

ABAG Report to MCCMC¹

April/May 2023

EXECUTIVE SUMMARY:

- 1) **ABAG General Assembly and Business Meeting:** ABAG will convene our General Assembly **on Friday, June 16, 2023** from 10:00 to 3:00 pm at the Bay Area Metro Center located at 375 Beale Street in San Francisco. Registration is [available here](#) for each of the Marin ABAG delegates attending the General Assembly and Business Meeting. If you would like to carpool to the in-person meeting, please contact Pat Eklund (who has 2 more seats available). It will be held in the Yerba Buena - 1st Floor conference room.
- 2) **BAHFA Business Plan Equity Framework and Funding Programs:** The ABAG Executive Board, which is also acting as the Executive Board to the Bay Area Housing and Financing Authority (BAHFA) has been briefed on the proposed Final BAHFA Business Plan Equity Framework and Funding Programs that will be the basis for a potential Regional Tax Measure.
- 3) **Public Opinion Poll Research Findings:** In March 2023, ABAG/MTC contracted with EMC Research, Inc. to conduct a poll of 1,800 Bay Area voters in the nine county Bay Area related to Bay Area voter sentiments regarding general issues of importance, transit and transportation usage and perspectives, as well as reactions to potential funding measures, including a housing bond and a transportation sales tax.
- 4) **Sea Level Rise Adaptation Funding and Investment Framework:** over half of the TOTAL estimated cost OF \$110 BILLION ARE in San Mateo, Marin, and Alameda counties alone. The ABAG Executive Board was provided an update on the work of ABAG, BCDC and the SF Estuary Partnership on sea level rise adaption. This effort started In December 2021, when MTC/ABAG and San Francisco Bay Conservation and Development Commission (BCDC) launched the Sea Level Rise Adaptation Funding and Investment Framework, a priority action identified by MTC/ABAG's Plan Bay Area 2050, BCDC's Bay Adapt Joint Platform, and the San Francisco Estuary Partnership's Estuary Blueprint
- 5) **California's Housing Future 2040: The Next Regional Housing Needs Allocation:** AB 101 adopted by the State legislature directs HCD, in collaboration with OPR and after engaging in stakeholder participation, to evaluate and develop recommendations the Regional Housing Needs Determination and Allocation process and methodology. HCD will be submitting an update to the State Legislature by July 1, 2023 and will finalize their recommendations which are due to the State Legislature by December 31, 2023. Gillian Adams, MTC Regional Planning Programs, is serving as a member of the "Sounding Board" for the California's Housing Future 2040.

1. ABAG GENERAL ASSEMBLY: ABAG will convene our General Assembly **on Friday, June 16, 2023** from 10:00 to 3:00 pm at 375 Beale Street, San Francisco. The Business Meeting is scheduled from 10 a.m. to 11:30 a.m. to review and approve the [Budget and Work Program](#) for the next fiscal year. The Conference will examine issues of Bay Area Economic Development and is scheduled to start at 11:30 with lunch and a keynote speaker. This will be followed with a Case Studies panel, sharing lessons from various Bay Area economic development programs and projects. Registration for the General Assembly is [available here](#). Please let me know whether the designated ABAG delegates and/or alternates will be attending for the following cities:

Steve Burdo, Mayor, **Town of San Anselmo**
Chance Cutrano, Mayor, **Town of Fairfax**
Eli Hill, Councilmember, **City of San Rafael**
Jill Hoffman, Councilmember, **City of Sausalito**
Nancy Kemnitzer, Councilmember, **City of Belvedere**

C. William Kircher, Jr., Councilmember, **Town of Ross**
Gabe Paulson, Mayor, **City of Larkspur**
Max Perry, Councilmember, **City of Mill Valley**
Holli Thier, Councilmember, **Town of Tiburon**

¹ Marin County Council of Mayors and Councilmembers (MCCMC)

2. BAHFA BUSINESS PLAN EQUITY FRAMEWORK AND FUNDING PROGRAMS: The ABAG Executive Board, which is also acting as the Executive Board to the Bay Area Housing and Financing Authority (BAHFA) was briefed on the proposed ***BAHFA Business Plan Equity Framework and Funding Programs*** for a potential regional general obligation bond in 2024.

