

**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:

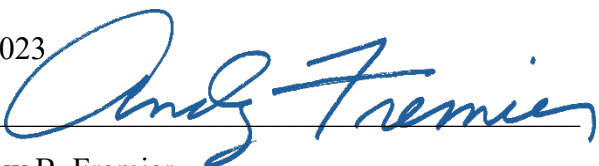
None identified.

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

Priority Sites

Joint MTC Planning Committee with the
ABAG Administrative Committee

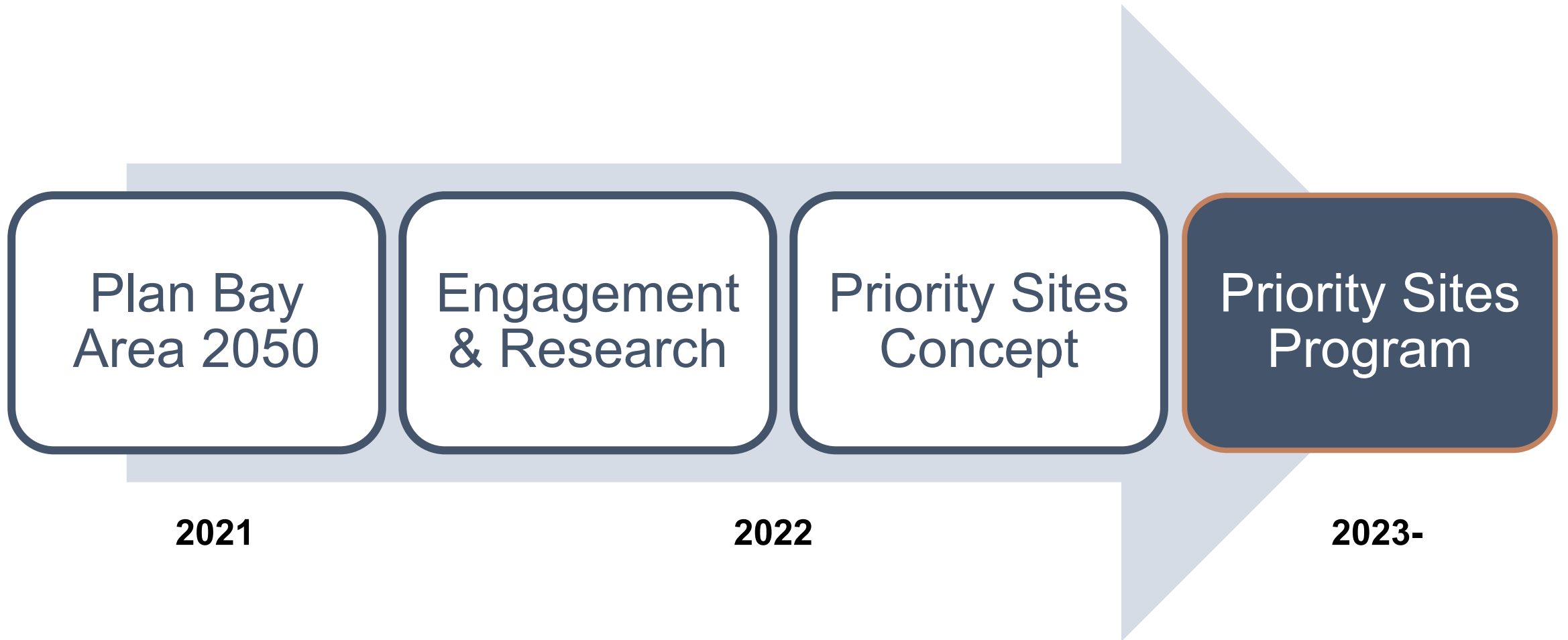
March 10, 2023



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION



Background: How we got here



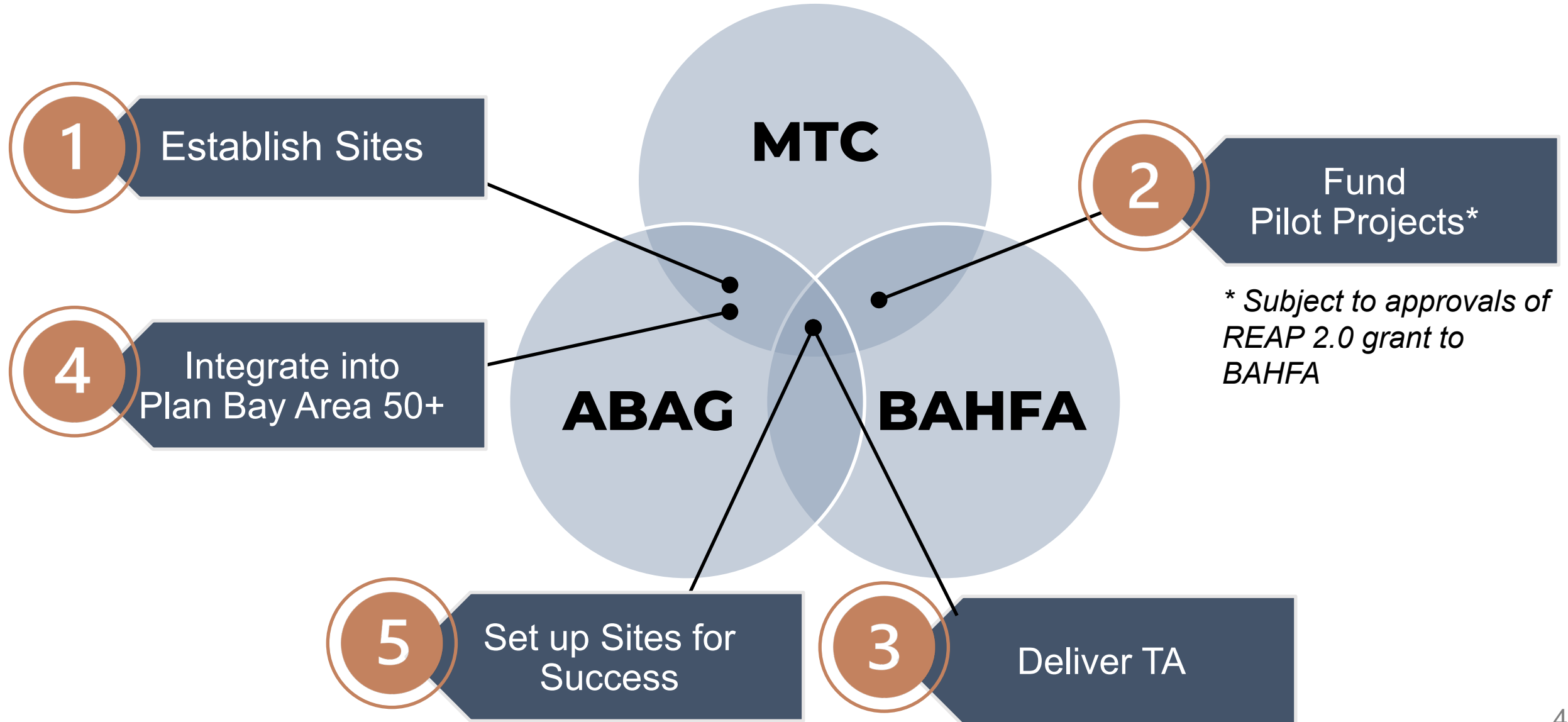
Priority Sites Program

- 1 Establish Sites & Pipeline
- 2 Fund Pilot Projects
- 3 Deliver Technical Assistance
- 4 Integrate into Plan Bay Area 2050+
- 5 Set up sites for future success



Focus of today's presentation

Agency Roles





Applicant

- Local Government, or
- Developer of entitled project



Location

- Plan Bay Area 2050 Growth Geography, or
- Transit Priority Area (includes areas covered by MTC's Transit Oriented Communities Policy)



Affordability

- Commitment to maximize share of affordable units, exceeding local inclusionary requirement*

*Funding and technical assistance will prioritize projects on eligible sites with highest levels of affordability, supported by measures to address displacement risk

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Site Type & Capacity

Regionally Significant

- At least 500 homes

Community Anchor

- At least 100 homes, or at least 25% of jurisdiction's very low- or low-income RHNA
- and At least 10,000 square feet of community facilities

