

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC Planning Committee with the ABAG Administrative Committee**

March 10, 2023

Agenda Item 7a

**MTC Resolution No. 4567 and ABAG Resolution No. 10-2023: Priority Sites Nomination
Criteria**

Subject:

Background information on the Priority Sites program and request that the Committee refer **MTC Resolution No. 4567** and **ABAG Resolution No. 10-2023** to the Commission and ABAG Executive Board, respectively, for approval. Following approval, staff will solicit local nominations for eligible Priority Sites and bring recommendations for approved Priority Sites to the Committees in the summer. Thereafter, projects on adopted Priority Sites will be eligible for pilot funding and technical assistance, subject to funding availability and further programmatic guidance by the Commission, the ABAG Executive Board, and/or the Bay Area Housing Finance Authority (BAHFA) Board as applicable.

Background:

Based upon a yearlong initiative involving research, consultation, and collaborative concept development, in 2022 staff introduced the Priority Sites Program, designed to accelerate implementation of both Plan Bay Area 2050 and RHNA through regional-local collaboration, for regionwide discussion and refinement. This included a [concept paper](#), webinars, meetings with local staff, community-based organizations, developers, and community land trusts, as well as presentations to the Joint MTC Planning Committee with the ABAG Administrative Committee, the Programming and Allocations Committee, the BAHFA Oversight Committee, and the ABAG Housing Committee. The result of this process is the proposed program summarized in this memo and the presentation in Attachment A.

Priority Sites Program Overview

The Priority Sites Program is intended to support jurisdictions seeking to do their part to meet the region's shared housing needs by transforming public land and aging commercial sites into community anchors with a large number of affordable homes. The program has five components, the first of which is before the Joint Committee for approval:

- 1) Establish Priority Sites**—Following Commission and ABAG Executive Board approval of the eligibility criteria in Resolutions 4567 (Attachment B) and 10-2023 (Attachment

C), respectively, solicit local nominations of Priority Sites. Once established, Sites would be eligible for the funding and technical assistance resources outlined below and would become part of a pipeline of sites that is integrated into the region's planning activities (e.g. Plan Bay Area 2050+) and informs funding strategies.

- 2) **Fund Pilot Projects**—Provide competitive predevelopment funding to accelerate Pilot projects located on a handful of Priority Sites. Projects poised to deliver the greatest affordability, climate, and equity benefits that demonstrate success factors such as local support, a clear path to entitlements, and a realistic financing plan will receive funding. In December 2022, the Commission programmed \$28 million to support these pilot projects through the Regional Early Action Program 2 (REAP 2.0), complementing the Preservation Pilot program that will make at-risk affordable homes permanently affordable. Subject to approvals by the relevant bodies this month, the \$28 million in pilot funding is expected to be administered by BAHFA. A series of parallel items have been agendized at other Committees this month to effectuate this approach, including a grant from MTC to BAHFA for the \$28 million as well as a Term Sheet and underwriting guidelines for the Priority Sites Pilot funding.
- 3) **Deliver technical assistance**—For early-stage Priority Sites not positioned to apply for predevelopment pilot funding, the program anticipates providing roughly \$1 million in targeted technical assistance, complemented by regionally applicable tools to enable local governments and emerging developers to conduct the work necessary to envision and entitle projects. For projects that have completed predevelopment work but have yet to break ground, the program will offer resources for identifying and pursuing additional financing where needed and coordinating with other public agencies and utilities.
- 4) **Integrate Sites into Plan Bay Area 2050+**—All eligible Priority Sites will be incorporated into Plan Bay Area 2050+, sharpening its projected growth pattern and strengthening the connection between the Mall and Office Reuse and Public Land Reuse strategies to local priorities.

- 5) **Set up Sites for future success**— In addition to providing short-term funding and technical assistance, the program is intended to expand the pipeline of equitable housing projects in the Bay Area positioned to utilize existing and future funding, including a potential 2024 regional housing measure.

Priority Sites Nomination Criteria Proposed for Approval

To launch the Priority Sites program, staff requests that the Committee refer Resolutions 4567 and 10-2023 establishing eligibility criteria for Priority Sites to the ABAG Executive Board and Commission for approval. These eligibility criteria balance minimum standards that ensure all sites advance shared regional goals with adequate flexibility to enable communities throughout the region to participate in the program, responding to stakeholder feedback:

- **Applicant:** Local government or developer of project entitled by local government with land use authority.
- **Location:** Within a Plan Bay Area 2050 Growth Geography (e.g., a locally nominated Priority Development Area) or a Transit Priority Area, which includes all areas subject to the Transit Oriented Communities (TOC) Policy adopted by the Commission in November 2022.
- **Affordability:** Commitment to maximize the share of the homes built on the site that are deed-restricted affordable to low- or moderate-income households, exceeding any applicable local inclusionary requirement.
- **Site Type and Capacity:** Meet the criteria for one of the three types below:
 - **Regionally Significant Sites:** Development capacity¹ for at least 500 homes. Potential examples include a rail station parking lot, former military base, or a sparsely occupied shopping center.

¹ Capacity is defined as the maximum total homes permitted in an applicable local planning document or development agreement, including zoning, a Specific Plan, or an entitlement.

- **Community Anchor:** Capacity for at least 100 homes, or at least 25% of a jurisdiction's very low- or low-income 2023-2031 RHNA allocation; and planned for either 10,000 square feet or more of community facilities. Potential examples include a former brownfield planned for a cultural center and mixed-income housing or surplus public land envisioned for affordable housing.
- **Public Sites Portfolio:** Two or more publicly-owned sites with total capacity for at least 200 homes that will be developed in concert to enhance impact and/or achieve economies of scale. Examples include a cluster of city-owned parking lots identified in a recently adopted Housing Element update, or multiple underutilized county-owned parcels targeted for mixed-use redevelopment incorporating 200+ housing units.

Next Steps:

Pending Committee, Commission, and Executive Board approval, staff will solicit applications for Priority Sites that meet eligibility criteria summarized above and defined in MTC Resolution 4567 (Attachment B) and ABAG Resolution 10-2023 (Attachment C). Staff will perform outreach to local governments and housing developers operating in every Bay Area county and will expand engagement through webinars and virtual office hours.

Issues:

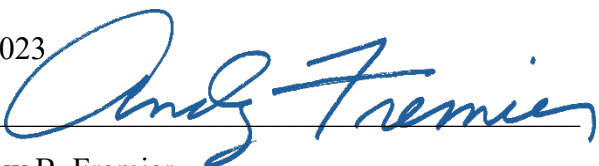
None identified.

Recommendations:

Refer MTC Resolution No. 4567 and ABAG Resolution No. 10-2023, to the Commission and ABAG Executive Board, respectively, for approval.

Attachments:

- Attachment A: Presentation
- Attachment B: MTC Resolution No. 4567
- Attachment C: ABAG Resolution No. 10-2023



Andrew B. Fremier