



January 9, 2019

Executive Board
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

RE: City of Hayward Response to CASA Compact: A 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area

Dear Executive Committee Members:

The City Council of the City of Hayward applauds the leadership of the CASA Compact Coalition to propose detailed and aggressive regional policy initiatives to address the housing crisis in the San Francisco Bay Area. Hayward, like other cities in the Bay Area, is experiencing rising housing prices, severe housing instability for its most vulnerable populations, displacement of existing residents of all incomes, and increasing homelessness, and agrees that a concerted regional approach is necessary to successfully address many of these challenges.

Consistent with the CASA Compact document, Hayward has already taken or is taking many of these actions, including adopting development standards for high density development around its Bay Area Rapid Transit (BART) stations and downtown, a rent stabilization ordinance, an inclusionary housing ordinance, an accessory dwelling unit ordinance, and plans and transactions for the disposition of significant public lands for affordable housing.

As the Executive Committee considers the CASA Compact and works with stakeholders and State lawmakers to implement these initiatives, the City of Hayward respectfully requests that the following comments be considered:

- **Local Government Perspective.** Local governments have a unique perspective in providing frontline services and programs to the residents of the Bay Area. Please find realistic ways to engage all local jurisdictions in a meaningful way in the CASA Compact review process and be open to learning from our points of view as these initiatives move forward. Hayward is happy to support ABAG staff in organizing and offering its facilities for sub-regional forums and joint City Council meetings among its neighboring cities as well as being a resource to ABAG staff in developing a reasonable approach to engaging local governments.
- **Minimum Zoning Standards Near Transit.** Although Hayward has already adopted or is adopting high density standards for residential development near its two BART stations,

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Hayward requests that minimum zoning standards that take a “one size fits all” approach be avoided. Please consider the following comments:

- Higher density multi-family housing in Hayward is teetering on feasibility and the proposed minimum zoning standards and other requirements may not be financially feasible in all sub-regional markets, which could result in undeveloped vacant land. Nothing in this case is not better than something. Please consider how to account for these differences in local market conditions.
- The East Bay needs jobs to counter traffic congestion, lengthy commutes, and at capacity transit systems; therefore, consideration should be given for incentivizing commercial development and jobs in and around East Bay BART stations. Please do not adopt policies that discourage attracting jobs in the East Bay.
- If cities are already “doing the right thing” by achieving their Housing Element goals, meeting their Regional Housing Needs Allocation, and approving transit-supportive projects, please consider providing local jurisdictions with flexibility in applying the minimum development standards.
- **Financial Incentives for Select Housing.** Hayward supports incentivizing the production of middle-income housing, as many of our residents fall into this income category. That said, Hayward struggles with fiscal challenges and balancing our budget every year due in part to limited revenue growth and increasing pension and health care costs. We need to be careful about providing financial incentives that adversely impact our tenuous budget situation. Without changes to Proposition 13 property tax limitations or other relief from local fiscal challenges, property tax abatement from the City’s local share of tax revenue should not be considered.
- **Requiring Housing on Public Lands.** Hayward owns a significant amount of public land for development and has made developing mixed income housing a priority, including a significant amount of deed restricted affordable housing. That said, in developing large-scale public land opportunities, cities often juggle a variety of community desires and goals, including attracting commercial uses that generate jobs for local residents and sales tax revenue to support services, as well as developing parks and trails that provide active transportation opportunities. Please do not create a housing presumption on public land that eliminates the City’s ability to balance a number of land uses and public needs and benefits, making it harder to obtain approval of any development project.
- **Funding and Financing the CASA Compact.** While Hayward is open to exploring creative ways to finance the proposed initiatives, as described above, the City is not supportive of measures that reduce local property taxes or other General Fund monies without relief from Proposition 13 limitations or policies that make it more expensive to develop commercial development in the East Bay (i.e., commercial linkage fees), where we should be encouraging new job centers.

- **Regional Housing Enterprise.** Although establishing a Regional Housing Enterprise (RHE) may make sense given the potential for a new financing authority on a regional level, there are concerns that the RHE, along with ABAG and the Metropolitan Transportation Commission, as well as the numerous regional transit agencies in the Bay Area, will create too much regional bureaucracy, especially as land use and transportation issues become even more linked. ABAG and MTC recognized these overlaps as part of the recent merger. Why would we create additional regional agencies when the trend is towards consolidation? Please evaluate ways to avoid greater government bureaucracy in implementing these housing initiatives. Consider addition of dedicated staff within existing agencies that already have these issues as a focus.
- **Calls for Action.** Hayward strongly supports the Calls for Action in the CASA Compact to address housing finance, homelessness, redevelopment and the fiscalization of land use.

The City Council of Hayward is grateful for the CASA Compact Coalition's leadership on these important and difficult issues. Hayward looks forward to working with the CASA Compact Coalition, ABAG, MTC, State lawmakers, and other stakeholders in implementing aggressive regional policy initiatives to address the housing crisis in a way that is compatible with the complexity and diversity of local realities.

Sincerely,

Barbara Halliday
Mayor