BAHFA launched its business planning process (Business Plan) in 2021 with the goal of creating bold, regional solutions to the Bay Area's housing challenges. The principal means by which BAHFA and its partners will deliver effective outcomes is by deploying BAHFA's statutory authority to place a regional revenue measure on the ballot across all nine counties. The Business Plan, supported by a consultant team led by Forsyth Street Advisors, with its sub consultant Othering and Belonging Institute at UC Berkeley (OBI) leading the Equity Framework, has three main threads of work:

- (1) The Equity Framework which focuses BAHFA's Business Plan on delivery of 3P programs (Production, Preservation and Protections) that prioritize equity, racial justice, and protection of communities most impacted by the region's affordability challenges.
- (2) The Funding Programs which propose strong, impactful, and self-sustaining funding that can successfully establish BAHFA as a permanent agency that consistently achieves its 3P mission.
- (3) The Business Plan which will be the integrated, strategic plan inclusive of both the Equity Framework and Funding Programs that recommends best practices and phasing for BAHFA's allocation of the resources it secures, including a potential regional general obligation bond in 2024.

The last component of the Business Plan which has yet to be completed is a Revenue Analysis and Recommendations for Organizational Sustainability and Operations. The Business Plan consulting team expects to present an update on the business planning components to the Committee and Board for review in late summer/early fall 2023. Upon approval, the final, complete Business Plan will be presented for Committee and Board approval by December 2023.

3. PUBLIC OPINION POLL RESEARCH FINDINGS: In May, ABAG and MTC were briefed on the results of a poll conducted by EMC Research, Inc. that was contracted in March 2023 to conduct a poll of 1,800 Bay Area voters in the ninecounty Bay Area related to Bay Area voter sentiments regarding general issues of importance, transit and transportation usage and perspectives, as well as reactions to potential funding measures, including a housing bond and a transportation sales tax. It is important to note that the current pulse of Bay Area voters with respect to approving revenue measures for these two topics, the poll was not designed to be test the viability of a transportation or housing ballot measure on the November 2024 ballot. For starters, November 2024 is too far in the future to make a "go/no go" decision a whether a measure looks viable. Additionally, there are many other considerations, including efforts to lower the voter approval threshold (for housing in particular as well as for a broader set of categories, including transportation), that have bearing on election viability. The bottom line, however, is that the poll indicated that neither a transportation measure nor a housing bond currently exceed the two-thirds vote threshold required; a transit only measure received 59 percent support and a housing bond (with question structured as required by current law) received 58 percent. A broader transportation measure and a housing bond question worded without the explicit assessed value rate tested higher, but both still fell short of two-thirds at 63 percent and 65 percent, respectively.

4. SEA LEVEL RISE ADAPTATION FUNDING AND INVESTMENT FRAMEWORK -- OVER HALF OF THE TOTAL ESTIMATED COST OF \$110 BILLION ARE IN SAN MATEO, MARIN, AND ALAMEDA COUNTIES ALONE. The ABAG Executive Board was provided an update on the work of ABAG, BCDC and the SF Estuary Partnership on sea level rise adaption. This effort started In December 2021, when MTC/ABAG and San Francisco Bay Conservation and Development Commission (BCDC) launched the Sea Level Rise Adaptation Funding and Investment Framework (Framework), a priority action identified by MTC/ABAG's Plan Bay Area 2050, BCDC's

Bay Adapt Joint Platform, and the San Francisco Estuary Partnership's Estuary Blueprint. Working with a monthly Technical Advisory Group throughout 2022, this effort sought to (1) update and improve regional accounting of anticipated sea level rise adaptation projects, (2) study how revenues for sea level rise adaptation can be raised most equitably, and (3) explore how existing and future funding mechanisms can advance adaptation planning and implementation

The local shoreline project inventory catalogs all known sea level rise adaptation projects across the region. The inventory includes a range of project stages, from concept to more advanced planning, engineering, and implementation, and detects areas with no known projects that would benefit from capacity building. The inventory was developed to calculate a high-level regional cost estimate for sea level rise adaptation, building off of previous regional analysis in Joint MTC Planning Committee with the ABAG Administrative Committee Agenda Item 8a April 14, 2023 Page 2 of 4 MTC/ABAG's Plan Bay Area 2050 and BCDC's Adaptation Funding White Paper. Where no known projects were identified, or where projects were considered not sufficiently protective through 2050, "placeholder" adaptation needs were determined by assuming the protection of the shoreline in place. The inventory was sourced from local plans and project studies and from project data tracked by BCDC's Shoreline Adaptation Project Mapping Program. Adaptation projects recorded in the inventory range from green to grey, including marsh restoration, ecotone levees, and seawalls, and they are in many different stages, from conceptual plans to design and construction. Local information was reviewed and updated from local outreach across all nine counties in the fall of 2022. The resulting inventory has 192 projects, over 75 percent of which were updated by the local outreach, with 47 new projects identified.

