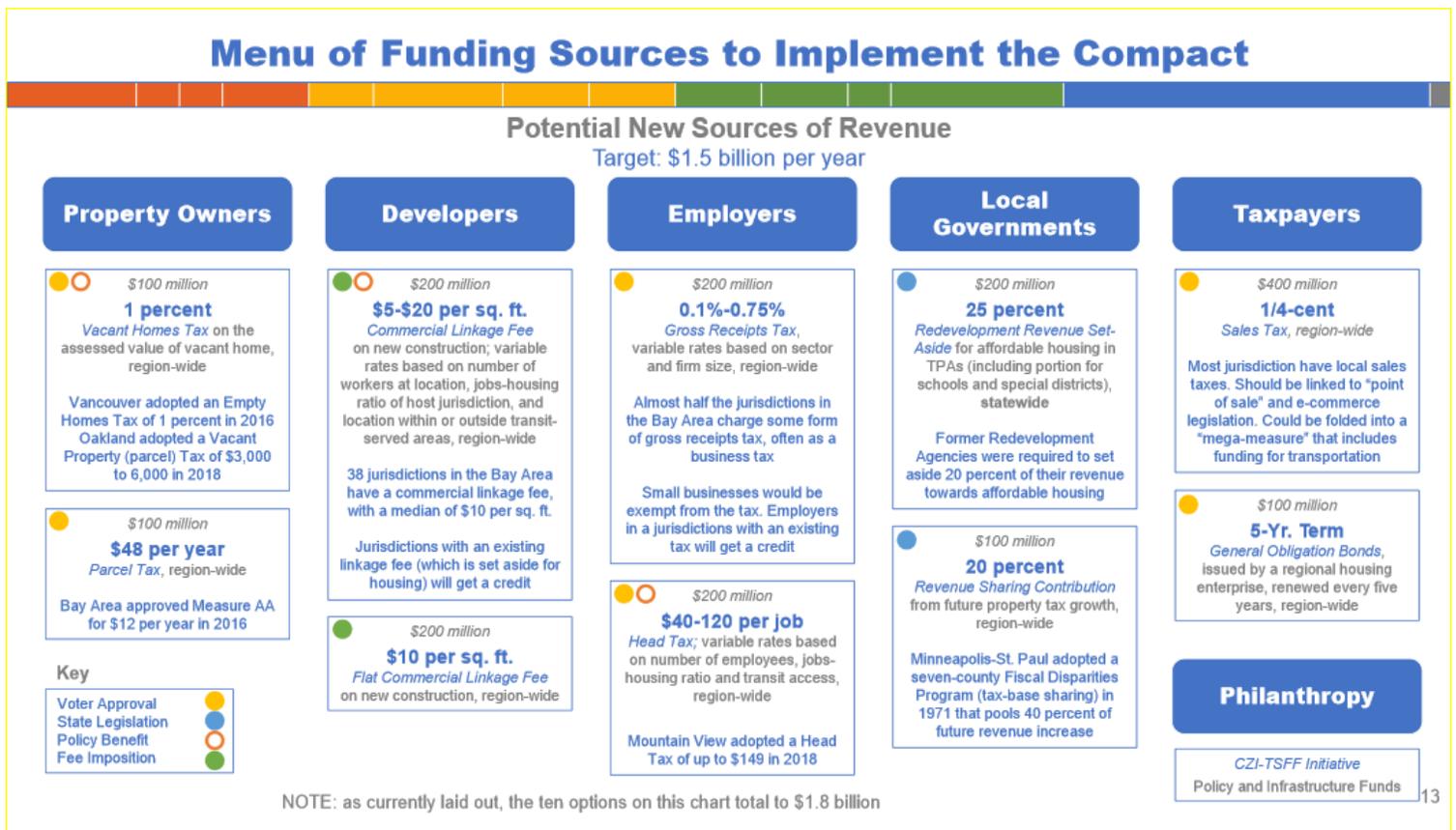


Report on ABAG to MCCMC

November 2018

MARIN ABAG DELEGATES/ALTERNATES: The Marin ABAG delegates/alternates from seven cities met on October 30, 2018 to receive a briefing on the draft white paper on Plan Bay Area “Regional Growth Strategy”; and to provide feedback on the process and proposed term sheets as part of the CASA Compact. Brad Paul, Deputy Director, Ken Kirkey, Planning Director and Mark Shorett, planning staff for MTC participated in the meeting. The delegates and alternates asked clarifying questions and expressed concerns about both the process and proposed term sheets that composed the CASA Compact. Thank you to all who participated in the discussion!

CASA – THE COMMITTEE TO HOUSE THE BAY AREA: On November 15, 2018, staff presented the draft CASA Compact to the ABAG Executive Board. If you would like to view the presentation, please click here: <https://abag.ca.gov/abag/events/agendas/e111518a-Agenda%20Packet.pdf>. The proposed menu of new funding sources to implement the Compact are:



It is interesting to note, that CASA is recommending that the new revenue to implement the CASA Compact be distributed as follows: **10% to local jurisdiction as housing incentives** (includes: partial payments to local jurisdictions to make up for lost revenue due to proposed cap on impact fees; other incentives); **10% for tenant protection services** (includes: administered by a non-profit entity; short-term rental assistance and access to legal counsel for low-and moderate-income households) ; **20% for housing preservation** (includes: grants and financing for acquisition/rehab and “expiring” units; priority to projects in low-income neighborhoods facing displacement); and, **60% for housing production** (includes: grants and financing; priority to projects in Transit-Priority Areas and High-Opportunity Areas; construction workforce training programs; and, land lease/acquisition/disposition programs).