Public Sites Portfolio

- Two or more publicly-owned sites to be developed in concert with total capacity for at least 200 homes



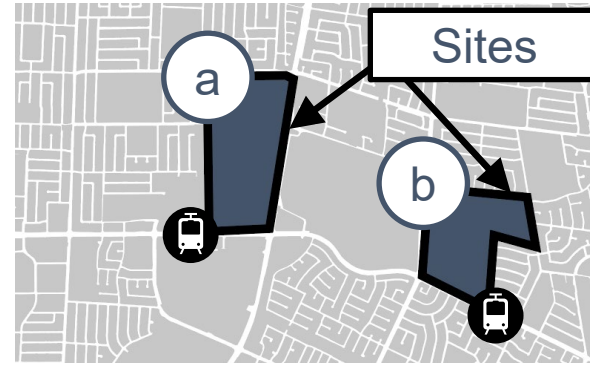
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Establish Sites: Site Type Examples

Maps and images are for illustrative purposes only

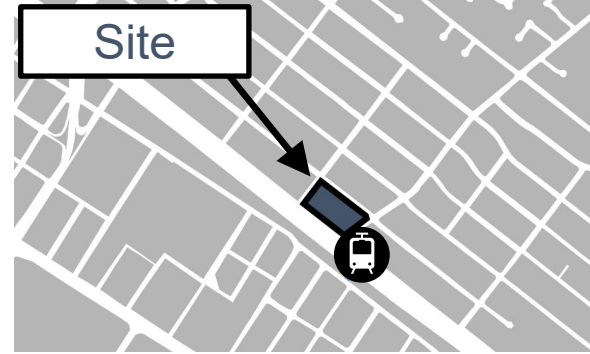
Regionally Significant

- a. County airport planned for closure
- b. Aging shopping center



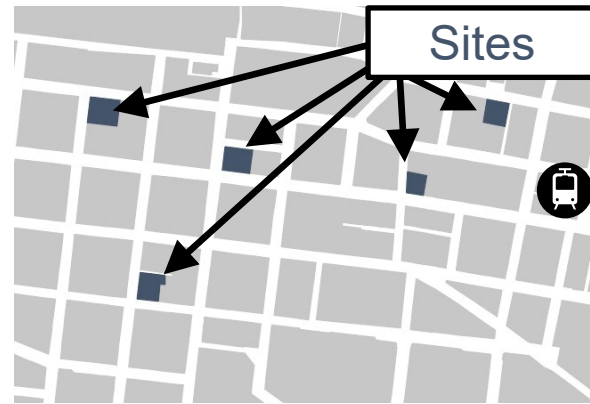
Community Anchor

Site planned for cultural center and 120 affordable homes

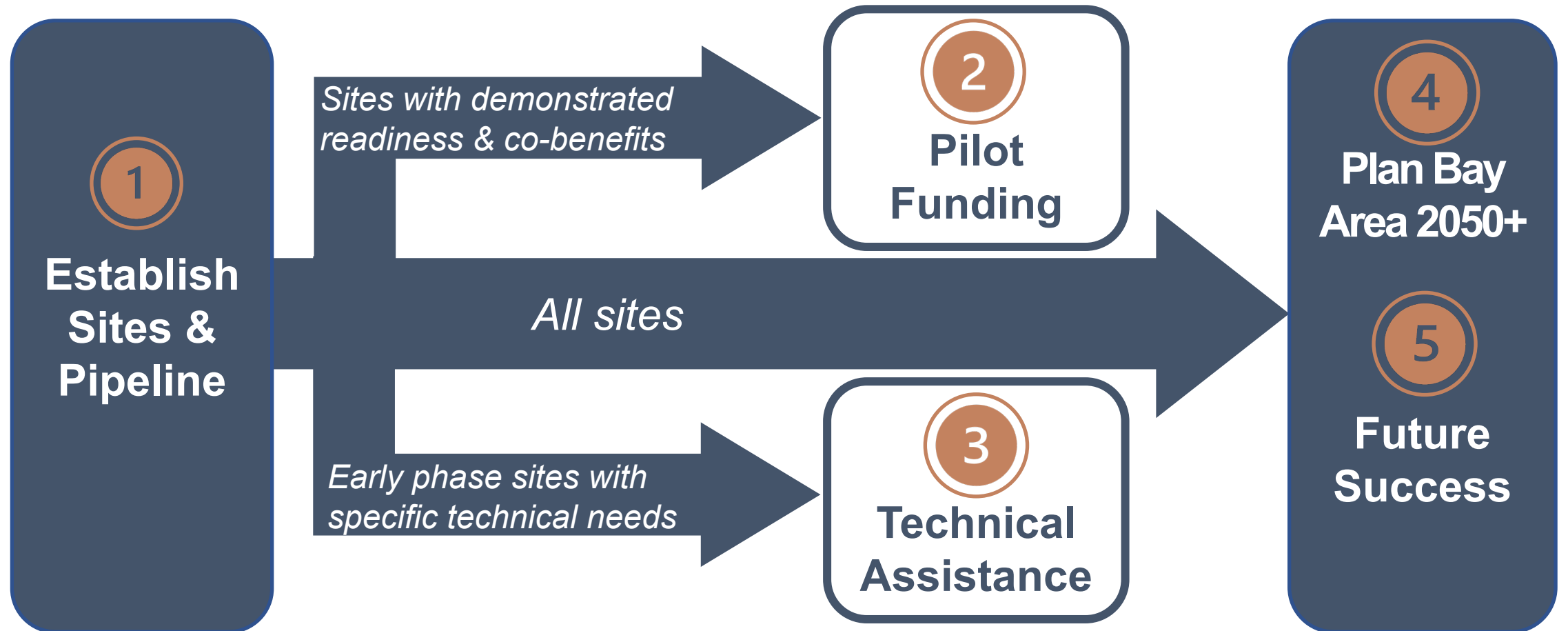


Public Sites Portfolio

Downtown parking lots identified in Housing Element



How the Priority Sites Program will work



- **\$28 million to accelerate Pilot Projects** on select Priority Sites through the predevelopment phase toward groundbreaking
- **BAHFA administers funds**, in coordination with MTC staff (subject to approvals listed below)
- **Outcome:** precedent-setting projects that leverage BAHFA expertise, implement Plan Bay Area and local Housing Elements, and offer proof of concept for potential 2024 regional bond measure.
- **Other related requested approvals this month:**
 - **March 8:** MTC Administrative Committee recommends granting \$28 million pilot funding from REAP 2.0 to BAHFA
 - **March 9:** BAHFA Oversight Committee recommends accepting REAP 2.0 grant; recommends approval of Term Sheet for pilot program funding
 - **March 22:** Commission and BAHFA Board finalize REAP 2.0 grant to BAHFA; BAHFA Board approves Term Sheet for pilot program funding

Next Steps

- **Today:** Refer Reso. 4567 to the Commission and Reso. 10-2023 to the ABAG Executive Board for approval
