



BURLINGAME CITY COUNCIL
Approved Minutes
Regular Meeting on April 1, 2019

STUDY SESSION (6:00 P.M.)

a. CASA COMPACT AND ONGOING DEVELOPMENTS IN CALIFORNIA HOUSING LAW

CDD Gardiner stated that the CASA Compact is a series of policy proposals that came out of an 18-month ABAG/MTC stakeholder group to address housing supply and affordability matters in the Bay Area. He noted that subsequent to the CASA Compact being released, State lawmakers introduced legislation intended to implement various aspects of the Compact.

CDD Gardiner discussed the “Three Ps” of the CASA Compact:

1. Production – increasing housing production at all levels of affordability
2. Preserving – preserving the existing affordable housing
3. Protecting – protecting vulnerable households from housing instability and displacement.

He explained that the “Three Ps” are the basis of the policy direction in the CASA Compact.

Mayor Colson stated that the CASA Compact contains 10 elements:

1. Just Cause Eviction Policy
2. Rent Cap
3. Rent Assistance and Access to Legal Counsel
4. Remove Regulatory Barriers to Accessory Dwelling Units
5. Minimum Zoning Near Transit
6. Good Government Reforms to Housing Approval Process
7. Expedited Approvals and Financial Incentives for Select Housing
8. Unlock Public Land for Affordable Housing
9. Funding and Financing the CASA Compact
10. Regional Housing Enterprise

Mayor Colson opened the item up for public comment.

Burlingame resident Linda Fields voiced concern about the CASA Compact and SB 50. She stated that both were flawed and urged the Council to oppose the power grab by the State Legislature, MTC, and ABAG.

Burlingame resident Cynthia Cornell discussed the City's updated General Plan and stated that it doesn't include enough housing to accommodate the predicted jobs growth. She asked what the City Council plans to do about the housing gap if the State Legislature doesn't pass legislation like the CASA Compact.

Burlingame residents Joel and Phyllis Mittler talked about their desire to modernize their ADU. They explained that they aren't able to increase the size of the ADU because of the property size requirements under the Municipal Code. They asked the Council to review the ordinance.

Councilmember Brownrigg asked if the applicant could apply for a variance. CDD Gardiner stated that the ADU ordinance doesn't allow for variances. He explained that ADUs are reviewed by staff, and because they are handled as administrative permits, the expectation is for the ADU to comply with all requirements.

Councilmember Brownrigg asked if this was a City or State regulation. CDD Gardiner stated that it was City.

Councilmember Brownrigg asked if ADUs that don't comply fully with the standards could go to the Planning Commission for further review. CDD Gardiner replied in the negative.

Burlingame resident Sandra Lang discussed the areas in the CASA Compact that are identified as vulnerable and stated that she wanted to understand the data and what is being proposed for those areas.

Mayor Colson closed public comment.

Mayor Colson asked her colleagues for their opinions on the first three elements of the CASA Compact:

1. Just Cause Eviction Policy
2. Rent Cap
3. Rent Assistance and Access to Legal Counsel

Vice Mayor Beach explained that rent control and just cause eviction were twice voted down by Burlingame citizens. She stated that the citizens' decision should be acknowledged and upheld.

Councilmember Keighran stated that she concurred with Vice Mayor Beach.

Councilmember Keighran discussed the third element of the CASA Compact. She noted that the City has discussed utilizing residential impact fees for emergency rental assistance. She stated that the third element has a means test which states: "Emergency rental assistance should be limited to those whose incomes do not exceed 80% of AMI. Legal services should be provided to all qualified tenants regardless of income." She asked if these are two different concepts. CDD Gardiner replied in the affirmative.

Councilmember Keighran stated that there should also be a means test for legal services. She voiced concern for the source of funding of the third element.

Councilmember Ortiz stated that he agreed with his colleagues about rent control and just cause eviction. He added that he agreed that there should be a means test for legal services.

Councilmember Brownrigg stated that it was his understanding that the CASA Compact was meant to be a package deal. He explained that this was being undercut by the State Legislature's decision to implement the Compact piece-by-piece. He stated that the first three elements are meant to protect tenants. He noted that there are other protections that the City should discuss to assist renters. He gave the example of Councilmember Keighran's idea of incentivizing landlords to upgrade their units in exchange for keeping their rent affordable.