The ABAG Executive Board discussed the proposed term sheets (distributed with last month's ABAG report to MCCMC) and provided constructive feedback on the process and proposed actions, most of which will need state legislation to implement. In summary, most of the Board members indicated that the first three term sheets -- ***Just Cause Eviction Standards, Emergency Rent Cap and the Right to Legal Counsel in Eviction Proceedings*** -- are going in the right direction with some proposed changes. However, the following term sheets -- ***Streamlining for ADUs and Tiny Homes, Minimum Zoning for Housing near Transit, Effective and Fair State Housing Streamlining Laws, Public Land for Housing Production, Streamlining of Local Housing Approval Process, Regional Housing Enterprise and New Revenue to Implement the Compact*** -- were problematic. Of those Board Members who spoke (14), most expressed concerns about specific term sheets and signing the Compact whereas a few stated that they felt an obligation to sign the Compact (e.g. Jake Mackenzie, Council Member in Rohnert Park and Chair of MTC).

On November 28-29, 2018, the Metropolitan Transportation Commission (MTC) will be participating in a retreat at the Fairmont Sonoma Mission Inn in the Town of Sonoma. Beginning at 1:00 pm on Wednesday, staff will brief the Commission on the CASA effort and areas of agreement by the CASA technical and steering committees for the CASA Compact to date and seek input and discussion. The current schedule calls for the CASA Compact to be finalized by mid-December. If the schedule holds, staff will bring to the MTC Commission on December 19, 2018 and the ABAG Executive Board on January 17, 2019 to consider authorizing their Chair and President, respectively to sign the CASA Compact.

MTC COMMISSION: On November 28, 2018, staff is requesting approval of MTC Resolution No. 4358 authorizing an operational advance to ABAG in the amount not to exceed \$10 million to cover cash flow mismatch between project payments and grant reimbursement. Apparently, there are serious cash flow issues with respect to the two main ABAG enterprise grant programs, SF Estuary Partnership and the BayREN Program. The problem is twofold: there is a growth in grants and payable accounts and a lack of available cash flow resources to meet the payments. The MTC Resolution would allow ABAG to draw on the \$10M advance to meet cash flow needs and ABAG would be charged the equivalent of 1.00% on any drawn amounts with no charge to be accrued on undrawn amounts. Also, the resolution provides that this advance shall be available until December 31, 2019, unless reauthorized prior to expiration by MTC and ABAG.

At the MTC workshop in Sonoma, the Commission will also be discussing the following:

- 1) **Proposed Infrastructure Bank**. This is a new financing tool to address funding challenges for infrastructure projects in the Bay Area. MTC has, on an ad-hoc basis, provided loans to transportation projects in the past. The Regional Infrastructure Bank (RIB) would formalize this tool and could accelerate project delivery and provide a source to spur transit-oriented housing construction, especially where infrastructure costs are a barrier to project feasibility. This concept was first brought to MTC in the Fall of 2016. Since then, staff has scoped out the proposal in more depth. The Commission will be given a presentation and will provide feedback on governance, financial and policy considerations related to establishing an RIB.
- 2) **Conditioning Future Transportation Funding on Housing Outcomes**. In October 2017, in conjunction with the adoption of the 2018 Regional Transportation Improvement Program policies and procedures, the Commission tasked MTC/ ABAG integrated staff with developing housing condition criteria that would consider all transportation funding sources, as a means of encouraging the production and preservation of affordable housing to meet the needs identified in Plan Bay Area 2040. Staff has developed five possible approaches for discussion which are summarized below:

Summary of Approaches for Consideration

1	Change OBAG₃ County-Share Formula to be Based Entirely on Housing Production	\$77 million/year
2	Expand OBAG-Style Conditioning to Other Fund Sources with MTC Discretion	\$105 million/year
3	Support Public Agencies Developing Housing	TBD
4	Update MTC's TOD Policy	TBD
5	Develop Policy Framework for " Missing Middle "	TBD

To view the entire presentation click here:

[file:///C:/Users/Patricia%20Eklund/AppData/Local/Packages/Microsoft.MicrosoftEdge_8wekyb3d8bbwe/TempState/Downloads/3_Transportation_Funding_Conditioning%20\(3\).pdf](file:///C:/Users/Patricia%20Eklund/AppData/Local/Packages/Microsoft.MicrosoftEdge_8wekyb3d8bbwe/TempState/Downloads/3_Transportation_Funding_Conditioning%20(3).pdf)

UPCOMING MEETINGS¹

- November 28, 2018 -- MTC Commission, 9:30 am
- November 28-29, 2018 -- MTC Commission Workshop, 1:00 pm through 12:00 noon at the Fairmont Sonoma Mission Inn located at 100 Boyes Blvd., Kenwood Ball Room in the Town of Sonoma
- December 3, 2018 -- CASA Technical Committee, 1:00 pm
- December 4, 2018 -- MTC Regional Advisory Working Group, 9:30 am
- December 12, 2018 -- CASA Steering Committee, 12:00 pm (noon);
MTC Policy Advisory Council, 1:30 pm
- December 19, 2018 -- MTC Commission, 9:30 am
- January 9, 2019 -- MTC Policy Advisory Council, 1:30 pm
- January 11, 2019 -- ABAG Administrative/MTC Planning Committees, 10:00 am
- January 17, 2019 -- ABAG Executive Board, 7:00 pm;
ABAG Legislative & Finance Committees, 5:00 pm
- January 23, 2019 -- MTC Commission, 9:30 am

If you have questions, contact Pat Eklund, Council Member, City of Novato at 415-883-9116 and/or pateklund@comcast.net).

¹ All meetings are held at 375 Beale Street in San Francisco, unless noted otherwise.