

Report on ABAG to MCCMC

May 25, 2016

MTC PROPOSAL TO TRANSFER REGIONAL LAND USE PLANNING AND RESEARCH STAFF FROM ABAG TO MTC:

Bottom-line, on May 19, 2016, the ABAG General Assembly voted to “support Option 4, with Option 7 as a fall back alternative”; and, the ABAG Executive Board adopted the attached Resolution 07-16 that supported both Option 4 and 7 with a list of “Principles Applied When Implementing Components of Option 7” (see Attachment 1). MTC will take action on May 25th (today) on the proposed staff recommendation to support Option 7. On May 27th, the Joint Committee will be discussing the draft ‘Implementation Action Plan’ (IAP) which will be brought back to both ABAG Executive Board and MTC for action in June 2016. **The Marin ABAG delegates will meet in May/June to review the IAP and next steps. The next few months will be critical for ABAG’s (and the Council of Governments) survival.**

Since the last MCCMC meeting, the debate narrowed to 2 of the 7 options which are:

Option 4 – Create a New Regional Agency and Governance Model. Enter into a MOU between MTC and ABAG to create a new governance model that integrates the MPO (MTC) and the COG (ABAG). The MOU would set forth the principles, parameters and basic terms to guide the creation of a new regional agency and governance model for the region. Until a new agency is created and integration achieved, MTC and ABAG would remain as separate, independent agencies, including their respective mission, governance structures, legal and statutory duties, responsibilities and authorities. ABAG would statutorily continue to be responsible for those activities set forth in SB 375 regarding preparation of the SCS.

Option 7 – Enter into a Contract between ABAG and MTC to Consolidate Staff Functions under One Executive Director and Enter into an MOU to Pursue New Governance Options (Functional Consolidation). Within the first year, begin consolidating ABAG staff into MTC; and establish a clear contractual commitment to provide staff support for the ABAG Executive Board who would retain their functions, roles and responsibilities in the region. Enter into a memorandum of understanding (MOU) between MTC and ABAG to establish a timeframe for considering a new governance structure and to set forth principles, goals and parameters for pursuing new governance options. MTC will need to adjust its organizational structure to accommodate ABAG functions and services. The ABAG JPA and MTC governance structures, as well as their statutory roles and responsibilities, would remain unchanged.

As previously reported, on April 22, 2016, the Joint ABAG Administrative and MTC Planning Committees, voted to recommend moving forward on Option 7 to their respective full Governance Boards. I was the only no vote against this option as presented for the following reasons: 1) ABAG Executive Board would not have any staff, but would contract back with MTC for staff support to accomplish ABAG’s programs and statutory responsibilities; 2) ABAG Executive Board would not have direct authority over the MTC Executive Director who would serve both ABAG and MTC; but not be accountable to the ABAG Executive Board only MTC; and 3) There isn’t a timeframe or commitment to discuss and reach agreement on one agency or governance structure.

On May 19, 2016, the ABAG General Assembly met with 58 city delegates and 6 county delegates registered. There was considerable debate which went on beyond the estimated timeframe provided in the agenda. The first motion (by cities) was to support Option 4 which was superseded by a substitute motion to **“support for Option 4, with Option 7 as a fall back alternative”**. The substitute motion for cities passed (28 YES; and 23 NO votes) with 7 cities absent. The Counties made a similar motion which passed (4 YES and, 2 NO votes).

At the ABAG Executive Board on May 19th, there was another heated debate which went to almost midnight resulting in **the ABAG Executive Board adopted Resolution 07-16 that supported both Option 4 and 7 with a list of “Principles Applied When Implementing Components of Option 7” as an attachment.** I was able to get the SEIU 10 working principles in concept included in the resolution, but unfortunately, there was no timeframe for considering a new governance model or agency.

The ABAG Executive Board debate focused on whether or not to include Option 4 – that was the most telling part of the discussion. The first motion was to support the resolution that supported both Option 4 and 7. A substitute motion was made to only include Option 7 in the resolution. An amendment to the substitute motion was made to include Option 4 which passed 15 to 13; then, the substitute motion passed 26:2.