- **April 2023:** Call for Priority Site Nominations
*(Concurrent action: BAHFA NOFA for Pilot Program)**
- **July 2023:** Adopt first set of Priority Sites, Identify Technical Assistance Needs
*(Concurrent action: BAHFA awards Pilot Program funding)**
- **September 2023:** Adopt additional Priority Sites
- **Fall-Winter 2023-4:** Launch Pilot Projects & refine technical assistance
- **2024 Onwards:** Program evaluation and updates to Committees; additional nomination windows and funding opportunities (as available), and requested action on program refinements or expansion, if applicable

Requested Action

ABAG Administrative Committee: Refer ABAG Resolution No. 10-2023, Priority Sites Criteria, to the Executive Board for approval.

MTC Planning Committee: Refer MTC Resolution No.4567, Priority Sites Criteria, to the Commission for approval.

Thank You

Staff Contact

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ASSOCIATION OF BAY AREA GOVERNMENTS

EXECUTIVE BOARD

RESOLUTION NO. 10-2023

ABSTRACT

This Resolution sets forth nomination criteria for Priority Sites. Priority Sites are places planned for mixed-income and affordable housing, complemented by on-site or nearby essential services and served by frequent transit. The Priority Sites program is rooted in Plan Bay Area 2050, and enhances the ability of MTC and ABAG to partner with local governments to complete the projects that are central to realizing Plan Bay Area 2050 and achieving the visions embodied in local plans for Priority Development Areas. Further discussion of the nomination criteria and broader Priority Sites program is contained in the Joint MTC Planning with the ABAG Administration Committee summary sheet dated March 10, 2023.

