

Report on ABAG to MCCMC

April 27, 2016

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

At the ABAG General Assembly on April 21, 2016, we were successful in getting the signatures needed from both cities and counties to have a special General Assembly on May 12th at 10:00 am to have:

- a) A full discussion of the alternatives developed by Management Partners and any other alternative(s) presented by any member of the ABAG General Assembly for a new Regional Agency and Governance Model, or modifying an existing organization to carry out all and/or a portion of the regional land use and transportation planning functions and other existing responsibilities of ABAG;
- b) A vote of the ABAG General Assembly on the proposed options, any modifications of the proposed options, any additional options, any preferred alternative(s) and subsequent course of action for the ABAG Executive Board and staff; and
- c) A vote of the ABAG General Assembly to repeal, ratify or modify ABAG Resolution 12-15 adopted by the ABAG Administrative Committee on October 28, 2015.

At the General Assembly, President Pierce changed the agenda to include a presentation of the process by Management Partners versus a 'summary of the options' as originally scheduled. She indicated that there was an agreement between the joint committees that the joint committees would be briefed first by the consultants. After some inquiry later in the day, I learned that it was a verbal agreement between Presidents Pierce (ABAG) and Cortese (MTC) – not the committees. This decision to change the agenda was not well received by the membership.

The General Assembly voted to adopt the 2016-2017 workplan and budget for ABAG; and, at my urging days leading up to the General Assembly, President Pierce removed the proposed bylaws change reducing what constitutes a quorum for the cities.

On April 22, 2016, UNFORTUNATELY, the Joint ABAG Administrative and MTC Planning Committees, voted to recommend moving forward on Option 7 to their respective full Governance Boards. I was warned ahead of time that this might happen even though ABAG President Julie Pierce stated in writing and publicly at the General Assembly, that the decision would be referred to the respective governance boards. I was the ONLY note against this option as presented for the following reasons:

1. ALL ABAG staff and programs would move to MTC. The ABAG Executive Board would remain to achieve their responsibilities, but need to contract back with MTC to have work done. ABAG would not have any staff.
2. There would be ONE Executive Director for both ABAG Executive Board and MTC Commission, but it is assumed in the report that the Executive Director would be Steve Hemminger, MTC Executive Director.
3. At some point in the future, they may pursue 1 Agency. But, as ABAG President Julie Pierce stated today "if we decide it is necessary". They are considering this to be a 'test on consolidation by moving staff into MTC first' before talking about Governance. **My guess is that they will start with 2 Boards, but the ABAG Executive Board would be disbanded at some point in the future, when cities/counties decide not to renew their memberships – and, they would have their one Agency WITHOUT having to talk about GOVERNANCE.**

At the April 22, 2016 joint meeting, we received a copy of a letter signed by several Assembly members on the Assembly Select Committee on Regional Planning for the Bay Area recommending Option 4 which is one agency that is also the MPO (see attached). Assemblymember Thurmon attended the joint meeting and publicly stated that the Assembly was not there to tell the joint Committees what to do.

The revised options presented at the Joint ABAG Administrative and MTC Planning Committees are:

Option 1 - No structural change. Maintain current independence of each agency, but increase collaboration to improve the Plan Bay Area (PBA) process; and, develop a formal conflict resolution process to resolve differences that cannot be resolved at the staff level.

Option 2 – Hire an Independent Planning Director to Manage all Planning Functions. Hire an “independent” planning director (under joint contact to both ABAG and MTC) responsible for all regional planning functions who would report to a Joint Committee of ABAG (Administrative Committee) and MTC (Planning Committee). This new planning director would replace the two current directors of planning for each organization. The governance and decision making structure would remain the same.

Option 3 – Establish a New Joint Powers Authority (JPA) to Oversee all Planning Functions Hire an independent planning director to manage PBA, all planning functions or both. Establish a new joint powers authority (JPA) with members from ABAG and MTC for purposes of providing regional planning services (to be defined) to each agency. Hire a planning director reporting directly to the JPA governing board responsible for those powers “common to both agencies” regarding regional land use, housing, and transportation planning as determined by the JPA. Staff would be assigned under contract from both agencies to support those activities determined to be eligible to be carried out by the JPA reporting to the new planning director, but would remain employees of MTC and ABAG. All non-planning functions would remain with their respective agency.

