What is shown is for identification purposes. CAC members were invited to serve based on their care for the community and low-income workers in Burlingame.

Rhovy Lyn Antonio & Angelina Soldatos, California Apartment Association
Susan Baker, resident and SFO/Burlingame Chamber of Commerce
Elizabeth Barnard, resident and Housing for All Burlingame
Cathy Baylock, resident and former Councilmember
Tish Busselle, St. Paul's Episcopal Church Burlingame and Samaritan House Board Member
Heather Cleary, Peninsula Family Service
Dave Hopkins, resident and Sares Regis
Athan Rebelos, resident and Traffic, Safety and Parking Commissioner
Walker Shores, newer resident and newly appointed Planning Commissioner

Burlingame City Council Subcommittee:

Mayor Michael Brownrigg
Vice Mayor Donna Colson

City staff

Kevin Gardiner, Community Development Director
Joseph Sanfilippo, Economic Development & Housing Specialist

Consultant support:

Affordable Housing Programs Consultant: Sandy Council, Good City Company
Meeting Process Design & Facilitation: Susan Stuart Clark, Common Knowledge