



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

**Agenda Item 5**

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TO: Policy Advisory Council

DATE: March 1, 2017

FR: Matt Maloney, Kristen Villanueva, MTC;

W.I. 1114

Duane Bay, ABAG

RE: Plan Bay Area 2040 - Action Plan Process - Update

Policy Advisory Council Agenda Item 5 on Plan Bay Area 2040 - Action Plan Process - Update is attached as packet items directly from this month's Regional Advisory Working Group meeting packet.

MTC and ABAG Planning staff will be at your March 8 meeting to discuss the Plan Bay Area 2040 - Action Plan Process - Update. The Regional Advisory Working Group will be held March 7, 2017.

Attachment



TO: Regional Advisory Working Group

DATE: February 28, 2017

FR: Matt Maloney, Kristen Villanueva, MTC; Duane Bay, ABAG

RE: Plan Bay Area 2040 – Action Plan Process – Update

In November 2016, the MTC Commission and the ABAG Executive Board approved the Final Preferred Scenario for Plan Bay Area 2040. Concurrently, they also approved the creation of an Action Plan to “identify concrete near- and medium-term action items for MTC, ABAG, and other stakeholders to make meaningful progress on the Plan’s performance targets.” In February, staff initiated a conversation regarding the Action Plan with the Regional Advisory Working Group. This memo summarizes what we heard and presents a draft outline for consideration.

### **Summary of Comments from February RAWG**

At the February 7th meeting of RAWG, staff presented an overview of potential topic areas for the Action Plan. Below is a summary of what we heard.

- Overarching principles:
  - The housing crisis (including production, affordability, and displacement) should be a primary focus.
  - The Plan should strive for a targeted, prioritized, and implementable list - 3 to 5 actions is ideal.
  - Actions should reflect the diversity of the region’s cities and the decisions made by local voters.
  - The Plan should largely focus on local and regional, and state actions.
- Housing-specific comments:
  - While most transportation funding sources are a poor fit for direct housing subsidies, some sources could be used to incentivize and/or reward local housing performance, including the development of affordable housing near transit.
  - It is important to develop a strategy to raise funding for housing, to close the gap due to the loss of redevelopment (estimated at \$250 million per year in the Bay Area).
  - Accelerate housing data collection, policy research, and regional and local partnerships to crystallize regional planning and investment priorities around housing.
- Additional comments:
  - Economic development and workforce development should be elevated in the discussion around an Action Plan.
  - There is an overall concern around how the upcoming CASA effort will intersect with the timeline for the Action Plan

### **Status update from Plan Bay Area (2013)**

As a starting point for the Action Plan, staff have summarized the actions from Plan Bay Area (2013) as described in the “A Plan to Build On” chapter. Staff have also documented status updates for each component. More detail is included in **Attachment A**. Much of this work remains on-going and will continue after the adoption of Plan Bay Area 2040. Below is a summary of these status updates by topic area.

PBA (2013) Topic	Status as of February 2017
Housing	<ul style="list-style-type: none"> <li>• Awarded 51 PDA Planning grants to-date, which have increased zoning for 70,000 housing units, 110,000 jobs and 26 million sq. ft. of commercial development</li> <li>• Adopted new OBAG framework in 2016 to increase incentives and direct investments for affordable housing</li> <li>• Convened regional committees for housing: Housing Forum, Housing Subcommittee of the Regional Planning Committee, and the upcoming Committee for Affordable and Sustainable Accommodations (CASA)</li> </ul>
Economic Prosperity	<ul style="list-style-type: none"> <li>• Completed the regional <i>Prosperity Plan</i> and awarded \$4 million in HUD grants for pilot projects and research</li> <li>• Established a Megaregional Working Group with the executive staff and Board members of MTC, SJCOG, and SACOG</li> <li>• Completed goods movement plans for Alameda County and the Bay Area</li> <li>• Undergoing development of an Economic Development District for the Bay Area</li> </ul>
Air Quality and GHG	<ul style="list-style-type: none"> <li>• Completed <i>Planning Healthy Places</i> guidance in 2016</li> <li>• Continued funding and evaluation of the Climate Initiative Program, which has included programming of \$125 million to-date</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Initiated a Future Mobility Research Program to develop a framework for the role of the public sector related to emerging transportation technologies</li> <li>• Started a connected and automated vehicle (CAV) program with plans to pursue pilot deployments and technical assistance programs</li> </ul>
Resiliency	<ul style="list-style-type: none"> <li>• Evaluated vulnerability to sea level rise: Adapting to Rising Tides program (started in 2010), Stronger Housing Safer Communities Manual (2014), and an assessment of infrastructure vulnerability along the Alameda County coastline.</li> <li>• Upwards of \$7 million recently awarded to the Bay Area through a Caltrans planning grant and a Rockefeller Foundation grant for the Resilient by Design Challenge</li> </ul>
Legislation Advocacy	<ul style="list-style-type: none"> <li>• MTC and ABAG have supported CEQA modernization and have created an online guide to CEQA streamlining provisions</li> <li>• MTC strongly supports recently introduced bills to increase revenues for transportation at the state level</li> </ul>

