

# Report on ABAG to MCCMC

September 28, 2016

## **PLAN BAY AREA 2040:**

**The Plan Bay Area (PBA) 2040 DRAFT Preferred Scenario and Draft Transportation Investment Strategy are now ready for review and ABAG and MTC are seeking input from local jurisdictions and the public by October 14, 2016. I highly encourage all city/town schedule these items (including the draft household and jobs projections) on their Council agenda before the deadline. The Final Preferred Scenario is slated for adoption in November 2016 by ABAG and MTC. Following is a summary of both the Draft Sustainable Communities Strategy (SCS) and Draft Regional Transportation Plan (RTP).**

Draft Land Use Scenario: The *Draft Preferred Scenario* builds upon the current PBA adopted in 2013 and represents a projected pattern of household and employment growth in the Bay Area through 2040. One of the major changes in this draft scenario includes a regional growth forecast for an additional 1.3 million jobs and 2.4 million people and therefore the need for approximately 820,000 housing units between 2010 and 2040. This represents an increase of 15 percent in the projected employment growth and a 25 percent increase in projected household growth, relative to the last PBA. Another major change is the use of UrbanSim output for the land use scenario. The Draft PBA proposes a distribution of the 2040 employment and household forecasts for each city/town and county developed using the UrbanSim model that incorporates zoning tools, the most recent PDA assessment, and household, business, and developer choice models. ABAG/MTC will be meeting with local planners to hear feedback on where and how the *Draft Preferred Scenario* allocates the region's growth. This dialogue will be informed by model output, as well as local economics, pipeline projects, proposed policies, local plans and current zoning. Even though, this update of Plan Bay Area does not include an updated Regional Housing Needs Allocation (RHNA), these projections will feed into the next RHNA methodology that will be approved in 2020 prior to the final allocation in the PBA update in 2021.

The Draft Land Use Scenario focuses development in Priority Development Areas (PDAs) that are identified by local jurisdictions and approved by ABAG; and, in Transportation Priority Areas (TPAs) that are close to public transit. The proposed scenario reduces the household growth in PDAs from 80% to 75%; and, the job growth from 70% to 50%.

Some of the assumptions included in the land use strategies as part of this Draft Preferred Scenario include the following:

- a) Current urban growth boundaries are kept in place.
- b) Inclusionary zoning to all cities with PDAs, meaning that these jurisdictions are assumed to allow below-market-rate or subsidized multi-family housing developments.
- c) All for-profit housing developments are assumed to make at least 10 percent of the units available to low-income residents, in perpetuity (via deed restrictions).
- d) In some cases, PDAs were assigned higher densities in the future than are currently allowed.
- e) The cost of building in PDAs and/or Transit Priority Areas (TPAs) is assumed to be reduced by the easing of residential parking minimums and streamlining environmental clearance.
- f) Subsidies are assumed to stimulate housing and commercial developments within PDAs.

Draft Transportation Investments: The Draft Transportation Strategy culminates from MTC staff's evaluation of major transportation projects, financial needs to operate and maintain the existing system, an evaluation of land use and transportation scenarios, as well as coordination with county congestion management agencies (CMAs), transit agencies and local jurisdictions. MTC staff presented the draft strategy at the Partnership Technical Advisory Committee and Partnership Board meetings in July and released draft project lists to CMAs and transit agencies in August. Staff seeks comments on the current proposal, draft project lists and funding assumptions, and funding categories.

The draft investment strategy for PBA 2040 recognizes the total transportation need totals \$426 billion and largely continues the overall priorities from the previous plan - an emphasis on "fix it first," supporting focused growth, and

protecting our climate. It includes: 1) Funding existing transit operations is the largest single investment for the region over the next 24 years. Through a combination of local, federal, state and regional resources, the region estimates future funding investments of \$122 billion (roughly \$5 billion per year) on transit operations, a 25% increase over Plan Bay Area 2013. Unfortunately, due to the high cost of providing transit service in our region that 25% increase in cost only buys a 7.5% increase in vehicle hours of service. 2) Transit capital maintenance and local streets and roads maintenance are the two next largest investments, and the draft strategy invests \$31 billion on improving the condition of vehicles and other fixed-guideway infrastructure as well as \$24 billion on replacing and maintaining the pavement condition of the region's local streets and roads.

Summary: I highly encourage elected officials to pay particular attention to the proposed household and job growth projections for the region (e.g. proposed revised distribution in PDAs, TPAs and elsewhere) **and** your local jurisdiction; the PBA assumptions; and, proposed transportation investments.