The Assembly Select Committee on Regional Planning in the Bay Area held a hearing on May 20th which was enlightening. Ezra's presentation was fascinating (see clip below). In Ezra Rapaport's testimony he states: **"We absolutely would not be engaging in Option 7 if the planning grant was not cut"** – see 15:20 in the following link: <https://www.youtube.com/watch?v=qwGKUa2mTtk>. It is clear that the Assembly Select Committee members will be ascertaining whether the State's interest may be asserted.

On May 25, 2016, MTC will meet to approve Resolution 4245 which selects Option 7 as the preferred option. As part of their agenda, is the 'Implementation Action Plan (IAP)' that calls for more in-depth due diligence, should MTC and ABAG choose to support the policy direction of Option 7. In particular, the IAP identifies the following general action areas and implementation steps:

1. General Agreements/Option 7 Policy Support: Achieving policy support for Option 7 and a consensus regarding the general framework, schedule and plan for its implementation.
2. Contract for Service: Conducting a financial analysis of the impact on both MTC and ABAG of consolidating all staff functions within MTC and developing a contract for service if determined to be feasible.
3. Memorandum of Understanding: Establishing a time frame for future consideration of governance options.
4. Human Resources: Establishing the compensation and benefit structure for ABAG employees to be transitioned to a consolidated agency.
5. General Administration: Establishing a work program for general administrative activities following execution of a contract for service.
6. Planning Programs and Services: Developing an integrated work program for Plan Bay Area and establishing a unified planning team positioned to address the region's planning priorities.

On May 27, 2016, the Joint ABAG Administrative and MTC Planning Committees will discuss the IAP which was distributed to the ABAG delegates on May 18, 2016. The IAP will be brought before the ABAG Executive Board and MTC in June for approval. The Marin ABAG delegates/alternates will be meeting in May/June to ascertain next steps.

PLAN BAY AREA 2040:

1. **Public Workshop/Open House.** Our public workshop/open house on June 4, 2016 is at the Corte Madera Community Center located at 498 Tamalpais Drive (see attached final agenda). This year, the ABAG/MTC public workshop/open house will be co-sponsored by the Marin ABAG delegates/alternates and the Transportation Authority of Marin (TAM).
2. **Plan Bay Area Scenarios.** As reported to the ABAG Executive Board on May 19, 2016, "MTC decided to release the UrbanSim output as the three land use scenarios for Plan Bay Area 2040 without all the necessary adjustments to correspond to the original scenario narratives and local input. The UrbanSim-generated scenarios take into account some of the local input gathered by ABAG over the past six months, but include some aspect of development that are NOT consistent with the scenario concepts or growth ranges ABAG staff had previously discussed with some jurisdictions." I have requested the previous and new numbers to review with the ABAG delegates in each of our 11 cities and the county to see where the discrepancies may be prior to the upcoming public workshop and open house.

MTC -- ADVANCING THE REGIONAL HOUSING AGENDA: On April 27, 2016, MTC discussed a draft plan to 'Advance the Regional Housing Agenda' that included focusing on increasing direct housing investments or 'a bonus' for local jurisdictions that produce housing to help address the region's housing crisis. MTC suggested that there are different approaches to use OBAG funding to support housing, including a transportation grant reward, direct investment in

housing preservation, or conditioning the receipt of OBAG funds on local housing policies. Specifically, the MTC discussed several options which included:

- 1) **Reward Jurisdictions:** Award the additional OBAG funding available via the FAST Act to cities & counties that produce the most low and moderate income housing in Priority Development Areas from 2015-2019. This would deviate from the current CMA county-based approach by providing direct rewards to local jurisdictions based on prospective housing production using some or all of the \$72 million in available funding, offering transportation grants to cities and counties that deliver desperately needed affordable homes.
- 2) **Direct Investment:** Invest in a revolving loan fund to convert apartment buildings to deed-restricted affordable units over time. This pilot-project would secure long-term affordability at a lower per-unit cost than constructing new affordable housing. This investment would complement MTC's TOAH investment with a "little brother" that might be called the Naturally Occurring Affordable Housing (NOAH) program. Like TOAH, these new loan funds could be returned to MTC, and MTC can require minimum leverage from other funding sources. This approach would require some exchange of funds to address eligibility limitations of FAST Act funds. MTC's investment could be leveraged by as little as 3:1 or as much as 7:1, preserving 200—2,000 homes in the process.
- 3) **Regulatory Approach:** Condition additional funding to cities based on what anti-displacement policies are in place, their recent affordable housing production, or their current level of affordability to low-wage workers. Current adopted city and county housing policies have been inventoried by ABAG and a menu of policies for consideration could include accessory dwelling units, by-right development, commercial-linkage fees, just-cause evictions, rent stabilization, or inclusionary zoning.