### Draft Action Plan Outline for Plan Bay Area 2040

Staff proposes the Action Plan to cover 3 topics, with 3-5 recommendations each. **Attachment B** briefly describes these issue areas and presents some potential, broad actions.

- Housing
- Economic Development
- Resilience

While this initial list of topics does not cover all potential focus areas, the adopted Plan Bay Area 2040 preferred scenario and investment strategy includes a forecasted development pattern, continues the PDA and PCA framework, and invests over \$300 billion in various transportation improvements around the region. Thus, the Action Plan focuses on areas where the Plan is moving off-course, and/or areas where near-term action is needed for the region to proactively address existing or rapidly emerging issues.

### **Next Steps**

Staff requests feedback from the RAWG on the draft outline of the Action Plan, including suggestions for more detailed actions that staff can describe in the Action Plan. Staff anticipates sharing the first draft of the Action Plan at the April meeting of the RAWG.

**March RAWG** – discussion of the draft Action Plan outline

**April RAWG** – discussion of Plan Bay Area 2040 document, which will include the Action Plan chapter.

**April ABAG Regional Planning Committee** – discussion of Plan Bay Area 2040 document, including Action Plan.

**April through late May** - Public comment period (hearings and open houses will be held during this period)

**June** - Presentation of outreach feedback received

**Late summer** - certify/adopt final Plan (including Action Plan) and EIR

### **Attachments:**

- Attachment A: Plan Bay Area (2013) Actions and Status Update
- Attachment B: Plan Bay Area 2040 Draft Action Plan Outline
- Attachment C: Comment Letter

MM:kv

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Attachment A. Summary of "A Plan to Build On" from Plan Bay Area (2013)

