

POLICY WATCH – July 2019

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As we enjoy the wonderful summer in the North Bay, we aren't taking our eyes off of some big issues that are happening concerning housing and the future of work. This issue we explore the relationship of zoning to solve the housing crisis and why it is so difficult to gain support for zoning changes. We also look at a bill causing quite a stir in the Capitol about independent workers, who are a growing segment of the workforce.

NBLC is also pleased to see some bright spots in gaining support and resources for new housing construction. The Marin Housing Summit was a big success and will help strengthen housing advocacy and build more political will. And the new Housing Trust in Sonoma County will add another tool to the toolbox on funding much needed affordable housing there.

Best,



Cynthia

Change the Zoning, Change the Housing Crisis

As the housing crisis continues, with no end in sight, it is time to look at why it is so difficult to build new housing and what can be done to change that situation. There are many reasons proffered on why new housing is being built in the North Bay (and much of California) such as the abuse of the California Environmental Quality Act (CEQA); lack of construction workers; increase in building materials; neighborhood opposition -- the list goes on. But one thing that has been getting more attention is the fact that current zoning makes building the housing we need illegal.

Let's look at the arguments that if you change the zoning to allow for higher densities, taller buildings and reduced parking, you will be on the right path to build the much needed housing needed to end this crisis.

Some housing advocates are calling for an end to single-family zoning, meaning allowing only apartments and townhouses to be built, and no detached, single-family houses. This push to "upzone" is a response to years of communities "downzoning" the land in their jurisdiction, reducing the development potential and "converting land that allowed courtyard apartments to just fourplexes, fourplexes to duplexes, large-lot single-family homes to even larger-lot single family homes," said Emily Badger (The Upshot) [Link](#).

"It was death by a thousand cuts," said Greg Morrow, executive director of the Real Estate Development and Design program at Berkeley. "You're just taking a little bit out each time. If you look back at early



attempts to downzone, they really were almost driven by this naïve belief that if you just downzoned, you could stop population growth.”

But downzoning didn't stop population growth. The population kept growing while new housing did not keep up with that increase. At the same time, the cost of housing, due to the scarcity, also skyrocketed. Rents increased forcing many renters to pay well beyond the one third of their income for their monthly rent. The UCLA – Lewis Center for Regional Policy Studies ([Link](#)) found that zoning restrictions triggered these increases. The Lewis Center also found that conversely low-density zoning “excludes multi-family housing with due to higher rents so low and middle-income families are not able to live in neighborhoods with quality public services, particularly high-performing schools, as well as amenities such as parks. Barring families from high-opportunity neighborhoods entrenches inequality and reduces social mobility in the long run.”

The Center's research showed that “low density zoning also hurts the regional economy. Less housing makes it harder for workers to find a place to live. The city, unable to house workers, becomes less appealing to firms that rely on a local labor pool. Pushing people elsewhere incentivizes firms to locate elsewhere. A city that can't house workers stunts its own potential for economic growth and dynamism.”

So who benefits from keeping the zoning low-density? Existing property owners, who are able to reap the returns on their properties' increasing value. Another researcher, urban economist William Fischel ([Link](#)) has studied the homeowner voter or home voters and developed the home-voter hypothesis.

Fischel predicted that California homeowners' opposition to new housing is consistent with their desire to “prevent any development that might devalue their homes, which are usually a household's primary source of wealth. For example, if a multifamily building is proposed in a municipality otherwise characterized by single-family housing, we may expect a homeowner to resist the development on the premise that an influx of new families could overburden public schools or worsen traffic congestion, or express fears that the new rental housing might threaten “community character” – thereby lowering home values.

Which brings us to the reaction to upzoning. Sen. Scott Weiner's SB 50-- Homes for All bill – was killed in committee by suburban homeowners pressuring their representatives to not not allow change to their neighborhoods that they feared would threaten their property values. Local governments also opposed the bill fearing that it would diminish their “local control.” Weiner's bill would have upzoned land near public transit and in job-rich areas to allow high density, taller buildings with less parking. Polling indicated that the public supported key provisions of the bill.