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 5 – Create a New Comprehensive Regional Agency and Governance Model. Enter into a memorandum of understanding (MOU) between MTC and ABAG and other regional agencies such as the Bay Conservation and Development Commission (BCDC) and the Bay Area Air Quality Management District (BAAQMD) in the Bay Area to create a new regional agency and 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 6 – Execute a Contract between MTC and ABAG to Consolidate Planning Functions within MTC and Enter into an MOU to Create a New Regional Agency and Governance Model. Execute an agreement between ABAG and MTC to consolidate all ABAG planning functions within MTC. Up to 22 planning positions could be created in MTC and offered to ABAG incumbents. No planning positions would remain in ABAG except possibly those determined to be directly related to and supported by enterprise programs. Enter into a memorandum of understanding (MOU) between ABAG and MTC to create a new regional agency and 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 full integration achieved, MTC and ABAG would remain as separate, independent agencies, including their respective missions, 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 as well as RHNA.

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.

PLAN BAY AREA 2040:

Public Workshop/Open House. Our public workshop/open house originally scheduled for May 21, 2016 has been rescheduled to June 4, 2016 (see attached draft agenda). Apparently, the MTC and ABAG move to the San Francisco Offices was postponed to May 21st so all of the materials are packed away. So, the decision was to reschedule our public workshop/open house to June 4, 2016 either in Novato or Corte Madera depending on availability. 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). Please let me know if you are interested in leading a session.

REGIONAL HOUSING FUND:

ABAG is considering establishing a Regional Housing Trust Fund. The concept is to help facilitate the construction and/or purchase of housing units to achieve the regional goal of 600,000 housing units by 2040. During our discussions, I have expressed concern about proposing a regional tax measure or taking tax funds from local sources, but suggested that the Strategic Growth Council should be approached since their task is to fund projects that reduce GHG emissions. Following is some preliminary thoughts by ABAG staff on the potential funding sources, uses and characteristics of a Regional Housing Trust Fund.

Currently the Bay Area has no regional housing trust fund. To avoid duplicating existing efforts or competing with local funding sources, there must be a viable, sustainable niche for a regional housing trust fund (RHTF) that can raise substantial new capital for grants and loans to address critical housing challenges. A substantial dedicated public revenue source is essential to anchor an RHTF. The relevant order of magnitude is hundreds of millions of dollars per year. Among the most promising sources are the following:

- 1) Petition the Strategic Growth Council to devolve a portion of unallocated Cap & Trade funds to regional councils of governments (COGs) or metropolitan planning organizations (MPOs) to allocate to projects in PDAs that qualify as "Regionally Prioritized PDAs" because they will make a major improvement to the regional jobs/housing fit and are in low-VMT (vehicle miles traveled) areas.
- 2) Support or develop a ballot measures for a regional development impact fee or document recording fee, if necessary beginning with State legislation to simplify the process.
- 3) Support or develop State legislation to devolve a portion of State sales tax subventions (above a previous high-water mark) to regional government to be allocated for housing and housing infrastructure projects according to a plan adopted by the COG and ratified by a majority of jurisdictions representing a majority of population. Grant exemption to any jurisdiction that meets thresholds for housing production, affordable housing provision and housing/jobs balance. An exempt jurisdiction could keep its full status quo 1% sales tax subvention and opt out of receiving any of the pooled regional funds.
- 4) Once established, the RHTF would be a natural depository (with return to source provisions) for smaller jurisdictions' impact fees or inclusionary in lieu fees that lie fallow pending the next local project.
- 5) The RHTF could serve as intermediary to pilot sanctioned subregional RHNA swaps of housing for dollars or water allocation, or to recognize (perhaps with matching funds or allocation preference) in-kind contributions made by jurisdictions to affordable housing developments such as waiving or deferring fees, or ground-leasing public land.
- 6) Funders' promoting particular uses could partner to set up subfunds, for example, a subfund for seismic and conservation retrofits in communities of concern in East Bay Corridor Initiative communities.