Topic From PBA (2013)	Issue/Description From PBA (2013)	Actions From PBA (2013)	Implementing Agencies	Status As Of February 2017
<b>A Vibrant Economy</b>				
<b>Improve Permitting Process</b>	Lengthy entitlement processes can impede infill development, which increases housing prices and hinders the region's ability to provide affordable housing.	<ul style="list-style-type: none"> <li>Implement specific plans, neighborhood-appropriate parking requirements, expedited permit processing, and programmatic EIRs that eliminate the need for individual project EIRs.</li> <li>Fund PDA planning grants and provide technical assistance.</li> </ul>	Local Jurisdictions, ABAG, MTC, State Legislature	MTC has awarded 51 PDA Planning grants to-date, with an emphasis on Specific Plans tied to a programmatic EIRs. Adopted plans have resulted in zoning for over 70,000 housing units, 110,000 jobs and 26 million sq. ft. of commercial development. ABAG and MTC have also supported CEQA modernization through SB 743 and have created an online guide for utilizing CEQA streamlining provisions. <a href="http://planbayarea.org/resources/CEQA-Streamlining-Opportunities.html">http://planbayarea.org/resources/CEQA-Streamlining-Opportunities.html</a> ABAG has also organized a Regional Planning Committee Subcommittee on Entitlement Efficiency.
<b>Improve the Bay Area's Economic Prosperity</b>	The Bay Area economy has been cyclical over the last 20 years and requires a cohesive strategy for sustaining a healthy economy for all workers.	<ul style="list-style-type: none"> <li>Complete the Bay Area Prosperity Plan and award \$2 million in grants to pilot projects that expand economic opportunities for low- and moderate-income workers and improve housing affordability near transit.</li> </ul>	MTC, ABAG, grant recipients	The Prosperity Plan and associated pilot projects and research were completed in 2015. Upwards of \$4 million in grants were ultimately awarded. Results of this plan have informed the emphasis on affordable housing and displacement in OBAG and the PBA update. It has also informed the middle wage jobs focus within the regional agencies' economic development platform.
<b>Link Housing, Transportation and Economic Development</b>	Housing and transportation investments influence the regional economy and the regional agencies should better understand the link between housing, transportation and economic development.	<ul style="list-style-type: none"> <li>Conduct an economic impact assessment on the Plan with recommendations for integrating long-range planning with regional economic development.</li> <li>Develop land use guidelines for growing industries, as well as place-based strategies to support the growth of different types of PDAs and job centers.</li> </ul>	MTC and ABAG	An economic impact assessment for future regional plans was completed in 2013. Since mid-2016, ABAG committees have been discussing forming a Regional Economic Development District and developing Priority Production Areas (PPAs), locally designated zones for the retention of industrially-zoned land, for the next RTP/SCS. This work is underway.
<b>Inter-Regional Coordination</b>	The Bay Area is closely connected with its adjacent counties, requiring more coordinated planning and more coordination between state and local investment strategies.	<ul style="list-style-type: none"> <li>Advance coordinated planning and modeling efforts with neighboring MPOs such as SJCOG, SACOG, and AMBAG.</li> </ul>	MTC, ABAG, SJCOG, SACOG, AMBAG	Executive Directors and Commissioners of MTC, the San Joaquin Council of Governments (SJCOG), and the Sacramento Council of Governments (SACOG) formed a Megaregional Working Group in 2016 that is now meeting quarterly. Planners at MTC, SJCOG, SACOG and the Association of Monterey Bay Area Governments (AMBAG) are currently collaborating on a Megaregional Goods Movement Study that will be completed in 2018. ABAG planners have met with SJCOG planners approximately yearly to share forecast methodologies and results.

Attachment A. Summary of "A Plan to Build On" from Plan Bay Area (2013)

Topic From PBA (2013)	Issue/Description From PBA (2013)	Actions From PBA (2013)	Implementing Agencies	Status As Of February 2017
<b>Goods Movement and Industrial Land</b>	The movement of freight and the location of production and distribution businesses have important environmental, economic and equity implications for the region. Air quality considerations and land development pressures are two issues facing the region's goods movement industry.	<ul style="list-style-type: none"> <li>• Work with local jurisdictions and stakeholders to explore economic development best practices for goods movement and industrial businesses.</li> <li>• Support cleaner trucks within the region and specifically at the Port of Oakland.</li> <li>• Identify key goods movement issues for the region to address in the coming years.</li> <li>• Undertake sub-regional studies to analyze goods movement at a more local level.</li> </ul>	MTC, ABAG, Air District, Port of Oakland, CMAA, Caltrans, local jurisdictions	Regional and Alameda County goods movement plans were completed in 2016 with implementation work underway. The Freight Emissions Reduction Action Plan was completed in 2016. Since the early 2000s, the Air District has provided grants for incentivizing low-emission equipment and trucks at the region's ports. Future work will focus on promoting zero emission equipment and trucks. ABAG administered the Industrial Lands study that identified key industries and job types dependent on industrial land.
<b>Increase Housing Choices and Community Stability</b>	To improve the region's quality of life and strengthen the economy, the region should retain and increase the availability of affordable housing and support the vitality of existing neighborhoods.	<ul style="list-style-type: none"> <li>• Continue PDA policy framework that supports investments and stability in disadvantaged communities, as well as encourage housing production in communities with access to employment and educational opportunities.</li> </ul>	Local jurisdictions, MTC, ABAG	<p><i>See Improve Permitting Process above for a status update on PDA Planning</i></p> <p>MTC adopted a new framework for OBAG 2, along with other investments, which expanded direct investments and incentives for affordable housing including:</p> <ul style="list-style-type: none"> <li>• Naturally-Occurring Affordable Housing (NOAH) fund, JumpStart program, and a challenge grant for housing incentives</li> <li>• Requirements for complying with the Surplus Land Act and the adoption of State-certified housing element</li> <li>• Project selection that rewards jurisdictions with the most effective anti-displacement policies</li> <li>• The Public Lands for TOD study for assessing the availability of publically owned land near transit</li> </ul>
<b>Affordable Housing</b>	The loss of local redevelopment funding has created a structural financing gap for affordable housing.	<ul style="list-style-type: none"> <li>• Provide incentives for local jurisdictions to facilitate affordable housing in transit corridors through OBAG, PDA Planning Grants, TOAH, and Cap and Trade.</li> </ul>	Local jurisdictions, MTC, ABAG, State Legislature	<p>More info and housing data is here: <a href="http://mtc.ca.gov/our-work/fund-invest/federal-funding/obag-2">http://mtc.ca.gov/our-work/fund-invest/federal-funding/obag-2</a></p>
<b>Potential for Displacement</b>	Infill development increases the risk of displacement, especially for existing low-income residents.	<ul style="list-style-type: none"> <li>• Support investments in low-income neighborhoods that can expand the range of services and amenities and provide economic opportunity for local workers.</li> <li>• Provide a menu of neighborhood stabilization and anti-displacement policies as well as affordable housing policies.</li> <li>• Link OBAG funding to jurisdiction-level approval of affordable housing planning, production, acquisition and rehabilitation.</li> </ul>	Local jurisdictions, MTC, ABAG	<p>In 2016, MTC and ABAG produced a regional Housing Forum, and ABAG convened a Housing Subcommittee of the Regional Planning Committee. This work provides a foundation for the regional agencies' launch of the Committee for Affordable and Sustainable Accommodations (CASA) in 2017. CASA's purpose is to develop a regional consensus for game changing solutions to address the region's chronic housing shortage.</p>