Vice Mayor Beach noted that the CASA Compact was drafted by a non-elected committee. The CASA Compact is now being interpreted by the State Legislature. She stated that she thought the Council's conversation should focus on the State legislation. She explained that by doing this, the City could be proactive about what legislation works and doesn't work for the City.

Mayor Colson stated that she agreed with her colleagues. She voiced concern about using blanket legislation for the entire State. She noted that while rental control could work in some markets, it won't work for all.

Mayor Colson stated that she believed the Council had reached a consensus that the Council was not in favor of rent control for the City but that the Council wanted to explore flex support programs.

Mayor Colson directed her colleagues' attention to the next two elements of the CASA Compact:

4. Remove Regulatory Barriers to Accessory Dwelling Units
5. Minimum Zoning Near Transit

Mayor Colson stated that the City needed to review how the City handles ADUs and stated that overall the City is in compliance with State legislation.

Councilmember Keighran discussed potentially amending the ADU ordinance so that there are two tracks:

1. Administrative – all requirements are met and therefore can be approved by staff, or
2. Request for a variance – Planning Commission reviews it

Vice Mayor Beach discussed the fifth element of the CASA Compact and stated that not all transit is created equal. She noted that while bus stops can change and routes can vary, train stops are more permanent. She stated that she is in support of reduced parking requirements near transit and felt that there was a way to create incentives for more affordable housing. She stated that if the City is going to reduce parking, then the City needed to ensure it was by robust transit.

Councilmember Keighran voiced concern about increased density interfering with the R1 District. Additionally, she questioned how high-quality bus service is defined. She thought the City should have local control to prevent multifamily dwellings next to the R1 District.

Councilmember Keighran stated that increasing density along bus service routes would be El Camino Real. However, SB 50 benefits don't apply if tenants are already living in the multi-family dwelling units. CDD Gardiner replied in the affirmative. He explained that under SB 50, a developer is only able to apply for a special permit if there have been no tenants in the building in the last seven years. If there haven't been

tenants in that time period, SB 50 allows a developer to qualify for reduced parking and increased height on their project. He noted that the tenant requirement would disqualify most of El Camino Real in Burlingame.

Vice Mayor Beach asked if the tenant requirement in SB 50 was to prevent displacement. CDD Gardiner replied in the affirmative.

Councilmember Keighran noted that unlike many cities, Burlingame has housing along El Camino Real instead of commercial. She noted that the CASA Compact restricts the ability of developers to improve and increase housing along El Camino Real.

Councilmember Brownrigg stated that an expert at a Senator Hill housing legislation discussion informed the public that El Camino Real bus service wouldn't qualify as high-quality transit.

Councilmember Keighran stated that she believed that whether El Camino Real would qualify as high-quality transit was still in question.

Councilmember Ortiz voiced concern that the legislation doesn't consider what neighborhoods look like. He explained that the City had approached increased density in a thoughtful manner that worked for the City when the General Plan was updated.

Vice Mayor Beach stated that another issue of SB 50 is allowing unlimited density within a certain height restriction. She stated that this would allow multi-dwelling units in R1 Districts as long as the height is the same. She explained that the City has been thoughtful about how the additional urbanization can work for Burlingame, but these State mandated requirements could be an issue in R1 neighborhoods.

Councilmember Brownrigg stated that he agreed. He explained that the State housing legislation often starts from a premise that the local legislators are the problem and are the reason that units aren't being built. He added that the real challenge is private landowners that don't want to upgrade their land. He gave the example that ten years ago the Council approved amending the downtown height restrictions to 55 feet. He stated that since this amendment, only two buildings have utilized the increased height.

Councilmember Brownrigg stated that the State Legislature needs to focus on incentives that will motivate long-time property owners.

Mayor Colson directed colleague's attention to the next three elements of the CASA Compact:

6. Good Government Reforms to Housing Approval Process
7. Expedited Approvals and Financial Incentives for Select Housing
8. Unlock Public Land for Affordable Housing

Councilmember Ortiz stated that the City is already working on the 8th element with the Lots F and N project.

Mayor Colson agreed and noted that the Council is considering rebuilding City Hall, which might include multi-dwelling units on top.

