

Report on ABAG to MCCMC

September 2018

MARIN PLAN BAY AREA (PBA) PUBLIC WORKSHOP: We have decided that the timing for our PBA Public Workshop should be changed to be able to feature the “Perspective Paper on Regional Growth Strategies” which will be completed in January/February. This will give us more time to ensure we have a well-organized and full agenda for our public workshop. I will schedule a Marin ABAG delegates/alternates in October/November 2018 to finalize the agenda and bring all cities/towns up to date on the latest developments.

BAY AREA METRO AWARDS: ABAG and MTC have decided to combine our awards programs into one! We are jointly seeking nominations for a new Bay Area Metro Awards program honoring jurisdictions that improve our region’s mobility, affordability and community; and, to recognize efforts that make the Bay Area a better place to live, work and play. Nominees must have been active and/or projects underway between April 2016 and September 2018. Nominations are welcome in the areas of: 1) Housing and Land Use; 2) Transportation Community and Social Equity; 3) Economic Development; and/or 4) Environmental Protection. Nominations are due on November 16, 2018 and should be submitted to: www.abag.ca.gov/awards/BayAreaMetro2018.html.

ABAG EXECUTIVE BOARD: On September 20, 2018, the ABAG Executive Board took the following actions:

1. Ratified the Ad Hoc Committee appointments to facilitate the selection of the next ABAG/MTC Executive Director.

As stated in the MOU between MTC and ABAG, it states:

“If there is a vacancy in the position of the Executive Director prior to the merger of MTC and ABAG, the Chair of MTC will establish an Executive Director interview/selection committee comprised of MTC commissioners who do not serve on ABAG, with the exception of the ABAG representative on the Commission who will be a member of the committee, to interview and select a final candidate or candidates who will then be presented to an ABAG Ad Hoc review committee should the ABAG President decide in his or her discretion to establish one. The MTC Chair and ABAG President, may in their discretion, appoint themselves, the MTC Vice Chair and ABAG Vice President and ABAG appointed representative on the MTC Commission, respectively, to serve on the respective interview committee and none of the five aforementioned officers/board members shall be deemed ineligible if serving in a dual capacity for each agency. If an ABAG Ad Hoc review committee is appointed, its recommendation will be communicated to the MTC interview/selection committee who will then make a recommendation to the full Commission for the final decision.

I asked about the process and whether the ABAG Executive Board could provide input. After some discussion, I requested that the ABAG Ad Hoc Committee discuss how the ABAG Executive Board might provide input including whether we can participate in the selection of the criteria and/or discussing what knowledge, skills and abilities might be desired for the new Executive Director. Staff also indicated that a survey will be distributed to all ABAG Executive Board and MTC Commissioners to gather additional input.

2. SF Bay Economic Development District: ABAG submitted our application to become an Economic Development District. On September 7, 2018, the Economic Development Administration (EDA) Regional Office in Seattle approved the Comprehensive Economic Development Strategy (CEDS) developed for the SF Bay Area. In their approval, EDA stated: “if ABAG intends to petition for designation as an EDA Economic Development District, and that designation is granted, the District will be required to prepare a full revision of its CEDS at least once every five years, and a brief CEDS update is required annually in order to keep the document current and relevant.” This designation will allow jurisdictions and organizations in the SFBA to be more competitive for grants and other programs from Federal and state agencies and foundations.

a) **Administrative Committee Report:** The Committee discussed the second Perspective Paper entitled “Toward a Shared Future: Strategies to Reduce Congestion”. This paper is the second in a series of Perspective Papers contributing to Horizon, a regional initiative exploring how the Bay Area can thrive in an uncertain future. The Horizon initiative is a comprehensive Bay Area planning effort to go beyond transportation and housing policies and consider economic development, resilience and the effects of emerging technologies for the next long-

range transportation and sustainable communities' strategy, Plan Bay Area 2050. Each Perspective Paper seeks to identify strategies to improve regional outcomes under a wide range of future conditions. This paper identifies high-impact policies to support Horizon's Guiding Principles and help to achieve vehicle miles traveled (VMT) per capita reduction targets. The Building Industry Association sent a letter to ABAG/MTC indicating that this paper focused primarily on VMT and not reducing congestion. I will distribute these Perspective Papers to the Marin ABAG delegates/alternates as they are released for comment.

- b) The Committee discussed a staff initiated effort to develop a Strategic Plan for the Integrated Regional Planning Program for ABAG and MTC. With the staff consolidation in July 2017, the ABAG/MTC planning department totals 40+ people. The team has been working on CASA – The Committee to House the Bay Area along with Horizon which is the pre-planning effort for Plan Bay Area; establishing an Economic Development District and development of a funding strategy for the remaining gaps in the Bay Trail. ABAG/MTC hired LeSar Development Consultants to assist in developing the strategic plan over the next 9 months. The four main tasks include: 1) Confirmation of Approach and Timeline; 2) Assessment of Challenges and Opportunities; 3) Identify Key Drivers of Strategic Plan; and, 4) Develop 5-year Strategic Plan and Work plan Recommendations. I asked that the ABAG Executive Board provide input on these efforts. This effort will be brought also to the ABAG Regional Planning Committee.

3. **Finance Committee Report:** Staff briefed the Committee on the final revenues and expenditures for the FY 17-18 budget. Staff indicated that ABAG ended the fiscal year with a deficit of \$312,000 and the FAN ended the fiscal year with a deficit of \$264,000. Staff indicated that there were adequate assets to cover the deficits for fiscal year 2017-2018. Staff indicated that the ABAG deficit was primarily a 'cash flow' issue given that most of the grants are reimbursable grants which cause a 3-4 month delay in receiving reimbursement for our expenditures. MTC also has this issue and staff just needs to work out the 'cash flow' timing issue.