Attachment A. Summary of "A Plan to Build On" from Plan Bay Area (2013)

Topic From PBA (2013)	Issue/Description From PBA (2013)	Actions From PBA (2013)	Implementing Agencies	Status As Of February 2017
<b>Cleaning Our Air</b>				
<b>Healthy Infill Development</b>	Infill development near major freeways, ports, distribution centers, gas stations, or other sources may expose residents to higher concentrations of toxic air contaminants and particulate matter.	<ul style="list-style-type: none"> <li>Develop a comprehensive set of best practices, or guidance, for local governments on how to best address local pollutants in their planning and development decisions.</li> </ul>	MTC, ABAG, Air District, local jurisdictions	<p>Planning Healthy Places, a guidance document for local jurisdictions, was completed in 2016. The document includes an interactive map on the location of communities with elevated levels of air contaminants and describes best practices to reduce health risks.  <a href="http://www.baaqmd.gov/plans-and-climate/planning-healthy-places">http://www.baaqmd.gov/plans-and-climate/planning-healthy-places</a></p> <p>OBAG also requires that jurisdictions have Complete Streets policies to promote active transportation.</p>
<b>Curbing Greenhouse Gas Emissions</b>	The Bay Area must reduce transportation-related emissions and vehicle miles travelled to meet the requirements of SB 375.	<ul style="list-style-type: none"> <li>Implement the Climate Initiatives Program and continue to develop new and refined demonstration projects related to bike-sharing, educational campaigns for electric vehicles, enhancements to the Spare the Air Youth program, and launch a "smart driving" pilot program.</li> </ul>	MTC, Air District, grant recipients	<p>Since 2009, MTC has programmed \$125 million in the Climate Initiative program over three grant cycles for projects that reduce greenhouse gas emissions (GHG) including electric vehicle infrastructure and incentives, Safe Routes to School and bike and car share. The current cycle, OBAG 2, includes two additional transportation demand management strategies that provide travel assistance and policy support to residents and local governments respectively to reduce VMT and GHG emissions. Future investments will target strategies with the most cost-effective methods for reducing greenhouse gas emissions.</p>
<b>Evolving Transport</b>				
<b>New Technologies</b>	A number of start-up methods are redefining transportation, including autonomous vehicles, corporate shuttles, and ride-sharing networks.	<ul style="list-style-type: none"> <li>Monitor the status of technology deployments and evaluate the effects on travel behavior.</li> </ul>	MTC	<p>MTC has initiated a Future Mobility Research Program to develop a framework for the agency's role in this space as an educator, funder, implementer, and/or facilitator. MTC has also started a connected and automated vehicle (CAV) program to track technological developments, comment on policy changes and coordinate across the region. The agency intends to pursue pilot deployments and, potentially, technical assistance programs in this space. Both of these efforts are currently underway.</p>