Councilmember Keighran stated that under the 7th element, she is concerned about CEQA exemptions. She discussed the importance of CEQA.

Mayor Colson asked her colleagues for their thoughts on the last two elements of the CASA Compact:

9. Funding and Financing the CASA Compact

10. Regional Housing Enterprise

She explained that it will cost approximately \$2.5 billion annually to implement the CASA program.

Councilmember Keighran voiced concern about the creation of another bureaucratic group that would require funding. She discussed the work that is happening at the County level with the assistance of Measure K funds (\$110 million into housing projects in the past five years.) She explained that she was concerned about submitting additional tax measures to the public.

Councilmember Keighran stated SB 50 creates fines for cities. She explained that the City would only have 30 days to complete an application review for a project of 150 units or less and 60 days for a project over 150 units. If the City isn't able to complete their review in the allotted time, the City would be fined \$10,000 per unit. She explained that she believed this was extreme and that for the City to meet these requirements, more staff would be needed.

Vice Mayor Beach stated that the State Legislature was discussing limiting the fees that cities place on projects. She noted that the fees that the City charges are not to make money but to pay for the project impacts. She explained that if the State limits fees, the State would need to find another way to make cities whole.

Vice Mayor Beach stated that she believed that expediting CEQA for housing was directed towards court decisions. She voiced support for expediting court decisions as long as there is due process. She noted that this measure would be expensive for the State.

Vice Mayor Beach discussed a chart in the CASA Compact that outlines the top ten landowners for publicly owned parcels suitable for housing near transit. She stated that the Peninsula Health Care District has nine acres, and she noted that they should be encouraged to build affordable housing.

Councilmember Brownrigg stated that he believes the CASA Compact is fatally flawed because no city that is affected was part of the discussion. He discussed the CASA Compact's calls for action:

- Redevelopment 2.0
- Lower the voter threshold for housing funding measures
- Fiscalization of land use
- Homelessness
- Grow and stabilize the construction labor force

He stated that he supported these calls for actions. He added that he was in support of the first bullet point, creation of a new redevelopment agency that doesn't require blight for funding.

Mayor Colson and Councilmember Ortiz agreed that they could support these calls for actions.

Councilmember Ortiz stated that his one concern about a new redevelopment agency is that it could give the City unfunded mandates.

Mayor Colson asked if her colleagues wanted the City to write a letter voicing the Council's position on SB 50 and the CASA Compact.

Vice Mayor Beach stated that she wanted the City to focus on what is happening in the Legislature versus the CASA Compact. She stated that she believed the main takeaways were that the Council is supporting housing but the State has to respect that local jurisdictions are the best equipped to enact housing legislation in their own communities. She noted that cities need an infusion of funds for affordable housing and that this is the most important thing that the State could do to assist. She stated that the State should also give cities targets and incentives instead of penalties.

Councilmember Keighran voiced support for the City issuing letters to address SB 50 and the CASA Compact. She stated that the CASA Compact failed by not having input from any San Mateo County officials. She asked that the Mayor focus on what the City has done and the need for local control in the letters.

Councilmember Ortiz stated that he believed the City should stand against the CASA Compact. He explained that the CASA Compact is being presented as the idea of local governments, and the City needs to push back against this notion.

Councilmember Brownrigg concurred with Councilmember Ortiz. He added that he believed it was important that the letter address supporting "responsible local control."

Councilmember Brownrigg addressed Ms. Cornell's public comment. He explained that he didn't believe the City was going to get as many jobs as were forecast. He stated that the County needs to address the housing jobs gap as a whole.

Mayor Colson stated that the Home for All is working to consolidate this conversation in order to present a Countywide response.

Mayor Colson asked if staff had direction. CDD Gardiner replied in the affirmative. He stated that he believed that the Council wanted two letters: one directed at SB 50 and the other at CASA Compact.

City Manager Goldman stated that for the CASA Compact letter, the draft would include the things that trouble the City but also the things that their support for CASA's Calls for Action.

Mayor Colson concurred.

Mayor Colson asked that staff look into the ADU ordinance and how the City can be a little more accommodating. She stated that she believed Councilmember Keighran's suggestion of two tracks was an excellent suggestion.