

Dr. Fuller reported that he met with Contra Costa County Supervisor Diane Burgis on October 2 to discuss AB 1657, SB 555, the 55-acre park, the single-tunnel conveyance project, the regional bond issue pending through BAHFA, and Jersey Island. He provided details on each.

Vice Mayor Williams reported she attended a Tri-Delta meeting on September 27 and provided details.

Mayor Meadows reported he attended the Mayors Conference Thursday evening of last week.

(b) Requests for Future Agendas

None.

7) WORK SESSIONS

7.1 Work Session to Discuss AB 1657 (Wicks), SB 555 (Wahab), the Association of Bay Area Governments (ABAG) and the Bay Area Housing Financing Authority (BAHFA) (Joshua McMurray, City Manager)

City Manager Joshua McMurray presented the staff report.

Dr. Fuller commented that ABAG has been working on AB 1657 since at least 2022. He explained that it was a dream of Mayor Jesse Arreguin in Berkeley because they had a high amount of RHNA units to build and so he was thinking of a bond measure to get RHNA numbers reallocated and get financing to build out in open areas, but Councilmember Mendoza from Brentwood, himself, and Solano County had something to say as they are not in favor of it but overwhelmingly others said they had to take a look at it. He mentioned when he returned to the General Assembly in 2023, Arreguin proudly put it forward that ABAG had Assemblymember Buffy Wicks introduce AB 1657, then a \$20 billion bond, now \$10 billion, to build affordable housing. He mentioned that within the bill, Health and Safety Code Section 54056 says the legislature can act on and change anything associated with affordable housing with this bill and Townsend, the City's analyst, said the same. He mentioned that was what motivated Arreguin in 2022 to get out from the RHNA numbers and if this passes, there will be a mechanism in place to do so. He explained that Section 8 came about around the time of Reagan and in result, large housing projects were to disappear, and Section 8 housing was to spread out lower income housing, but since affordable housing has not been built in areas with high RHNA numbers, they want to throw money at it. He commented that since the 1940s, large public housing units have not worked well and should have been eliminated under Section 8, but now they are proposing to throw money at it to build affordable housing in any way they can get it. He mentioned financing under AB 1657 will generate revenue outside the general fund to put in the general fund to pay bonds as they mature which means more taxes for \$20 billion of bonds and it

punishes Oakley. He explained that Oakley has done what it was supposed to do with RHNA numbers that others deem incredible compared to other cities, and Oakley is not in a position to need money a whole lot to build more affordable housing because Oakley is handling it, but AB 1657 will take it away and punish Oakley. He mentioned he is certain RHNA numbers will come down as when he attended the 2023 General Assembly, no sooner than when Mayor Arreguin sat down, a woman stood up and said they have to pass this because it is the only way to reduce RHNA numbers. He mentioned in his assessment, the way the numbers are reduced are to get the super blue categories along the coast that have a lot of money to donate and get their people in the legislature, and all of a sudden, the RHNA numbers get reallocated in favor of other people when Oakley has done all of its work and then they start taking over local control. He shared that SB 555 establishes the concept of social housing which is different than affordable housing because the legislature says so; it is housing for everybody, and it is in place because there is a homeless problem. He mentioned every study he has read provides that there is no real understanding why homelessness exists. He mentioned the state in 3 years will take housing allocations, review them, and determine where and how housing is to be built, divide up all the land where and how it needs to go, and decide how to get money there and how it will be built. He mentioned that they can change anything under Section 54056 of AB 1657, and this is where he believes it is going to come. He mentioned Vienna, Austria has social housing and there is a highly taxed group; the rich live in nicer housing and pay higher rents, but 40% live in low-income subsidized housing made possible by the higher tax paid by the rich living in nice housing. He compared it to Oakley, if people want a nice, bigger home, it is a luxury, and they may pay a higher property tax for it. He mentioned AB 1657 states \$10-\$20 billion and the BAHFA regional vote proposed will provide another \$20 billion for housing. He mentioned a regional vote will be taken in all 9 counties including SF, Marin, Alameda, San Mateo, and Santa Clara, and if there is a 2/3 vote, they can raise taxes in Contra Costa County even if Contra Costa County votes against it; Contra Costa County will carry a burden to facilitate them. He explained they are paying the same amount as Contra Costa County; however, property tax is highly regressive; the higher your income, property tax rises, but not at the same rate; it is more burdensome on the middle and lower class than higher class for property tax; each resident in each county will be assessed the same amount and he opposes it. He mentioned it will have a large negative impact on Oakley as Oakley has become an inclusive community and has met what it was supposed to meet. He commented that DeNova has come in with a builder's remedy and has been putting in 20% affordable housing with marketable housing and nice parks, and now, the state is looking to get more money out of Oakley's pockets which is inequitable, discriminatory, and prejudicial. He mentioned Berkeley does not like it and has lots of good ideas that are progressive for Berkeley and others but some not so good including not changing its name. He added that 10% of BIPOC people have left Berkeley in 10 years and from what Berkeley is doing, they don't want the people back; they are not going to build housing; they are going to send it out here. He mentioned Chief Beard recently released an article that crime is climbing because criminals are not being held accountable and similarly, the