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Topic From PBA (2013)	Issue/Description From PBA (2013)	Actions From PBA (2013)	Implementing Agencies	Status As Of February 2017
<b>Planning for Resilience</b>				
<b>Climate Adaptation and Sea Level Rise</b>	Given the significant amount of development infrastructure along the Bay's shorelines and low-lying areas, the region is especially vulnerable to future sea level rise.	<ul style="list-style-type: none"> <li>Identify the impacts of sea level rise and storm events on the future of communities, infrastructure, ecosystems, and the economy of the Bay Area.</li> <li>Develop strategies to reduce and manage these risks.</li> </ul>	BARC, BCDC, MTC, Caltrans, NOAA, ABAG, local jurisdictions	<p>As part of the Adapting to Rising Tides (ART) program, vulnerability and risk assessments have been completed along the shoreline in several communities, including Alameda, Contra Costa, and San Mateo counties. Sea level rise mapping for the entire nine-county Bay Area will be available mid-2017.  <a href="http://www.adaptingtorisingtides.org/">http://www.adaptingtorisingtides.org/</a></p> <p>Two recent planning and design efforts will kick off this year:</p> <ul style="list-style-type: none"> <li>\$1.2 million grant from Caltrans and BATA to study transportation vulnerability in PDAs, PCAs, and within disadvantaged communities</li> <li>\$4.6 million grant from the Rockefeller Foundation to develop design solutions for climate-related challenges across 10 sites</li> </ul> <p>Additionally, ABAG and BCDC, along with EPA and FEMA, developed the Stronger Housing Safer Communities Strategy Manual (2014) with recommendations for protecting communities from flooding and rising sea levels.</p>
<b>Earthquake Mitigation and Recovery</b>	Existing homes face potentially significant damage in the event of a major earthquake, particularly along the Hayward and San Andreas fault lines.	<ul style="list-style-type: none"> <li>Develop an Action Plan out of the Regional Disaster Resilience Initiative that prioritizes actions for jurisdictions and organizations and develops a cohesive regional policy platform for earthquake resiliency.</li> </ul>	ABAG, local jurisdictions	<p>In 2015, the ABAG Executive Board adopted four seismic policy measures developed as part of the Loma Prieta 25 Symposium. Local disaster resilience implementation has been supported by a suite of technical assistance resources including the Stronger Housing Safer Communities Strategy Manual (2014), Local Hazard Mitigation Planning Technical Assistance (2015), and Soft Story Program Development Assistance (2016).</p>

Attachment A. Summary of "A Plan to Build On" from Plan Bay Area (2013)