ASSOCIATION OF BAY AREA GOVERNMENTS

EXECUTIVE BOARD

RESOLUTION NO. 10-2023

ADOPTION OF PRIORITY SITES NOMINATION CRITERIA

WHEREAS, the Association of Bay Area Governments (ABAG) is the council of government (COG) for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC adopted Resolution No. 3434 in 2001 which set forth MTC's Regional Transit Expansion Program of Projects, which was amended to add the Transit-Oriented Development Policy in 2005; and

WHEREAS, the TOD Policy successfully increased zoned capacity for residential development in key transit expansion corridors and initiated the regional Station Area Planning Program by requiring major transit expansion projects to meet minimum housing density thresholds around stations in new transit corridors before programming regional discretionary funds for project construction; and

WHEREAS, the TOD Policy applied to a specific set of transit expansion projects listed in Resolution No. 3434, the majority of which have been completed or are under construction; and

WHEREAS, the Station Area Planning program was expanded to become the Priority Development Area Program in 2008 which has resulted in over 61 completed plans with zoning for more than 100,000 housing units and more than 75 million square feet of commercial development near transit to date; and

WHEREAS, in 2021, ABAG and MTC unanimously adopted Plan Bay Area 2050, the region's long-range plan, which meets a large share of the region's future housing need through two key strategies, public land reuse (H-6) and aging mall and office park reuse (H-8), which would produce mixed-income and affordable housing, supported by local services, in Growth Geographies; and

WHEREAS, in 2022, MTC adopted Resolution 4530, the Transit Oriented Communities (TOC) Policy, updating the TOD Policy to align with Plan Bay Area 2050, encompass a broader range of regional policy objectives, and promote transit-supportive development around all of the region's fixed guideway transit stops; and

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RESOLUTION NO. 10-2023

WHEREAS, in 2021 and 2022, MTC and ABAG completed initiatives identified in the Plan Bay Area 2050 Implementation Plan to advance the public land reuse and aging mall and office park reuse strategies, which included surveys and interviews of local staff, developers, community-based organizations, and other stakeholders throughout the Bay Area, as well as analysis of best practice guides, plans and peer-reviewed literature; and

WHEREAS, in 2022, MTC, ABAG, and BAHFA staff presented the findings and recommendations emerging from this initiative, which included a Priority Sites Program to implement the public land reuse and mall and office reuse strategies, strengthen the ability of regional programs to deliver affordable housing, and enhance the connection between regional and local priorities in future iterations of Plan Bay Area, to MTC, ABAG, and BAHFA committees, local jurisdiction staff, developers, community-based organizations, and other stakeholders; and

WHEREAS, MTC, ABAG, and BAHFA staff responded to feedback received during presentations and outreach and incorporated that feedback into a detailed program design, including criteria for Priority Site nominations; and

WHEREAS, in November 2022, MTC approved the inclusion of \$28 million for the Priority Sites Program, including program development and funding for pilot projects, in its application to the California Department of Housing and Community Development for the second Regional Early Action Program (REAP 2.0), that included preliminary criteria aligned with Plan Bay Area 2050, supporting the region's transit investments, implementing the Transit-Oriented Communities Policy, and reducing GHG emissions; and

WHEREAS, incentivizing planning and partnerships to accelerate the completion of large-scale projects delivering affordable and mixed-income housing, supported by essential services and other amenities, in Regional Growth Geographies and Transit Priority Areas, including all areas subject to the Transit-Oriented Communities Policy, supports the region's transit investments, advances its Equity Platform, and implements key GHG reduction strategies from Plan Bay Area 2050; now, therefore, be it

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments adopts the Priority Sites nomination criteria, as detailed in Attachment A, attached hereto and incorporated herein as though set forth at length.

The foregoing was adopted by the Executive Board this 16th day of March, 2023.