The Framework estimates that the regional cost of sea level rise adaptation through 2050 is approximately \$110 billion in year of expenditure (YOE) dollars. This estimate is a significant increase from Plan Bay Area 2050's \$19 billion estimate, primarily due to a higher planning assumption to protect areas up to 4.9 feet of inundation rather than 2.0 feet, as well as the shortand long-term impacts of higher inflation. Importantly, there is a mix of green and grey projects in planning, with most of the region planning for hybrid, or multi-benefit projects. The level of local planning and the amount of local resources vary widely across the region, **with over half of the estimated cost in San Mateo, Marin, and Alameda counties alone.**

5. CALIFORNIA'S HOUSING FUTURE 2040: THE NEXT REGIONAL HOUSING NEEDS ALLOCATION: On May 18, 2023, the ABAG Executive Board was briefed on HCD's work to date on **CA's Housing Future 2040: The Next RHNA initiative**. This initiative, a result of the adoption of AB 101 by the State in 2019, requires HCD, in collaboration with OPR and after engaging in stakeholder participation, to develop recommendations related **to the RHNA process and methodology**. In the March 2023 ABAG report to MCCMC, I highlighted the background of HCD's undertaking the CA's Housing Future 2040 initiative along with the guiding principles.

HCD kicked off its engagement for the California's Housing Future 2040: The Next Regional Housing Needs Allocation initiative with an informational webinar on March 9, 2023. In this webinar, HCD emphasized the initiative will be limited to recommendations about the RHND and RHNA processes — not guidelines for development or review of Housing Elements.

REGIONAL HOUSING NEEDS ALLOCATION



Stakeholder Engagement Focus Areas for HCD's California Housing Future 2040: The Next RHNA

- How can RHNA Cycle 7 better capture existing and projected housing needs?
- What potential process changes to save staff time & resources, increase transparency, and increase accountability could be implemented as part of RHNA Cycle 7?
- What strategies could be pursued to build on the important adjustments made for RHNA Cycle 6 that contributed to a more equitable RHNA?

Key engagement activities by HCD include:

- **Sounding Board.** Meetings of approximately 30 experts to address technical questions
- **Public Survey.** Open from March to May 2023
- **Dedicated Email.** HCD will consider feedback throughout the process at CAHousingFuture2040@hcd.ca.gov

In addition, HCD established a “**Sounding Board**” composed of 30 stakeholder to address/discuss specific issues. These 30 stakeholders include the following: 1) Academic Representatives including Ben Metcalf – Turner Center for Housing Innovation at the University of California at Berkeley; Chris Elmendorf – Professor of Law at the UC Davis School of Law; Dowell Myers – Professor of Policy, Planning, and Demography at the USC Sol School of Public Policy; and, Paavo Monkkonen – Professor of Urban Planning and Public Policy at the UCLA Luskin School of Public Affairs. Others include: American Planning Association California Chapter (APA California); Assembly Housing Committee; Association of Bay Area Governments (ABAG); California Air Resources Board (CARB); California Association of Councils of Governments (CALCOG); California Building Industry Association (CBIA); California Business, Consumer Services, and Housing Agency (BCSH); California Rural Legal Assistance Foundation (CRLAF); California YIMBY; Center for Continuing Study of the California Economy (CCSCE); Demographic Research Unit of the California Department of Finance (DOF); Fresno Council of Governments; Governor's Office of Planning and Research (OPR); Kennedy Commission; Leadership Counsel for Justice and Accountability; League of California Cities (Cal Cities); Merced County Association of Governments (MCAG); Public Advocates; Public Interest Law Project (PILP); Rural County Representatives of California (RCRC); Sacramento Area Council of Governments (SACOG); San Diego Association of Governments (SANDAG); Senate Housing Committee; Southern California Association of Governments (SCAG); Urban Counties of California; YIMBY Law.

The “**Sounding Board**” meetings, unfortunately, are not available for the ‘public’ to attend and/or provide public comment, but the materials distributed to the Sounding Board members are posted on HCD’s website. Following are the dates and topics for 4 of the 5 Sounding Board meetings:

- Sounding Board Meeting (May 3, 2023): Kick-off & Regional Housing Needs Determination (RHND)-related Questions: Homelessness, Cost Burden, Jobs/Housing, and Comparable Regions
- Sounding Board Meeting (May 15, 2023): Affirmatively Furthering Fair Housing (AFFH) & Furthering Statutory Objectives of RHNA
- Sounding Board Meeting (May 31, 2023): Housing + Transportation Planning Alignment & Climate Change
- Sounding Board Meeting (June 5, 2023): Process Improvements & Overflow from Previous Meetings

HCD has also identified the following 5 specific topics for discussion along with key considerations identified by ABAG staff.