Topic From PBA (2013)	Issue/Description From PBA (2013)	Actions From PBA (2013)	Implementing Agencies	Status As Of February 2017
<b>Regional Open Space and Agricultural Preservation</b>	The Plan establishes Priority Conservation Areas (PCAs) as the policy framework for protecting habitat, recreational and agricultural land.	<ul style="list-style-type: none"> <li>Update PCA guidelines to define the role of different kinds of PCAs to support ecological functions, drawing on lessons learned from the OBAG PCA Pilot program.</li> </ul>	ABAG, MTC	<p>The OBAG PCA grant program, administered by ABAG, has programmed almost \$30 million for PCA projects over two rounds. Using scientific data and community input, Bay Area jurisdictions nominated nearly 70 new PCAs. Allocations for OBAG2 will start in 2017.</p> <p>ABAG updated PCA guidelines and designations here: <a href="http://abag.ca.gov/priority/conservation/">http://abag.ca.gov/priority/conservation/</a></p>
<b>Legislation Advocacy - Land Use</b>				
<b>Support PDA Development with Locally Controlled Funding</b>	The loss of local redevelopment funding has created a structural financing gap for affordable housing.	<ul style="list-style-type: none"> <li>Support legislation for a newly authorized tax-increment financing authority that specifically supports housing construction and infrastructure near public transit.</li> </ul>	State Legislature	In 2014, MTC supported SB 628 (Beall), authorizing local agencies to form Enhanced Infrastructure Financing Districts, which allow for voluntary tax-increment financing for a wide variety of local infrastructure needs with no impact to school district property tax revenues and no voter approval requirement.
<b>Modernize CEQA</b>	CEQA is often used by project opponents to slow down or stop a development project, which impedes housing production in the Bay Area.	<ul style="list-style-type: none"> <li>Support legislation to update CEQA for encouraging and expanding infill development opportunities.</li> </ul>	State Legislature	In 2013, MTC supported SB 743 (Steinberg), requiring the Office of Planning & Research to develop an alternative to level-of-service, such as vehicle miles traveled, for evaluating transportation impacts of projects subject to CEQA. Once implemented, the change is widely expected to help residential and commercial infill development projects obtain CEQA approval with minimal project changes. See also, Improve Permit Processing, above.
<b>Stabilize Federal Funding Levels</b>	Significant cuts to federal housing programs have hindered the Bay Area's ability to provide affordable and workforce housing.	<ul style="list-style-type: none"> <li>Support legislation to increase funding for existing federal programs like the HOME Investment Partnership Program and the Community Development Block Grant program.</li> <li>Support legislation to create incentives in federal tax code for multi-family housing.</li> </ul>	Congress	No action

Attachment A. Summary of "A Plan to Build On" from Plan Bay Area (2013)

Topic From PBA (2013)	Issue/Description From PBA (2013)	Actions From PBA (2013)	Implementing Agencies	Status As Of February 2017
<b>"Defiscalize" Land Use Decision Making</b>	The current approach to taxation creates incentives to attract development that maximizes sales tax revenues, which discourages housing development and small business growth.	<ul style="list-style-type: none"> <li>Support legislation for a long-term adjustment to commercial and residential tax structures to balance the financial incentives for new development.</li> </ul>	State Legislature	Senators Loni Hancock and Holly Mitchell introduced SCA 5 in 2015 to reform the state's tax system so that commercial properties would be reassessed annually, while leaving intact the cap on growth in residential property taxes. This so-called "split-roll" reform effort did not pass the Legislature.
<b>Legislation Advocacy – Transportation</b>				
<b>Support Local Self-Help</b>	Passing new local sales tax requires a two-thirds supermajority, which makes passing new taxes exceedingly difficult.	<ul style="list-style-type: none"> <li>Support legislation to reduce the voting standard to 55 percent for sales taxes for transportation and a regional gasoline tax.</li> </ul>	State Legislature	This legislation has been introduced every legislative session since PBA was adopted, but it has not garnered enough support to reach the ballot. Since PBA, many local jurisdictions and transit districts have surpassed the two-thirds vote threshold and passed new (or extended existing) taxes dedicated to transportation.
<b>Seek Reliable Federal Transportation Funding Levels and Flexibility</b>	Federal funding for transportation increasingly relies on support from the nation's diminishing general fund and past transportation bills have shifted funds away from where the majority of the nation's population lives and works.	<ul style="list-style-type: none"> <li>Support legislation for a long-term, user-based funding source for transportation and place a stronger emphasis on returning funding to metropolitan areas.</li> </ul>	Congress	In 2015, Congress enacted the FAST Act, a transportation bill providing funding through 2020. This funding relied on a \$70 billion transfer from the General Fund and outlays exceed revenues by about \$15 billion/year. The FAST Act made modest improvements in restoring the share of funds targeted to metropolitan areas by increasing by 1% annually, the share of STPBG funds distributed to metropolitan areas from 50% in MAP 21 to 55% by 2020.
<b>Grow State Transportation Funding</b>	State and federal gas taxes have not kept pace with inflation and have eroded value in the past two decades.	<ul style="list-style-type: none"> <li>Support legislation for a new, permanent revenue source for transportation that would be primarily focused on preservation of the existing state highway, local streets and roads, and the public transit network.</li> </ul>	State Legislature	Governor Jerry Brown, Senator Jim Beall (Chair of the Senate Transportation & Housing Committee) and Assembly Member Jim Frazier (Chair of the Assembly Transportation Committee) have each championed separate transportation funding packages starting in 2015, ranging from \$4 billion to \$6 billion in annual new revenue, with a focus on restoring the condition of local streets and roads and the state highway system. New bills were introduced in 2017 (AB 1 and SB 1). MTC has taken support positions on these bills and are working with partners to urge action this year. These bills include a mix of higher fuel taxes and vehicle registration charges.