**ABAG EXECUTIVE DIRECTOR:** As you may have heard, Ezra Rapport will be retiring effective September 30, 2016. As the ABAG Executive Director since 2010, Ezra was responsible for many accomplishments including developing a solid regional planning framework for the Bay Area's future growth in housing, jobs, and population; overseeing the enterprise units working on energy efficiency, clean water supply, disaster resilience, risk management, local finance, trail management, open space, economic development, climate adaptation, infrastructure expansion, and many other important subjects. Brad Paul, ABAG Deputy Executive Director will be assuming the management responsibilities of ABAG's Executive Director.

**ABAG MTC MERGER IMPLEMENTATION ACTION PLAN:** Since the adoption of Option 7 by both ABAG and MTC, the executive teams have met to 1) go over the roles and responsibilities outlined in the Implementation Action Plan (IAP) and 2) discuss the coordination of the due diligence. During the due diligence process ABAG and MTC staff have worked together to identify business processes, current financial numbers, and the legal structure of ABAG and all our entities – this will lay the foundation for ABAG's contract for services with MTC. The contract for services will be the governing document on how ABAG and MTC successfully work together to ensure ABAG's mission is met with its members, grantors, partners, and ABAG entities. The contract must be agreed to before the staff consolidation can occur. Additionally, ABAG's Employee Relations Group has met twice with MTC's management and Committee for Staff Representation (CSR) to provide input into the analysis needed to structure the staff consolidation process.

A joint ABAG Administrative and MTC Planning Committee meeting is scheduled for October 28, 2016 to discuss results of the 'due diligence' review and the staff consolidation activities.

**BAY AREA ECONOMIC DEVELOPMENT DISTRICT (EDD):** ABAG Executive Board approved formation of a subcommittee to develop a Draft *Comprehensive Economic Development Strategy* (CEDS) which could lead us to establishing a regional EDD, as defined by the US Economic Development Administration, provided that five of the nine counties approve a regional EDD via their Board of Supervisors. The potential benefits include: a) jurisdictions and public/private organizations could compete for grants or other financial assistance from a variety of public (US Department of Labor, US Department of Agriculture, US Economic Development Administration, etc..) and private sources. b) Infrastructure funding for cities including increasing broadband capacity. c) Pre-disaster technical and funding assistance to implement resilience actions.

**JOINT POWERS AGREEMENT BETWEEN ABAG AND SAN FRANCISCO BAY RESTORATION AUTHORITY:** On September 15, 2016, the ABAG Executive Board authorized the ABAG Executive Director to negotiate and enter into a JPA and the Coastal Conservancy to provide staffing to the SF Bay Restoration Authority. As you know, on June 7, voters approved Measure AA placed on the ballot by the San Francisco Bay Restoration Authority to levy a \$12 per year special tax on taxable parcels in the nine county Bay Area. The Authority will use this regional revenue –estimated to

be \$25 million per year -- to leverage Federal and State efforts to restore wetlands in San Francisco Bay with significant co-benefits for the region. The Governing Board of the Authority is comprised of local elected officials of cities, counties and park and open space districts that abut the San Francisco Bay.

**BAY DAY:** ABAG has requested that all cities and counties in the Bay Area pass proclamations recognizing October 1, 2016 and the first Saturday of October in future years as "Bay Day," in recognition of this valuable resource that defines our region. On Bay Day, dozens of cultural attractions, community organizations, small businesses, non-profits and parks all around the Bay Area will host special, Bay-themed programs so residents can explore, enjoy, & learn more about our Bay. For information & get the draft resolution visit: <http://abag.ca.gov/bayday/index.html>

**ABAG REGIONAL PLANNING COMMITTEE (RPC):** The RPC has formed 3 subcommittees to examine issues of importance to the region: Infrastructure, Economic Development, and Housing.

1. The Infrastructure Subcommittee will focus on water and resilience activities.
2. The Economic Development Subcommittee will focus on the development of the Draft *Comprehensive Economic Development Strategy* (CEDS) described above.
3. The Housing Subcommittee will develop a draft Regional Housing Plan of Action to identify solutions that could be instrumental in making progress toward substantial and lasting housing solutions including: a) formation of a regional housing trust fund; b) facilitating affordability through housing renovation; and c) facilitating best practices through research, education, convening, technical assistance and resource development. I am serving on this effort.

**UPCOMING MEETINGS:**

- **September 28, 2016** – 9:30 am MTC meeting
- **October 5, 2016** – 1:00 pm ABAG Regional Planning Committee
- **October 20, 2016** – 7:00 pm ABAG Executive Board
- **October 26, 2016** – 9:30 am MTC meeting
- **October 28, 2016** – Joint ABAG Administrative and MTC Planning Committee meeting on ABAG/MTC Merger

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