Mayor's son Anthony expressed in front of the Council that communities are not being held accountable to their RHNA allocations. He mentioned they should be held accountable, the Council should oppose this, and they should find a way to get out of ABAG and establish its own regional area.

Vice Mayor Williams suggested this is one to watch. She mentioned there is no point in having a strong letter of opposition as there is no guarantee this will happen, and there is not enough evidence showing a shifting of RHNA numbers; everything is still separated out. She mentioned she is comfortable to take a stance that they don't want anything to take away from local control.

Councilmember Shaw requested clarification if staff is looking for a letter of opposition or providing an update.

City Manager Joshua McMurray responded that staff was asked to bring forward a work session, these are the four detailed areas staff was asked to address, and they are looking for direction.

Councilmember Shaw commented that she appreciates the work of staff, she understands they don't want a California Housing Authority as that will not be the way to benefit Oakley the most, but she doesn't know what they need to do today while these things are being pushed back a little bit. She mentioned that she is willing to hear what the rest of the Council has to say, but right now it is a stalemate.

Councilmember Henderson commented that it is important that they continue to focus on local control and as it goes forward, Oakley needs to be at the table when County allocations are made and be involved as much as possible. He mentioned at the state level or county level, he wants to be able to decide as a city and not be told what to do.

Mayor Meadows agreed with lot of comments Dr. Fuller made and mentioned he is probably more concerned with SB 555 that did pass than AB 1657 that was suspended. He shared that he has issues with social housing. He provided an example of Richmond that had a Housing Authority until a couple of years ago; they couldn't manage their own units which is not uncommon when government tries to manage housing. He mentioned that he shared some of the same concerns regarding ABAG which he does not believe has Oakley's best interest at heart; he doesn't think Oakley needs to leave ABAG, they need to be at the table, but he has had concerns with ABAG as well as with MTC for many years, even before sitting here. He expressed that with BAHFA, a \$10-\$20 billion bond measure for Bay Area housing is insane. He mentioned that other regional measures are crammed down on Oakley, its citizens pay for it, and he doesn't see a benefit in it. He mentioned that MTC is looking at another \$20 billion bond measure for transportation 2 years later, therefore, potentially \$40 billion in bonds could be passed in the Bay Area in the next 3 years which is insane. He commented that the housing problem in California is the 125 people in Sacramento making laws that make no sense, slow the process, and make it

hard to build. He commented that housing has not been added in California in quite a few years which has been a problem. He shared that he believes in free markets; let them work.

Dr. Fuller commented that Vice Mayor Williams mentioned to wait, but SB 555 is now law, and it encourages the Housing Authority in 3 years to look at building on state surplus land which is on the Delta and other areas. He suggested they can always oppose all 3 initially and they need to go further than just saying they want to maintain local control; if they can change RHNA numbers, the Council can oppose it, and as it goes to the legislature, the Council can oppose AB 1657 as written, then if it comes back that it will be favorable and not hinder or burden Oakley, the Council can lift its opposition. He mentioned he believes the Council owes it to its residents; Oakley tax rates are already enormous at new developments like Emerson Ranch and other locations; they should do everything they can to protect them and not let residents suffer with increased taxes. He inquired why take a chance; if they oppose it and if it changes, the Council can change its position.

Vice Mayor Williams commented that she is listening to community needs and they cannot pat themselves on the back and say they have done a good job with affordable housing when 91% of Oakley's housing is single-family and they don't have products people need; she doesn't feel comfortable saying they have done all they can to have given people a fair shot at housing. She mentioned she has been contacted by people working multiple jobs and living in their cars because they cannot afford housing in Oakley. She expressed that she thinks that BAHFA offers a different approach than what has been tried before because there is a housing shortage and what they have been doing is not working; legislation may be needed to have people do the right thing. She mentioned that cities not doing their fair share should be held accountable. She added that if they oppose it, they should be able to say they oppose it because of this. She mentioned what she has heard so far is that they want a way to not have affordable housing in Oakley. She mentioned that any affordable housing before them meets some resistance, but they need to provide housing to those in dire need of it and not close the door on it. She added that they need to look at affordable housing in a different way; it is not projects; people needing it are teachers, restaurant workers, firefighters etc. and they need to treat people with more dignity. She mentioned that she doesn't want to write a letter in opposition without saying here is what we propose; they can't just say nothing can be done; they can state they plan to oppose, but here are the changes they propose to not oppose it, and it must have an affordability piece.

