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SENT VIA EMAIL

December 17, 2018

Mr. Jake Mackenzie, Chairperson: blumacjazz@aol.com
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Re: CASA Compact

Dear Chairman Mackenzie,

The City Council of Los Altos respects the work of the Steering and Technical Committees to develop the CASA Compact. Sadly, the efforts of housing experts, advocates and other interests who have worked diligently have failed to include input from cities that comprise more than two-thirds of the Bay Area population. As a consequence, the Compact contains funding mechanisms that are not feasible and changes local land-use authority that are counter-productive and unacceptable. The proposals ignore the diversity and unique circumstances that need to be addressed by each city.

To that end, we ask that you vote 'no' until input from the cities, and their recommended modifications, can be incorporated into the Compact.

It is apparent that the CASA Compact includes funding strategies that are not feasible. The proposal suggests that \$1.5 billion annually could be derived from a variety of sources, several of which are new voter-approved taxes. Santa Clara County recently voted to increase property taxes for this purpose (Measure A).

Among the problematic proposals are those that would divert property tax reviews from cities to a central fund, with a new and costly administrative bureaucracy not subject to voter control, and with no guarantee that the funds would have the intended benefits. There will be predictable and negative effects that would place unacceptable burdens on our residents and adversely affect city services.

- In Los Altos, 65% of our revenues are derived from property taxes. Diverting a portion of these needed revenues to a region-wide housing effort would adversely impact our ability to deliver essential public safety and other municipal services.

- Los Altos has only 4% of its land devoted to commercial development. Yet our seven small commercial areas contribute to “...maintaining a balance of land uses [that] ensure fiscal stability and also create a desirable community in which people can reside, work, shop, and recreate.” (General Plan, Land-Use Element) State mandates already are resulting in the replacement of this meager commercial development with multi-family housing. The consequence of further conversion will be greater and unwise reliance on property taxes (with a portion taken by the proposals in the Compact), displacement of local jobs, greater commutes, and more vehicle use for shopping and services.
- The Compact also discusses tax abatement as a means to incentivize housing development. As with the diversion of property taxes, the Compact is not clear as to which taxing districts would be impacted – cities, counties, school districts, etc. Under any scenario, such an effort requires current residents to subsidize needed services such as police, fire, and possibly schools, for the new residents, just to ensure that developers adequately profit from their housing AND commercial projects elsewhere in the region. We believe proposals such as this require significantly more review and vetting by local agencies to fully understand the impacts before being adopted.
- It is uncertain how proposals regarding housing along transit corridors will affect current residential development. Although we agree that some housing is best located in these areas, we cannot support such a proposal until we understand how to mitigate the negative impacts on adjacent, fully developed residential neighborhoods and on city services that would result from such development.
- The Compact overstates the benefits of transit-oriented development and the ability of transit systems to truly accommodate the increased density advocated in the Compact. There is no evidence and little optimism that hoped-for diversion of new residents to transit will occur.
- There are carve-out exceptions for innovative projects and approaches that various cities have already implemented. Yet the Compact mandates a tops-down, one-size-fits-all set of “solutions” that would stifle such innovations in the future. This is contrary to the goal of providing more housing.

Many cities are taking such innovative actions and are responding to recent legislation. In Los Altos, a city that is fully built out and projected by LAFCO to grow less than 0.4% per year, we have:

1. Increased the required amount of inclusionary housing in multi-family developments;
2. Allowed accessory dwelling units in single-family zones without regard to the size of the property;
3. Enacted a local density bonus law to provide a simpler path for developments that include below market rate housing;
4. Approved projects (with more in the pipeline) that convert existing commercial parcels to inclusionary multi-family housing;
5. Instituted an affordable housing impact fee and a commercial linkage fee that the City can use to assist in the future development of needed affordable housing; and

6. Agreed to join other cities in Santa Clara County to review the possibility of forming a RHNA sub-region in an effort to work collaboratively with our neighboring cities to achieve our collective housing goals in a cooperative fashion that respects the various circumstances unique to each city.

We appreciate the efforts of MTC and ABAG to convene the CASA committees and develop these recommendations, but until we have a more thorough review of each of the proposals, a more robust dialog among all the cities in the region, and proposals that allow cities to retain control of their own jurisdictions, we ask MTC to join us in not supporting the CASA Compact.

Sincerely,



Lynette Lee Eng
Mayor

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