Under Option 7, "there is an opportunity to mobilize new initiatives that are needed for the region to exceed its abysmal 35% RHNA performance for very low, low and moderate income units, while also supporting increased market rate supply. Based on the housing forum and subsequent discussions with stakeholders and city staff, MTC staff has identified three regional initiatives that can further support housing construction for the Commission to consider. These initiatives are intended to have limited or no impact over the medium term on existing transportation funding streams while providing support to a range of communities across the region. As noted above, the Bay Area is a wealthy region with a track record of financing transportation, schools, and open space at the city, county and regional level. Housing should be no different. San Francisco has already adopted a \$300 million housing bond, with Alameda County and others considering a fall 2016 measure. These resources, coupled with the strategies below, will be required to put a dent in the annual \$1+ billion affordable housing funding shortfall."

To implement a self-help approach to the region's housing crisis, MTC, ABAG, and their city and county partners will need to secure legislation that allows for multi-county bonds or fees to support housing construction and housing related infrastructure similar to the legislation authorizing a regional gas tax. The region needs both a regular and substantial source of housing funding to address the \$1+ billion shortfall and a means to administer those funds through a joint powers agreement or another mechanism.

375 BEALE STREET, SAN FRANCISCO: ABAG, MTC, BCDC and BAAQMD have moved to 375 Beale Street in San Francisco. The first floor will include the hearing room for the governing boards and meeting space for the various committees along with retail spaces. I am attempting to obtain a current telephone directory for all agencies.

UPCOMING MEETINGS:

- **May 27, 2016**, 9 am to 12pm – Joint ABAG Administrative and MTC Planning Committee meeting
- **June 4, 2016** – 8:30 to 1:00 pm – Public Workshop and Open House on Play Bay Area at Corte Madera Community Center located at 498 Tamalpais Drive
- **June 16, 2016** – 7:00 pm ABAG Executive Board meeting
- **June 22, 2016** – 9:30 am MTC meeting
- **June 24, 2016** – 10:00 to 12:00 -- Joint ABAG Administrative and MTC Planning Committee meeting.

Please direct questions to Pat Eklund, Mayor, City of Novato (phone: 415-883-9116; email: peklund@novato.org or pateklund@comcast.net)

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 07-16

**ABAG SUPPORT FOR ABAG MTC MERGER STUDY RECOMMENDATION
OPTION 4 AND OPTION 7**

WHEREAS, the cities and counties of the Bay Area formed the Association of Bay Area Governments (ABAG) for the purposes of establishing a permanent forum for discussion and study of regional and subregional problems of interest and concern to them, developing policies and actions, and providing services and undertaking actions to address such problems; and

WHEREAS, for over 50 years, local jurisdictions have relied on ABAG, their Council of Governments (COG), to provide the staff support, resources, programs, and partnerships in a manner that provides local jurisdictions with significant input in developing and implementing regional and subregional initiatives, plans and programs, such as Plan Bay Area; and

WHEREAS, for decades now, the Metropolitan Transportation Commission (MPO) has conducted subregional and regional transportation planning and funding, working primarily through the Congestion Management Agencies (CMAs); and

WHEREAS, last fall MTC adopted Resolution 4210 that provided interim funding for ABAG's work on the update to Plan Bay Area while ABAG and MTC jointly hired a consultant to help them explore opportunities for greater collaboration up to, and including, full merger; and

WHEREAS, merging these two regional agencies has the potential to create new opportunities to bring more comprehensive, better integrated transportation and land use planning services to the Bay Area; and