Mayor Meadows disagreed on how Oakley has performed. He shared that he thinks Oakley has been doing a good job and has met its RHNA numbers better than just about any city in Contra Costa County and Oakley's housing is more affordable than most other cities within the county. He expressed that housing isn't the issue in Oakley; it is jobs, whereas west of Oakley in San Francisco, Oakland and Berkeley, they have jobs, but don't provide housing, and he believes they want to push housing out and that is where the problem is. He

mentioned if they tie in housing money to housing and jobs then maybe that is way to go; it can be used for housing in areas that need it and it can be used to incentivize employment in Contra Costa County, but that is not what they're talking about. He added that the problem with housing is that it has not been built because of CEQA and he has an issue with this. He provided an example of apartments that Lafayette residents don't want built across from Acalanes High School by a BART station where they should go, but they would rather push them out here. He inquired why they would want to potentially get burdened with housing when they need jobs.

Dr. Fuller expressed that he is offended and wants to rise to a point of order as he has never heard anyone on the Council say that they don't want affordable housing; he has continually said Oakley needs affordable housing in a humane manner, not socialized, in an inclusive area, so Vice Mayor William's comment was a misstatement. He mentioned that they want affordable housing but will not be abused by an oppressive capitalist group on the west side that will force it down on Oakley; people that live there and need it should have a right to affordable housing; it is oppressive to them and oppressive to us. He added that since 2022, Mayor Arreguin for Berkeley and others have been expressing how to get out from under their RHNA numbers and it will destroy us; Arreguin needs to look for housing to be built in the Berkeley Hills or along San Pablo Boulevard where there is land or properties that can be reconverted. He mentioned Assemblymember Lori Wilson was amazed that Oakley has planned for 20% affordable housing with marketable rate housing and is making other arrangements for affordable housing, and they are not saying they are against affordable housing; they are saying they are for social equity and social inclusion. He suggested Oakley oppose it and if they can come back and show that the sections where they can change laws and build social housing has changed, then maybe they can get behind it.

Councilmember Shaw inquired if the Council would support a letter indicating opposition unless they can somehow link the allocation of housing to match jobs. She expressed that while she understands there is a need for affordable housing, she does not want other cities' RHNA allocations pushed onto Oakley because Oakley has made steps to have affordable housing. She suggested they can state opposition and also state a solution they would be comfortable with.

Mayor Meadows suggested they monitor the three areas, SB 555, AB 1657, and BAHFA, to see what they're doing moving forward. He mentioned he is aware of other elected officials that aren't in favor of BAHFA or the MTC bond measure. He suggested the East County cities could say they support BAHFA if money can be used for jobs rather than housing, otherwise it is opposed, but for now, he suggests they monitor them.

Councilmember Shaw and Vice Mayor Williams both indicated they are comfortable with monitoring the items.

Dr. Fuller suggested they set a timeline and shared that he is for opposing it.

Mayor Meadows mentioned it is being discussed now before it is introduced in the Assembly in February. He inquired if Townsend could monitor it.

Mr. McMurray mentioned Townsend or staff can monitor it.

Councilmember Henderson suggested at least quarterly updates, and if changes occur sooner than that, an update can be provided through the City Manager's weekly report and bring it back as an agenda item for a workshop if there are big changes.

Dr. Fuller suggested staff reach out to Supervisor Burgis to find out the date in March that they are planning to divide up the money so Oakley is at the table.

Mayor Meadows commented that it would be March to get it on the ballot in November.

8) CLOSED SESSION

8.1 CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Mayor Aaron Meadows, Vice Mayor Anissa Williams, City Attorney Derek Cole

Unrepresented employee: City Manager Joshua McMurray

Mayor Meadows announced the closed session item and mentioned the meeting would adjourn after the closed session item. He announced the next regular City Council meeting will be held October 24, 2023, beginning at 6:30 p.m. in the Oakley City Council Chambers.

9) ADJOURN

There being no further business, the meeting was adjourned at 8:55 p.m.

Respectively Submitted,

Libby Vreonis
City Clerk