

Recurring themes/aggregated input from HOPE CAC Members Meetings #1-3 March 30, 2023

The City of Burlingame has convened a Community Advisory Committee (CAC), known as the “Housing Opportunity, Priorities, and Education (HOPE)” committee, to help the Council Sub-Committee shape guidelines for the disbursement of the City’s housing funds. The council subcommittee identified community members representing a range of experiences and relationships with different parts of the Burlingame community. Over a dozen community members have participated in some part of the committee’s proceedings. Nine CAC members have chosen to be part of the ongoing discussion with staff and the council subcommittee of Mayor Michael Brownrigg and Vice Mayor Donna Colson.

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 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, “naturally occurring affordable housing” from landlords who charge rents below market rate, and partnerships such as the Village at Burlingame where land is donated to the development in lieu 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 become clarified that the housing funds need to have a link to providing housing for Burlingame’s workforce, based on the premise that commercial development generates new jobs and, by extension, increased housing demand.



HOPE COMMUNITY ADVISORY COMMITTEE INPUT

Committee members were invited in to join the HOPE advisory committee in January 2023. The first two meetings were conducted on Zoom (January 25 and February 15) and the third meeting was in person on March 29 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 three meetings.

1 – CLARIFYING PURPOSE – The Who and Why

Committee members have been very interested in the demographics of who lives and works in Burlingame. The group appears to have a blended priority of ensuring the housing funds benefit the lowest income workers/residents, yet also hopes to assist low/medium income workers, such as public employees who serve the Burlingame community.

These are the most prevalent comments about the types of people the HOPE committee wants to help:

- *“The lowest income levels need the most assistance”*
- Lowest income single-parent households
- 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, children
- Essential workers making minimum wage – e.g., caregivers; early childhood educators
- Employees that sustain small businesses – retail, restaurants

Over the three meetings to date, the group has identified important benefits from providing more accessible housing for the targeted groups:

- Community diversity
- Social and economic diversity
- Inclusion
- Sustaining the labor pool that sustains small business
- Burlingame can become (or 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

2 – BALANCING PRIORITIES – The What: Preferred Possibilities

There are many ways to try to achieve community value from the HOPE funds. During the first two meetings, several examples were discussed 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 partner 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 are pursued and/or are presented to the City.

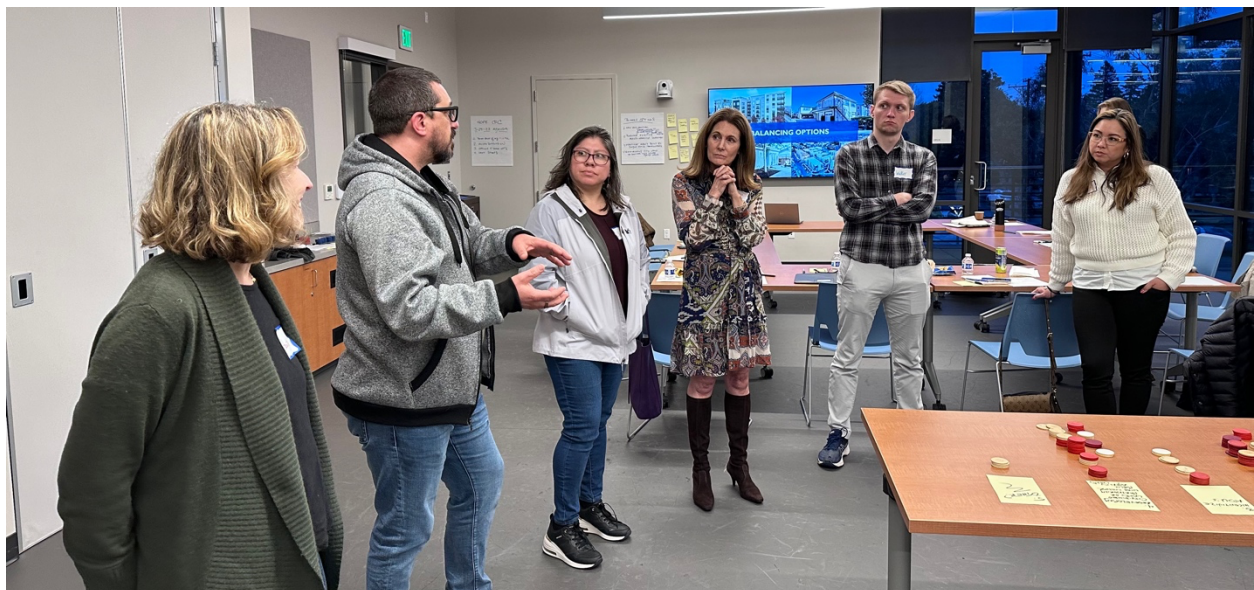
While considering different scenarios, the entire group indicated interest in a mix of possibilities, balancing projects the city could actively pursue and complete more quickly, as well as those which would require more collaboration with a longer time frame.

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
- Develop city owned land or land owned by other public agencies (e.g., the school district or possibly the 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: 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.

The second of the two preferred scenarios, developing multi-unit housing on public land, was a high priority across the group 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.



Of moderate interest were scenarios of working with developers, to create 100% percent affordable housing developments, or affordable housing in a mixed rate development. The housing funds 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. It appears that the CAC members were better able to

visualize the scenarios where the city was in a leadership role as a purchaser or collaborator on development. 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. Most of the group expressed concern about spending public funds to subsidize private gain (i.e., subsidizing ADUs for homeowners 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, there seemed to be some interest in a scenario where a homeowner on a constraining fixed income could receive financing to build an ADU on their property if they would move into it themselves, and then rent the larger main home to a low-income family.

In both the first and third meeting, 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.

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 is not in a position to define specific housing projects but instead has 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 three meetings, the following types of “how” criteria have emerged so far:

- Agile/responsive to changing market conditions and government policies
- Cost/Unit
- Amount of Leverage
- Long term solutions
- Future Development Possibilities
- Iterative – learn as we use the funds and build on that
- Ability to integrate new homes into the community
- Leads to an asset that increases in value

The group will have a fourth meeting on April 12, to shape their work to date into a report to support the work of the Burlingame City Council subcommittee in considering and acting on options for more affordable workforce housing.

HOPE Community Advisory Committee Members:

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Burlingame City Council Subcommittee: Mayor Michael Brownrigg, Vice Mayor Donna Colson

City staff/consultant support: Kevin Gardiner, Community Development Director, Joseph Sanfilippo, Economic Development & Housing Specialist • Affordable Housing Programs Consultant: Sandy Council, Good City Company • Facilitator: Susan Clark, Common Knowledge