In looking to gain support for upzoning, there is recognition that there is a lack of political will at the local level to take on these development fights. Some people like Christopher Elmendorf ([Link](#)) have proposed a “compact between state and local governments in which the state would set quotas for housing growth, but the municipalities would choose their own zoning reforms to meet them. Once a municipal plan gets certified by the state, it would supersede the adoption or enforcement of any contrary zoning provisions. Any municipality that fails to comply with its own plan would face financial penalties.

Other proposals also look at shifting land use decisions away from the local agencies to the regional or state governments. The Lewis Center found that decisions made at the regional or state level were “less

exclusionary and reduce socioeconomic segregation. Housing markets, like labor markets, operate at the regional level, yet land use decisions are made at the city level. As a result, each municipality is incentivized to limit its housing supply to exclude new residents of the region even as that municipality reaps the collective benefits created by the region's dynamism. "

The proposed Housing Alliance of the Bay Area that would be formed if AB 1487 (Chiu) is passed, is an example of housing advocates trying to jumpstart that process in the Bay Area. This new housing authority would be authorized to raise money to build new housing, provide rental subsidies and finance planning by local jurisdictions for new housing development

Fuller and Gray say, "in the end, SB 50 is no more dead than its predecessor bill, SB 827, which similarly sought to permit multifamily housing near transit lines. Neither the coalition built by Senator Weiner, nor the crisis that it aims to address are going away. But if housing reformers are serious about addressing the root causes of the home-voter impulse, they'll need to plan for contingencies. SB 50's foes are already rallying to introduce a ballot initiative aimed at entrenching local control of land use in the state constitution – an amendment that would all-but ensure that California's housing crisis becomes permanent." After decades of failing to build housing to keep up with the growing jobs and population in California, one wonders if the crisis isn't already permanent.

Bright spots in Housing the North Bay

Marin Housing Summit:

The Marin Housing Crisis Action Group (HCAG), of which NBLC is on the steering committee, and Marin Environmental Housing Collaborative (MEHC) hosted a Housing Summit on June 27th. HCAG's work to create, build, and preserve much-needed housing in Marin by bringing together organizations to form a diverse coalition enables us to help build the political will for Marin County to say "Yes" to housing. MEHC's work to collaboratively promote public support for projects that advance affordable housing, environmental integrity, and social justice enables us to provide stronger support for elected officials who want to vote for environmentally friendly affordable housing, but hesitate in fear of backlash. Together, HCAG and MEHC are uniquely qualified to bring together and convene diverse organizations within Marin to propel joint efforts for housing.

Over 70 advocacy and service groups whose primary or significant focus is housing were invited to attend. Largely, elected officials, foundation staff, and public agency staff were omitted to allow for an advocate focused discussion; further meetings will include more partners. Of the seventy groups invited, thirty-five sent representatives and a total of 58 individuals attended, many of whom represented multiple groups. The goals for the event focused on bringing together diverse groups to learn about one another's priorities and identify areas where synergy arises.

Goals Bring together groups advocating for housing in Marin

Identify the goals and activities of each group

Identify and share housing information and resources in Marin and beyond

Leverage intersection of agendas for more effective and efficient advocacy

The participants came up with lots of objectives to meet the above goals which will be prioritized so that at the next meeting of the countywide housing advocates we can begin to work collectively to bring more housing to Marin County. Stay tuned for more updates!

Sonoma County Housing Trust:

The Santa Rosa Metro Chamber, a business and economic advocate leading the Sonoma County region, has partnered with Housing Trust Silicon Valley, a nonprofit community development financial institution (CDFI) focused on affordable housing in the greater Bay Area, to create the Sonoma County Housing Fund – a collaborative effort to bring critically needed affordable housing to the region.

The \$10 million initiative is modeled to a similar successful collaboration Housing Trust made with the Monterey Bay Economic Partnership to create Monterey Bay Housing Trust (MBHT). With this joint effort, Sonoma County Housing Fund will finance affordable housing in the Sonoma County region – which saw its needs for housing swell in the aftermath of the devastating Tubbs Fire in late 2017. Santa Rosa Metro Chamber will work to secure and deploy local investments to assist with the affordable housing creation while Housing Trust will underwrite, approve, and administer the loans.