WHEREAS, if ABAG becomes part of a larger, more financially secure, merged agency that preserves ABAG's autonomy, policy oversight and statutory regional responsibilities, there would be greater economic flexibility and security for ABAG programs, and guarantee that current ABAG employee and retiree benefits are protected; and

WHEREAS, MTC acknowledges the value of the COG to the region and its local jurisdictions, stakeholders and residents, and has made a commitment to preserving ABAG's statutory authority, programs and voice in regional policy decisions; and

WHEREAS, both ABAG and MTC proposes to negotiate the terms of a merger as equal partners with each bringing its own strengths, assets and programs to the negotiations.

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NOW, THEREFORE, BE IT RESOLVED, that the ABAG Executive Board expresses policy support for Option 4 (Create a New Regional Agency and Governance Model), and Option 7 (Enter into a Contract between ABAG and MTC to Consolidate Staff Functions under One Executive Director and Enter into an MOU to Pursue New Governance Options (Full Functional Consolidation)), and directs staff to:

- (a) Enter into a letter agreement¹ to continue MTC's financial support of ABAG's planning services pending development and execution of a *Contract for Services* and *MOU* to pursue new governance options with MTC.
- (b) Cooperate with MTC to conduct financial and legal analyses to determine the impact on both ABAG and MTC of a staff consolidation.
- (c) Enter into negotiations and establish a deadline for:
 - 1) A multi-year *Contract for Service* that consolidates MTC and ABAG staff under one executive director and provides staffing for all ABAG statutory duties and responsibilities as the region's COG;
 - 2) A *memorandum of understanding* (MOU) to pursue new governance options within a specified time period.
- (d) Commission/Board Involvement: Request Commission/Board Chairs and/or their representatives to work with respective agency staff, legal counsel and a project manager/facilitator on the *Contract for Service* and *MOU*.
- (e) Employee Relations Committee: Establish a joint employee/management committee with representatives from both MTC and ABAG to assist with the transition process.
- (f) Communications Plan: Document each agency's existing policy structure and responsibilities, and clarify intent to maintain them until and unless there is a successor governance structure; include this as part of a communications plan to Bay Area cities and counties

BE IT FURTHER RESOLVED that the ABAG Executive Board requests that the MTC Commission and the ABAG Administrative Committee and/or their representatives work with the Executive Directors, counsels and staffs of ABAG and MTC and a third party manager/facilitator on the *Contract for Service* and *MOU*.

BE IT FURTHER RESOLVED that ABAG Executive Board adopts the principles in Attachment A to this resolution to be applied to the implementation of Option 7.

¹ Items (a) through (e) are reflected in Sections A1-A6 of the AIP.

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BE IT FURTHER RESOLVED that the successor to the current Executive Director of MTC shall be appointed by, and report to, the ABAG Executive Board and the Commission of MTC.

FURTHER BE IT RESOLVED that the ABAG Executive Board acknowledges that the Action Implementation Plan (AIP), once it is finalized and adopted by ABAG and MTC, is meant to set forth a process to guide the respective agencies as we move forward with Option 7. It is intended as a tool that the agencies may use to help plan the process, and may need to be modified over time.

The foregoing was adopted by the Executive Board this 19th day of May, 2016.



Julie Pierce
President

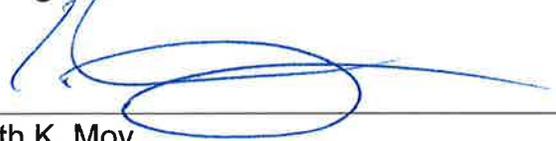
Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Administrative Committee of the Association at a duly called meeting held on the 19th day of May, 2016.



Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form



Kenneth K. Moy
Legal Counsel

ATTACHMENT A

Principles Applied When Implementing Components of Option 7

- A. The Council of Governments (COG) provides local jurisdictions with the staff support, resources and partnerships necessary for them to have significant input in developing and implementing regional plans such as Plan Bay Area. The COG operates with the clear understanding that all land use authority in California resides with cities and counties. Support for Option 7 is conditioned on the continuation of local engagement and participation in regional planning in the following manner:
 - 1) Cities and counties are essential partners in regional planning.
 - 2) Regional planning incorporates a meaningful and transparent public engagement process.
 - 3) Regional land use planning is responsive to local land use planning to build high quality neighborhoods.
 - 4) In addition to transit and transportation planning, regional land use planning integrates other relevant planning fields, such as water, agriculture and open space, resilience, energy efficiency, climate change adaptation and mitigation, air quality, sea level rise, economic development, and social equity.
- B. The COG should have a voice in developing land use incentives designed to promote the construction of and acquisition/rehabilitation of housing units scaled to support the Bay Area economy.
- C. When integrating the ABAG Planning and Research Department, special attention should be made to retain its collaborative and holistic culture.
- D. In concert with any organizational changes, ABAG and MTC staff should engage in a deliberate process for integrating missions that address: 1) the function, management, mission, and vision of ABAG departments; 2) internal and external relationship maintenance; 3) decision-making structures; and 4) conflict resolution.
- E. ABAG and MTC should designate a Staff Merger committee of Board and Commission members that will provide guidance with respect to merger activities and changes. This committee should be informed by an organizational consultant familiar with the overlapping areas of ABAG and MTC administration. We do not believe important decisions need to be made immediately, and it would be helpful for a committee of elected officials to be in place for any discussion of issues among the staff.
- F. MTC administration should endeavor to understand and preserve ABAG's existing programs. Should MTC administration desire to make substantive changes, they must first consult with the ABAG Executive Board.
- G. The staff merger should include the transition of all ABAG staff. Savings and consolidation should take place through existing vacant positions, expected attrition

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opportunities in further reorganization, and through an organizational development plan approved by both ABAG and MTC.

- H. The ABAG Executive Board will need a management level staff person to act as a liaison to the new administration. The ABAG Board and the Executive Director of MTC should engage in a mutual process for the selection and retention of this liaison. The mechanism to accomplish this should be worked out as part of the IAP. This position will ensure that the ABAG Executive Board has an appropriate connection to staff so it can perform its policy oversight with autonomy.

PUBLIC WORKSHOP and OPEN HOUSE
PLAN BAY AREA UPDATE 2017
JUNE 4, 2016 -- 8:30 to 1:00

LOCATION: Corte Madera Community Center, 498 Tamalpais Drive Corte Madera, CA 94925

PURPOSE:

- Inform and obtain feedback on the key milestones, methodology for forecasting future growth, land use and transportation scenarios and performance evaluation. Provide brief overview of Vital Signs
- Discuss next steps

8:30 – 9:00: REGISTRATION

9:00 – 1:00: OPEN HOUSE

10:00 – 10:15: WELCOME and INTRODUCTION TO PLAN BAY AREA 2017

- ✓ **Welcome** – Pat Eklund, Mayor, City of Novato; Steve Kinsey, 4th District Supervisor (5 minutes)
- ✓ **Key Milestones for Plan Bay Area Update 2017** – Brad Paul, ABAG Deputy Executive Director; and, Alix Bockelman, MTC Deputy Executive Director (10 minutes)

10:15 – 10:30: Public Comment/Questions

10:30 – 10:50 FORECASTING FUTURE GROWTH – Catherine Way, Mayor, Town of Larkspur, Moderator
Cynthia Kroll, ABAG Chief Economist

10:50 – 11:10: Public Comment/Questions

11:10 - 11:45: SCENARIOS/PERFORMANCE EVALUATION (land use and transportation – including Vital Signs) – Stephanie Moulton-Peters, Moderator

Matt Maloney, MTC

Miriam Chion, ABAG Planning Director

11:45 – 12:15: Public Comment/Questions

12:15 - 12:30: WRAP-UP AND CONTINUED PUBLIC ENGAGEMENT

- ✓ **Next Steps – Pat Eklund**
 - Report on what we heard today – comments, suggestions and Q&A
 - Send comments or questions to: <http://planbayarea.org/get-involved/join-us.html>
 - Upcoming schedule

12:30 – 1:00: Open House and Time for Conversation with Public, Panelists and Elected Officials