Jesse Arreguin
President

ASSOCIATION OF BAY AREA GOVERNMENTS

RESOLUTION NO. 10-2023

CERTIFICATION OF EXECUTIVE BOARD APPROVAL

I, the undersigned, the appointed and qualified Clerk of the Board of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called and noticed meeting held in San Francisco, California, and at other remote locations, on the 16th day of March, 2023.

Frederick Castro
Clerk of the Board

ASSOCIATION OF BAY AREA GOVERNMENTS

RESOLUTION NO. 10-2023

EXHIBIT A

PRIORITY SITES NOMINATION CRITERIA

The following criteria shall determine the eligibility of nominations for a Priority Site:

(a) Eligible Applicants. Priority Sites shall be nominated by:

- (1) The local jurisdiction with land use authority over the site; or
- (2) The project sponsor for a development project on the site that is either:
 - (A) Entitled; or
 - (B) For which a pre-application or application has been filed, and the nomination is accompanied by a letter of support from the local planning official.

(b) Minimum Eligibility Requirements. Areas eligible for nomination as Priority Sites shall meet the following location, site type and development capacity, and local commitment criteria:

- (1) Location. Within the boundaries of either:
 - (A) Priority Development Area (PDA) in Plan Bay Area 2050; or
 - (B) If outside a Plan Bay Area 2050 PDA:
 - i. Transit-Rich or High-Resource Area in a Plan Bay Area 2050 Growth Geography; or
 - ii. Transit Priority Area, including all areas to which the Transit-Oriented Communities (TOC) policy applies
- (2) Site Type and Development Capacity. One of the following:
 - (A) Regionally Significant Site: Development capacity for 500 or more homes in a locally adopted plan,¹ zoning, or project entitlement; or
 - (B) Community Anchor: Site with both of the following:
 - i. Development capacity in a locally adopted plan, zoning, or project entitlement (or a project application that satisfies (a)(2)(B) above) equivalent to either 100 or more homes or at least 25% of the jurisdiction's very low- or low-income 2023, and
 - ii. Identified in a locally adopted plan, capital improvement program, zoning, or project entitlement (or a project application that satisfies (a)(2)(B) above) as the location for 10,000 or more square feet of community facilities.

¹ May include a Specific, Precise, or other area-specific land use plan, a General Plan Housing Element or General Plan Land Use Element.

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(C) Public Sites Portfolio: Multiple parcels owned by a single public agency that have a cumulative development capacity for 200 or more homes in a locally adopted plan, zoning, or project entitlement, and for which there is a meaningful linkage between projects on the parcels to enhance impact and/or achieve economies of scale.²

- (3) Affordability. Commitment to maximize share of new homes that are deed-restricted affordable to very low-, low-, and moderate-income households, exceeding any applicable local inclusionary housing requirement.
- (4) Local Commitment. A completed application signed by the planning official or adopted through resolution by the governing body of the local government with land use authority over the site.

(c) Priority Sites Pipeline. For the purposes of funding and technical assistance, eligible Priority Sites shall be categorized into one of three Pipeline categories based upon the following criteria:

- (1) Prioritization: Sites that do not meet the criteria for (c)(2) Predevelopment, or (c)(3) Production, below.
- (2) Predevelopment: Sites on which an entitlement has been issued for a residential or mixed-use development project that comprise part or all of the total development capacity of the site.
- (3) Production: Sites that meet the requirements of (c)(2), Predevelopment, above, and for which a building permit has been issued.

(d) Funding and Technical Assistance. Competitive funding, technical assistance, and other resources supporting Priority Sites shall prioritize projects that deliver the highest levels of affordability, address racial disparities, reverse displacement or do not contribute to displacement, reduce greenhouse gas emissions, affirmatively further fair housing, and implement Plan Bay Area 2050, or the San Francisco Bay Area's most recently adopted Sustainable Communities Strategy/Regional Transportation Plan.

(e) Exceptions. Certain minimum eligibility requirements may be waived if nominated sites otherwise present compelling affordability, racial equity, neighborhood revitalization, or economic and environmental sustainability elements.

² Publicly owned sites with development capacity greater than 500 homes shall be categorized as "Regionally Significant."