## Draft Action Plan Outline for Plan Bay Area 2040

### Issue Area: Housing

**Description:** Across the Bay Area, housing is not being produced that is affordable to all income levels, as demonstrated by past performance in RHNA cycles and projected performance in Plan Bay Area 2040. The regional agencies can work to expand their roles in housing to increase incentives, funding opportunities, and technical assistance to jurisdictions.

**Targets:** Share of income spent on housing and transportation costs, displacement risk, affordable housing

### Potential Sub-topics:

- Production of new homes, preservation of affordability, protection of residents against displacement
  - Seek further planning and programming alignments between transportation funding and housing performance
  - Develop plan for new revenue source(s) for housing production and preservation
  - Develop legislative advocacy strategy for easing barriers to housing production
  - Expand PDA planning grants and technical assistance to provide resources and guidance to local governments on affordable housing, renter protections, resilient housing policies, and retaining and expanding community assets (e.g. neighborhood-serving businesses, public gathering places)
  - Identify and incentivize opportunity areas for mixed-use, mixed income housing near job centers and in low VMT areas (e.g. Office parks, transit agency property, and shopping malls)

### Implementation Areas:

- Implement the recommendations of CASA, in coordination with ABAG's Regional Planning Committee Housing Subcommittee
- Seek to include housing provisions or conditions in upcoming new funding sources including RM3 and OBAG3, consider applicability for additional fund sources that MTC manages
- Continue evolution of RTP/SCS Project Performance to seek stronger alignments between prioritizing transportation projects and housing performance
- Expand and transform PDA Planning Grants and regional agency approaches to provide local technical assistance tailored to both Bay Area-wide challenges and challenges unique to specific parts of the region
- Coordinate neighboring jurisdictions along transit corridors to identify and implement shared solutions to housing challenges
- Continue to collect, analyze, and share information about housing production trends and policy implementation by local governments to inform local, regional, and state policy development and evaluation

### **Issue Area: Economic Development**

**Description:** As described in the Regional Prosperity Plan and further articulated in Vital Signs data releases, not all of the region's residents have benefited from economic growth. This economic strategy would focus on the income side of the affordability equation - through training and facilitation of industry clusters that drive the economy. It also recognizes that well-maintained infrastructure is a key component to supporting economic prosperity.

**Targets:** Access to jobs, income sides of displacement risk and H+T affordability, middle-wage job creation, pavement maintenance

#### **Sub-topics:**

- Foster regional coordination and develop workforce strategies by establishing an Economic Development District and Regional Economic Strategy that implements the work of the Economic Strategy Committee
- Support industry clusters through land use policies and transportation strategies
- Identify regionally significant, locally-nominated Priority Production Areas that provide capacity for production and access to freight corridors. These areas should be developed to facilitate production and distribution related industries that create new middle wage jobs.

#### **Implementation Areas:**

- Continue work on developing an Economic Development District
- Continue Megaregional Goods Movement Cluster Study
- Broaden core capacity transit study partnership to cover a larger geography to plan for major transportation capital investments
- Advocate for new revenues for transportation, especially continue MTC's role in supporting state legislation for maintenance-focused bills
- Implement the recommendations of the Economic Strategy Committee
- Establish criteria for Priority Production Areas

### **Issue Area: Resilience**

**Description:** A major earthquake or extreme weather event could displace thousands of Bay Area residents and disrupt regional and local economies for months. Increased flooding due to sea level rise could also hinder access to jobs, as transportation links become inaccessible. Various entities, including the Bay Conservation and Development Commission, Bay Area Regional Collaborative ABAG and MTC have been providing technical assistance to address these issues. Future coordination will be necessary to strengthen these efforts.