“Workforce housing is not just the responsibility of government. It’s a community-wide issue needing a community-wide solution,” said Tom Schwedhelm, Santa Rosa Mayor. “Having the Sonoma County Housing Fund in partnership with Housing Trust Silicon Valley is another example of neighbors helping neighbors.”

“Santa Rosa’s ability to access millions in private capital for new workforce housing is going to yield a tremendous return for our citizens and working families and their ability to access quality homes,” said Councilmember Jack Tibbets. “By establishing another local source for workforce housing, we can access even more state and federal funds. I’d like to see us turn the \$10 million goal into \$80 million by leveraging Sacramento and Washington so we can get even more sticks in the ground and roofs over our families’ heads.”

The newly formed Employers Housing Council, of which NBLC is a member, will be consulting with the Chamber on which projects should be endorsed to be funded by the Sonoma County Housing Fund. Funding will focus on multi-family workforce housing projects, preferably in priority development or infill areas of Sonoma County.

Is the End Near for the Gig Economy?



There is a battle royale going on in the State Capitol over the future of work. Labor unions are pressing hard to get independent contractors, the mainstay of the Gig Economy, reclassified as employees. Many companies are pushing back on this effort to end their business model and the ability for people to choose how they work.

The battle centers around AB 5 (Gonzalez) that would force on-demand services to treat all their workers as employees. The bill passed 53-11 in the Assembly and is now being considered by the Senate. Kari Paul, in

the Guardian ([Link](#)), reports that “If signed by the governor, the legislation would put into action a decision made by the California state supreme court in May 2018 known as Dynamex, which uses a three-part test to determine if contractors qualify as employees entitled to protections and benefits. To be exempt from labor requirements, an employer would be required to prove the following: that its workers have complete control over how services are provided, that the services provided are not related to the employer’s main business, and that the worker is engaged in an “independently established” role.”

Paul says, “Legal protection of contractors has faced an uncertain future following federal decisions in recent months. Following a nationwide strike organized by Uber drivers in May, the National Labor Relations Board released an opinion stating drivers were not employees. The memo, the first of its kind on the gig economy, ruled that drivers were in “complete control” of their cars, work schedules and log-in locations, making them independent contractors with “entrepreneurial opportunity” outside of the app, including the option to drive for rival companies such as Lyft. Uber’s “hands-off” approach, the opinion said, included surge pricing, which increases drivers’ earnings when rides are in higher demand. That was “consistent with independent-contractor status”, the memo said.”

In an editorial in the Los Angeles Times ([Link](#)), they say, “Both sides are partly right. On-demand workers need more protections than they’re getting now, and it’s shameful that lawmakers have left key questions about worker rights to the courts. But it’s a risky fantasy to pretend that on-demand workers can be reclassified by companies like Lyft and Postmates as employees and continue to wield the control they crave over their hours and duties. It just won’t happen.”

Far more companies than Lyft and Uber would be affected by this bill. According to the Intercept ([Link](#)) “The California Chamber of Commerce formed the I’m Independent Coalition to fight the new worker classification. Coalition members include the California Hospital Association, California Restaurant Association, California Retailers Association, Handy, Lyft, Uber and Instacart. The Internet Association, a group that includes Google, Amazon, LinkedIn and Facebook, is also a member.”

There have been discussions between some labor unions and Lyft and Uber about carving them out of the legislation in return for commitments on improving benefits and pay for their contractors. According to Vox ([Link](#)), “Uber and Lyft really, really don't want to pay the added cost of hiring drivers as employees instead of independent contractors. Both firms reportedly have been meeting with the Service Employees International Union (SEIU) to support an amendment to exempt them from complying with the bill, which

is headed to the California Senate for a vote at the end of the summer. In exchange, [Uber and Lyft executives said](#) they would give drivers some benefits and would pay a union to advocate for drivers.”

To add insight into the pros and cons of the bill, the Sacramento Bee’s Dan Morain ([Link](#)) asked key leaders “How should California regulate a growing gig economy?” Morain found out it depends on who you ask.