An RHTF could be used to:

- 1) Acquisition / rehabilitation / conversion (ARC) of older rental housing to long-term affordability
- 2) Mobilehome park preservation or ARC to resident co-op or non-profit ownership
- 3) Integrated retrofits that secure seismic safety, water and energy conservation, and longterm affordability
- 4) Silent-second, shared-appreciation homebuyer assistance loans for work-proximity and in PDAs2 ☐ Accessory Dwelling Unit (ADU) catalyst3
- 5) Landbanking housing sites identified in Housing Elements

Proposed Use Characteristics include:

- 1) Make grants and very-long-term pay-as-you-can loans, rather than or in addition to the short-term or medium-term loans available through most private CDFI programs
- 2) Use regional housing trust funds to collateralize loan guarantees for private CDFI loans for affordable housing and related public works, which would reduce risk-indexed interest rates and reduce delays due to complex underwriting
- 3) Use local adoption of regional best-practice policies for displacement protection and mixed-income inclusion as filter criteria or preference criteria for loan/grant making.
- 4) Make funding available to communities throughout the region, but focus on PDAs or subsets of PDAs such as corridors or Regionally Prioritized PDAs with high housing density, transit proximity, green infrastructure, hazard mitigation, mixed-income development, and resident protections
- 5) Purchase outstanding performing loans from existing local and subregional HTFs so they could immediately relend the money for RHTF program priorities

375 BEALE STREET, SAN FRANCISCO

On May 21st, ABAG, MTC, BCDC and BAAQMD will be moving into 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.

UPCOMING MEETINGS:

- **April 29, 2016**, 3:00 pm – ABAG Administrative Committee
- **May 12, 2016**, 10 am – ABAG General Assembly
- **May 19, 2016**, 7:00 pm – ABAG Executive Board
- **May 25, 2016**, 10:00 am – MTC Commission
- **May 27, 2016**, 9 am to 12pm – ABAG Administrative and MTC Planning Committee meeting in Metro Center, Oakland. **ABAG/MTC Merger Study** - Purpose: To reach agreement on the next steps.
- **June 4, 2016** – 8:30 am – Open House and Public Workshop on Play Bay Area at either the Corte Madera Community Center or Novato City Hall

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

Assembly California Legislature

April 21, 2016

Mr. James Spering, Chair
Planning Committee, Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Ms. Julie Pierce, Chair
Administrative Committee, Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Dear Mr. Spering and Ms. Pierce:

We write to address the findings in the Options Analysis and Recommendation Report put together by Management Partners for the ABAG-MTC Merger Study. The ABAG and MTC Joint Committee will meet tomorrow and could select one of these options as the path forward in Regional Governance.

Management Partners recommended Option 6 (Execute a Contract between MTC and ABAG to Consolidate Planning Functions within MTC and Enter into an MOU to Create a New Regional Agency and Governance Model), or Option 7 if 6 is rejected (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).

The State Legislature has an important role in the issues being considered. At stake is the planning process for the implementation of SB 375 (2008), transportation development, the allocation of housing needs, and much more. Further, because of state-mandated roles and responsibilities any proposal for a change in regional governance or organizational responsibilities will require legislation for implementation.

Based on the Report, we believe that the full consolidation plan outlined in Option 4 is the best choice for both ABAG and MTC. Both of the options Management Partners recommended end in the same result – full consolidation of the two agencies into one body with a new governance model. Our view is that there is no reason for a two-step process that first merges staff, and then consolidates the agencies second. A strong and carefully crafted transition plan will be needed for ABAG and MTC to consolidate into a well-functioning team. By first transitioning only some of the ABAG staff into MTC, the full reorganization process will be more complicated and further delayed. There would also be an additional layer of questions relating to ABAG's continued funding, the relationship between ABAG and MTC staff, and the eventual merger.

We would like to thank Management Partners, the Metropolitan Transportation Commission, and the Association of Bay Area Governments for working with each other and coordinating with us in the Legislature so that we may move our Region forward together. We would be more than happy to further discuss this request.

Sincerely,











Tony Thurmond
Assemblymember, 15th District

Philip Y. Ting
Assemblymember, 19th District

Richard S. Gordon
Assemblymember, 24th District

Marc Levine
Assemblymember, 10th District

Susan A. Bonilla
Assemblymember, 14th District

**PUBLIC WORKSHOP
PLAN BAY AREA UPDATE 2017
JUNE 4, 2016 -- 8:30 to 1:30
LOCATION: TBD**

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 – 10:00: REGISTRATION and 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** – ABAG/MTC staff (10 minutes)

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

10:30 – 10:50 FORECASTING FUTURE GROWTH – Elected official intro of:
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 and/or Brad Paul, ABAG

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>
Comments are due by _____
 - Upcoming schedule

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