1. HCD-Identified Topic #1: Populations Living in Group Quarters

Context	Key Considerations Identified by ABAG Staff
HCD is exploring whether to include some populations residing in group quarters, such as university students, persons experiencing homelessness, etc., in the Regional Housing Need Determination for Cycle 7.	<ul style="list-style-type: none"> • RHND already includes adjustments to address symptoms of a “broken” housing market (overcrowding, cost burden, low vacancy). • Including people living in group quarters would lead to a higher RHND for all regions. • While RHNA allocations would ultimately be higher, jurisdictions could then count group quarters on their Annual Progress Reports to HCD. • Data gaps exist for all of these demographic groups, making this methodological change more challenging.

2. HCD-Identified Topic #2: RHNA Methodology – COG Process

Context

HCD is considering opportunities to improve a COG's RHNA process, including HCD offering guidance on how to further the RHNA statutory objectives, whether jurisdictions should be able to provide self-reported land use data for use in the RHND and RHNA processes, and strategies for improving the RHNA appeals process.

Key Considerations Identified by ABAG Staff

- HCD could provide guidance identifying possible metrics for each RHNA objective, building on ABAG's Cycle 6 approach.
- Public datasets provide a level playing field for all jurisdictions, recognizing that jurisdictions with fewer resources are often at a disadvantage if asked to gather self-reported data.
- Statutory language related to the appeals process could be significantly clearer about the narrow grounds for an appeal, providing more clarity to interested jurisdictions.

3. HCD-Identified Topic #3: Affirmatively Furthering Fair Housing

Context

HCD is seeking input on additional strategies that could strengthen RHNA's effectiveness at Affirmatively Furthering Fair Housing and furthering community development and anti-displacement goals.

Key Considerations Identified by ABAG Staff

- In addition to more clarity about potential metrics, HCD could provide better guidance on how to affirmatively further fair housing in the context of RHNA.
- HCD could offer guidance about how to balance the RHNA objective to affirmatively further fair housing with the objective to "balance disproportionate household income distributions."

4. HCD-Identified Topic #4: RHNA Methodology – Aligning State Planning Goals

Context

HCD is exploring improvements to the regional housing and transportation planning processes to better align housing and transportation planning outcomes.

Key Considerations Identified by ABAG Staff

- To allow time for completion of Plan Bay Area (i.e., the Sustainable Communities Strategy) prior to its use in a RHNA methodology, housing element due date should be adjusted to be at least 24 months after adoption of a Sustainable Communities Strategy.

5. HCD-Identified Topic #5: Housing & Climate Hazards

Context

HCD is seeking to identify ways RHNA could better consider climate-related environmental hazards, assess which areas have the highest risk exposure, and help communities develop in ways that reduce environmental hazard exposure for residents, particularly for disadvantaged and historically underserved populations.

Key Considerations Identified by ABAG Staff

- HCD should recommend use of public datasets that are consistent for all jurisdictions when identifying areas of climate risk.
- Recent legislation added impacts caused by climate change to allocation factor for evaluating housing opportunities and constraints.
- As all jurisdictions face some level of climate-related hazards, HCD should focus its efforts on providing data, guidance, and financial resources to help jurisdictions minimize risk while increasing housing supply at all income levels.

HCD will be providing an update to the State Legislature by July 1, 2023 and will finalize their recommendations which are due to the State Legislature by December 31, 2023. HCD has a dedicated Email inbox which is: CAHousingFuture2040@hcd.ca.gov. HCD's website for this effort is: [Regional Housing Needs Allocation \(RHNA\) | California Department of Housing and Community Development](#)

UPCOMING MEETINGS²

- **June 8, 2023 --** **Bay Area Housing Finance Authority Oversight Committee, 1:00 pm**
- **June 9, 2023 –** **Joint MTC Planning and ABAG Administrative Committees, 9:40 am**
 Joint MTC ABAG Legislative Committee, 9:45 am
- **June 16, 2023 --** **ABAG GENERAL ASSEMBLY, 10:00**
- **June 28, 2023 --** **MTC Commission, 9:35 am**
 Bay Area Toll Authority, 9:40 am
 Bay Area Infrastructure Financing Authority, 9:45 am
 Service Authority for Freeways and Expressways, 9:50 am
 Bay Area Headquarters Authority, 9:50 am

² All meetings are 'hybrid' which means that some Board/Committee members will be in person at 375 Beale Street, SF; and, others will be participating via Zoom, webcast and/or teleconference, as noted otherwise. <https://mtc.legistar.com/> If you have questions, contact Pat Eklund, Councilmember, City of Novato at 415-883-9116 or via email at: pateklund@comcast.net.