Here are some of the replies:

“ONE-SIZE-FITS-ALL SOLUTIONS LIKE AB 5 GO TOO FAR”

Jim Wunderman - President and CEO of the Bay Area Council

California has thrived creatively, economically and culturally because we attract top talent, encourage risk-taking and give people the flexibility and freedom to pursue their dreams on their own terms. It’s a successful formula that reflects California’s indomitable entrepreneurial spirit and empowers people to do great things. For more than 2 million Californians, this means being able to work independently in a wide range of jobs across a wide range of industries – everything from caterers and freelance writers to truck drivers and tech workers. As part-time workers and independent contractors, these Californians can be their own boss, set their own schedule, negotiate their own work agreements and pay, and decide for themselves how best to structure their work to fit their lives and lifestyles. A poll last year found that 93 percent of these workers wouldn’t have it any other way. And yet, proposed legislation (AB 5) would effectively end or dramatically alter the freedom and control these workers enjoy from operating independently. There’s little question that as our economy and workforce evolve with the arrival of new technologies, our laws and regulation should evolve to ensure all workers get the protections they deserve. But one-size-fits-all solutions like AB 5 go too far.

“IT DOESN’T HAVE TO BE ONE OR THE OTHER, IT CAN BE BOTH”

Jennifer Barrera - Executive Vice President of the California Chamber of Commerce

It is unreasonable to shoehorn a worker in the gig economy into a traditional employment classification based upon a court decision that resolved facts from over 15 years ago, did not involve gig workers, and applied a law that hasn’t been updated since well before the smart phone was introduced in our society. Employee protections such as meal and rest breaks and overtime, are meant to address an employment environment where the employer controls the schedule. Those protections are not applicable to the gig economy, where the worker completely controls when to work, for whom to work, and how long to work. The Legislature has an opportunity to create balance and provide reasonable protections for workers without eliminating the income opportunities the gig economy provides for those workers. It doesn’t have to be one or the other, it can be both.

“WE NEED TO ADOPT NEW DEFINITIONS AND STANDARDS”

Chad Mayes - California State Assemblyman (R-Yucca Valley)

The first thing we must do is recognize that technology has, and continues to, fundamentally change work in the 21st century. The question asks that we apply outdated terminology to a new work environment that lawmakers and courts couldn’t fathom as little as 15 years ago. We need to adopt new definitions and standards that reflect these changes rather than try to apply outdated concepts to this new reality.

“ONE OF THE BEST STRATEGIES TO EXPAND JOB OPPORTUNITIES FOR PART-TIME WORKERS IN THE GIG ECONOMY IS TO CREATE “PORTABLE” BENEFITS UNTETHERED FROM ANY PARTICULAR EMPLOYER OR PROJECT”

Jesse Gabriel - California State Assemblyman (D-Los Angeles)

One of the best strategies to expand job opportunities for part-time workers in the gig economy is to create “portable” benefits untethered from any particular employer or project. Currently, many part-time gig employees are unable to access benefits and protections that traditionally have been provided to full-time employees, including health and life insurance, workers’ compensation, unemployment insurance, paid leave, and tax-advantaged retirement savings. Ensuring that part-time gig workers can secure such benefits – and retain them as they move between different jobs and employers – would help improve workers’ economic and financial security, increase mobility, and empower workers to pursue new and different employment opportunities. Providing reliable access to benefits – either through public sources or innovative private businesses – would help both workers and employers, and is an important step toward developing a regulatory regime that provides part-time gig workers with the flexibility they desire and the protections and benefits they deserve.

“WE SHOULD FOLLOW THE SAME STANDARD APPLIED NATIONWIDE BY THE FEDERAL GOVERNMENT”

Tom Campbell - Professor of Law and Economics at Chapman University

To prevent adding to the cost of new jobs in California, we should follow the same standard applied nationwide by the federal government in deciding whether an employer has to withhold social security and income taxes. If a job is a contractor under federal law, it should be a contractor under California law as well. Then no state would have an advantage over us in offering people jobs. Otherwise, we are making it harder for the job to be offered in California than in another state. Let’s not further drive jobs to other states.