4. **Board Member Announcement:** Pat Eklund requested an update on when the ABAG Executive Board would be discussing:

- 1) either preparing a draft public participation plan for Plan Bay Area 2050 or 'piggy backing' on the final MTC public participation plan (requested in March 2018) and ;
- 2) the process and schedule for the next Regional Housing Needs Allocation (RHNA) methodology which is due in July 2020 and the actual allocation to the jurisdictions which will be done along with the Plan Bay Area update in July 2021.

The Executive Director indicated that staff will provide a schedule when the ABAG Executive Board will have these discussions.

CASA – The Committee to House the Bay Area: The Technical Committee meeting in September focused on:

- 1) **Identifying possible funding sources to finance the action plans.** As part of this discussion, they identified potential new sources of revenue. The suggestions were arbitrarily set to raise \$100M/year for each proposal. They are:
 - a) Property Owners:
 - a. 3.35% Inflation **indexed Windfall Tax** on home value appreciation at point of sale, region-wide
 - b. \$48/year parcel tax, region-wide;
 - c. \$1.35/\$1000 **real estate transfer tax** paid by the seller at point of sale, region-wide.
 - d. 1% vacant homes tax (if home is vacant for 6+ months), region-wide
 - b) Developers:
 - a. \$2-4/sq. ft. for development inside Transit Priority Areas (TPA's) and \$4-8/sq. ft. for development outside of TPA's **Commercial Linkage Fee** on new construction: variable rates based on the number of new workers at the location and jobs-housing ratio of host jurisdiction, region-wide.
 - b. \$5/sq. ft. Flat **Commercial Linkage Fee** on new construction, region-wide.
 - c) Employers:
 - a. **\$8-32/job** for employers inside TPAs and \$16-64/job for employers outside TPA's **Annual Head Tax** variable rates based on the number of employees, and jobs-housing ratio of hos jurisdiction, region-wide (with no exemptions for middle wage jobs).

- b. \$30/job **Flat Annual Head Tax**, region wide.
- c. 1/12 cent **Gross Receipts Tax** variable rates based on sector and firm size, region-wide.
- d. 1 cent/mile **Commuter VMT fee**, paid by the employer, region wide.
- d) **Local Governments:**
 - a. 17.5% **Revenue Sharing Contribution** from future property tax growth, region wide starting in 2020.
 - b. 27.5% **Redevelopment Revenue Set-Aside** for affordable housing (for city/county portion of property tax revenue, NOT special districts or schools), statewide.
 - c. 20 acres **Public Land Set-Aside** annually for affordable housing, region wide.
- e) **Taxpayers:**
 - a. 1/16 cent **Sales Tax**, region wide
 - b. 5-year Term **General Obligation Bonds** issued by a regional housing entity created through state legislation, renewed every 5 years, region wide.

2) **Creation of a Regional Housing Trust Fund and Entity** that collects revenue, creates programs and disburses funding – all at the regional level. Pair it with the incentive and capacity building work of a proposed regional housing entity.

3) **Geographic of Inclusion.** CASA discussed the geography of housing inclusion and the different roles of different places in addressing the housing crisis. They are proposing to address the following issues: 1) Uneven Growth and Concentrated Development in Gentrifying Low-Income Communities of Color; 2) Limited Neighborhood Options and Voice in Low Income and Communities of Color; 3) Exclusionary Zoning Practices; 4) Promoting more ‘missing middle’ housing types. CASA is proposing to establish action items that would be applied across the region, and don’t require geographic variation. However, a smaller subset of proposed potential policies may need to be applied differently. To that extent, they are suggesting a “Sensitive Census Tract” designation that would be able to opt out of certain CASA market-rate housing production recommendations and may opt instead for community planning processes to set policy in their communities. More discussion is anticipated.

4) **Development of a CASA Compact.** The CASA Compact is being proposed to address 17 areas (including state legislation) that would be implemented by a Regional Housing Entity. The 17 areas include: Just Cause Eviction; Anti-Gouging Cap; Right to Legal Counsel; Amend Housing Element/RHNA for Preservation, Missing Middle, Site Feasibility; No Net Loss; Money including Housing Trust Fund, Ballot Measures; Promote Public Land for Affordable Housing; Redevelopment; Regional Inclusionary Zoning; Remove Barriers to ADUs; Align and Improve Density Bonus and Inclusionary Zoning; Amend Permit Streamlining, Mitigation Fee Act, and CEQA to Create Fair Process; Cap Impact Fees; Improve State Streamlining; Minimum Zoning Near Transit; Modify Defect Liability for Condominiums; and, New Revenue to Cities that Build Housing. More discussion is anticipated.

UPCOMING MEETINGS¹

- **September 26, 2018** - **MTC Commission, 9:30 am**
- - **CASA Steering Committee meeting, 12:00 to 2:00 pm**
- **October 3, 2018** - **ABAG Regional Planning Committee,**
- **October 12, 2018** - **Joint ABAG Administrative and MTC Planning Committee, 9:30 am**
- **October 17, 2018** - **CASA Technical Committee, 11:00 to 2:00 pm**
- **October 24, 2018** -- **MTC Commission, 9:30 am**
CASA Steering Committee meeting, 12:00 to 2:00 pm

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

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