



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3a
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Memorandum

TO: Legislation Committee

DATE: May 5, 2017

FR: Executive Director

W. I. 1131

RE: MTC and ABAG Housing Principles

With more than 130 housing-related bills introduced in the Legislature, California lawmakers are seeking to address the statewide housing crisis this legislative session. As MTC and the Association of Bay Area Governments (ABAG) move toward staff integration, staff from the two agencies have developed a set of principles to serve as joint guidelines to inform evaluation and advocacy of state and federal legislation. The proposed principles for the 2017-18 legislative session are attached for your consideration and approval.

Background

On March 31st, MTC and ABAG released the *Draft Plan Bay Area 2040 (Draft Plan)*, a regional roadmap for accommodating projected household and employment growth as well as a transportation investment strategy. The *Draft Plan* includes ambitious targets to support a growing economy, provide more housing and transportation choices, and reduce transportation-related pollution in the region. It identifies housing as the Bay Area's greatest immediate challenge. Housing prices – fueled by demand that has far outpaced supply – are pushing residents further away from job centers, degrading the Bay Area's quality of life and contributing to record congestion levels, increased greenhouse gas emissions (GHG). At the same time, the state and federal governments have reduced funding for affordable housing.

The Bay Area must build more housing to create strong, equitable and sustainable communities and maintain the region's position as a leading state and national economic engine. As a path forward, MTC and ABAG incorporated an "Action Plan" into the *Draft Plan* to focus on policy and funding strategies to improve housing affordability in the region, among other issues. As part of this strategy, MTC and ABAG are coordinating on the CASA initiative. Over the coming year, CASA – a multi-sector blue-ribbon committee – will develop recommendations to address the region's chronic housing affordability challenges.

Given that the Legislature will be considering housing-related bills in the near-term, staff recommends MTC and ABAG adopt the proposed principles (Housing Principles) to guide staff evaluation and response to time-sensitive legislation. These joint principles expand on housing provisions in the MTC-adopted 2017 Legislative Advocacy Agenda and ABAG's 2017 Legislative Priorities and are consistent with both the goals of the *Draft Plan* and the housing portion of the Action Plan.

The draft Housing Principles have been shared with MTC's Policy Advisory Council and the Housing Subcommittee of the ABAG Regional Planning Committee. Staff incorporated feedback and policy recommendations from both advisory groups into the updated document. In addition, an initial draft was presented at the ABAG Legislation and Governmental Organization (L&GO) Committee on March 15th. Staff anticipates that this item will be considered by the ABAG Executive Board and the Commission and at their respective May meetings.

Staff requests the Committee's referral of the attached principles to the Commission for approval.



Steve Heminger

Attachments:

- Attachment A: Housing Principles for MTC and ABAG 2017-18 State and Federal Legislative Advocacy

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Housing Principles for MTC and ABAG 2017-18 State and Federal Legislative Advocacy
Draft: April 18, 2017

The Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) propose the following principles to guide legislative advocacy efforts for the 2017-18 state and federal legislative sessions.

- **Increase funding** – Augment state and federal funding for affordable housing, including resources to plan for new housing in addition to supporting the production and preservation of units. Leverage state investments by rewarding local agencies that raise their own funds. Increased state and federal support will assist local jurisdictions and the region in meeting the daunting need to preserve and create affordable housing.
- **Incentivize production** – Reward progress toward reaching goals to address the housing needs for households across the income spectrum by tying new investments to housing preservation and production, including leveraging state and federal funds to incentivize increasing supply. Incentives could include funding for parks, infrastructure, schools or other investments that support complete communities in growing jurisdictions.
- **Enhance sustainability** – Support approaches that will help the Bay Area meet state and federal air quality and climate change goals, improve resilience to natural hazards, and protect open space, consistent with *Plan Bay Area 2040*.
- **Prioritize infill development** – Support efforts to significantly increase housing production, especially compact, mixed-use development in Bay Area locally-designated priority development areas (PDAs), housing element sites and job centers with access to high-quality transit service.
- **Lower the cost of housing production** – Support reforms to expedite project delivery and reduce production costs without diminishing environmental standards and safeguards. In addition to improving speed and predictability in the production process, support options to reduce the cost of permitting and construction.
- **Limit hurdles** – Projects that conform to community, regional, and state policy should receive permits, be built and get counted. Enforce existing state and federal laws and mandates, including the Housing Accountability Act and RNHA goals, while ensuring local land use authorities continue to set local standards. Reduce monetary and regulatory hurdles to building accessory and secondary dwelling units, tiny houses, and micro units.
- **Preserve affordability and combat displacement** – Support policy outcomes that stabilize or increase equity and socio-economic diversity, including removing State-imposed limits on local ordinances that can protect residents from displacement, build mixed-income neighborhoods, and raise funds for affordability solutions. Preserve existing stock of affordably-priced housing, both deed-restricted and naturally-occurring affordable housing.