“TRADITIONAL COMPANIES SHOULD TAKE A CUE FROM THE GIG ECONOMY AND MAKE FLEXIBLE WORK SCHEDULES THE NORM”

Debbie Mesloh - President of San Francisco Commission on the Status of Women

The gig economy has provided benefits to society offering new services, greater competition, and convenience. By giving control over when and how long one works, the gig economy unleashes the economic potential of women and others who previously not involved in the work force. That is at the heart of personal freedom and empowerment. Finding solutions such as portable benefits such as health care that are not employer dependent will help to ensure the viability and longevity of the gig economy for businesses, workers and society as a whole. Traditional companies should take a cue from the gig economy and make flexible work schedules the norm. When I served as Vice President at Gap Inc., we measured performance by metrics, not by time spent at the office. More women would join (or rejoin) the workforce or stay with their employers if they had increased flexibility and are not put in the position to choose between family and work.

Save the Date: Leaders of the North Bay Awards Luncheon on November 1, at the DoubleTree Hotel. Watch for the announcement of this year’s honorees in our next issue!

Members in the News

College of Marin Gets \$200K Grant for Career Training Online

College of Marin is proposing to add nine new job-focused online certificate and degree programs in multimedia studies, hospitality management and business as part of a \$200,000 grant from the state.

Sonoma County Office of Education’s Dr. Steve Herrington is the 2019 Sonoma Changemaker Honoree

10,000 Degrees invites you to the Second Annual Sonoma County Changemakers Dinner in celebration of our cherished community partners who deliver transformative change in the lives of our students and families from low-income backgrounds.

Buck Institute for Research on Aging Professor Gordon Lithgow Receives Prestigious Award From the American Aging Association

Gordon Lithgow, Buck Institute professor and Chief Academic Officer, will receive the Denham Harman Award from the American Aging Association, in recognition of lifetime achievement in the field of research on aging.

Buck Institute for Research on Aging Faculty Chronicle 30 Years of Research on Aging in Review Article Published in Nature

Understanding aging and the processes that limit lifespan have challenged biologists for years.

Star Staffing to Host Sexual Harassment Trainings Ahead of 2020 Requirement

Star Staffing, the premier recruiting and workforce solutions agency for Northern California employers and job seekers is offering comprehensive sexual harassment training that will comply with California's training requirement.

Buck Institute for Research on Aging – Do Wildfires Impact How We Age?

Due to the deleterious impact of climate change, and compounded by the fact that more and more fire-prone land is being developed, fires are becoming deadlier, more destructive, and more frequent throughout the western United States.

Dominican University of California Names New Business School Dean

Yung-Jae Lee, Ph.D., has been named the new dean of the Barowsky School of Business at Dominican University of California.

Sonoma Raceway Hosts NASCAR Weekend and Raises More Than \$269,000 for Sonoma County Groups

Charitable programs combined to raise more than \$269,009 for local youth groups during the 31st annual Toyota/Save Mart 350 Monster Energy NASCAR Cup Series weekend at Sonoma Raceway.

Marin Sanitary Service's Patty Garbarino Chosen as a Member of the SMART Board

Golden Gate Bridge District appointed board member Patricia Garbarino to the SMART board of directors, filling the last vacancy of the 12-member group that oversees the transit agency.

Kaiser Permanente Wants to Work With Local and Diverse Suppliers

Kaiser Permanente is currently searching for local suppliers to partner with!

Sutter Santa Rosa Regional Hospital Completes 1.6 Megawatt Solar Energy Generation Project With Ameresco

Ameresco, Inc., (NYSE:AMRC), a leading energy efficiency and renewable energy company, and Sutter Health today announced the completion of a 1.6 megawatt solar energy system at the Sutter Santa Rosa Regional Hospital (SSRRH).

Redwood Credit Union Wins Two MAC Awards

Redwood Credit Union (RCU) received two awards for their marketing efforts at a ceremony in New Orleans on May 30, 2019.

Read more online at www.northbayleadership.org/news



Who We Are

Over twenty five years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 54 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call 707.283.0028 / E-mail info@northbayleadership.org

www.northbayleadership.org