**Targets:** Climate protection, open space protection, healthy and safe communities

#### **Sub-topics:**

- Develop regional institutional strategy for managing and funding projects related to sea level rise, which may require legislative action
- Expand adoption of resilient housing policies for earthquake, flooding, and fire, working in coordination with FEMA and the California Earthquake Authority, and focusing on communities with high social vulnerability and exposure to natural hazards

- Increase funding availability for retrofits of buildings, retrofits of existing infrastructure, and infrastructure solutions to protect against flooding and earthquakes
- Continue to assess vulnerability to sea level rise and identify workable solutions, through public and private avenues
- Continue to support cities in expanding Green Infrastructure in PDAs that address the impacts of climate change and create public spaces

**Implementation Projects:**

- Resilient Housing Policy Initiative
- Adapting to Rising Tides, Resilient by Design Challenge

February 27, 2017

Mr. Ken Kirkey, Planning Director, Metropolitan Transportation Commission  
Ms. Miriam Chion, Planning and Research Director, Association of Bay Area Governments  
375 Beale Street  
San Francisco, CA, 94105

**Re: Categories of Actions for Plan Bay Area 2040 Action Plan**

Dear Ken and Miriam,

As advocates representing affordable housing, the environment, social equity, and labor we appreciate the opportunity to provide input on the Action Plan that you are currently developing. We are particularly pleased that the Action Plan will be included as a chapter of Plan Bay Area (to be adopted in September 2017) and commend MTC and ABAG for committing to a timeline and a public process that is transparent and allows for public participation to shape this important component of Plan Bay Area.

**We write at this early point in the process to propose a few particularly important categories of actions for the Action Plan outline you are preparing to present to the Regional Advisory Working Group on March 7<sup>th</sup>. The proposed categories are focused on the Bay Area's dire housing affordability and displacement crises and would move the region towards more sustainable and equitable development patterns.**

*The Time to Act is Now*

The Bay Area faces an unprecedented housing affordability crisis that is hollowing out our communities by displacing tens of thousands of long-time residents, generating lengthy commutes on our congested roadways, increasing sprawl development pressure on our natural and agricultural lands, and hurting the Bay Area's economic competitiveness. The MTC Commission and the ABAG Executive Board recognized the need to act expeditiously in the policy statement they adopted in November, committing to adopt an Action Plan that "will identify concrete near and medium-term action items for MTC, ABAG, and other stakeholders to make meaningful progress on the Plan's performance targets, with a focus on those targets where Plan Bay Area 2040 is moving off trajectory housing affordability, displacement risk, and access to jobs."

*A Meaningful Action Plan will set CASA up for Success*

In December, we were pleased to learn that MTC and ABAG would create the Committee for Affordable and Sustainable Accommodations (CASA) as a multi-sector committee to identify "game-changing" solutions to the region's housing affordability crisis. We are eager to support that process. However, as the CASA process will not conclude until mid-2018, the Action Plan must lay the immediate groundwork for specific agency commitments that can be made between now and September 2017. The commitments we propose below will help set the stage for CASA,

both by signalling the agencies' seriousness about tackling the twin crises of housing affordability and displacement, and by developing data that will be critical to the success of CASA.

### *Recommended Actions*

The Action Plan provides an opportunity to build and expand upon successful work already being done by MTC and ABAG, such as MTC's nationally recognized Transit Oriented Affordable Housing Fund (TOAH) and ABAG's valuable research and education on housing policies and trends. It also provides substantial follow through for MTC and ABAG's well-attended Displacement Forum a year ago. Like MTC's Commissioners and ABAG's Executive Board, our constituencies are interested in actions that will address the region's housing affordability and displacement crises. This means addressing the three P's: Production of homes Bay Area residents can afford, Preservation of our existing affordable housing stock, and Protection of tenants. **To address these critical challenges, we envision the Action Plan committing the agencies to the following outcomes and actions:**

### ***High-level Housing and Displacement Outcomes (to be achieved in the medium term) should include:***

- 1. Adequate Funding for Affordable Housing:** The Action Plan should commit the agencies to developing regional funding sources for affordable housing production and preservation at a scale commensurate to the need (at least \$1 billion year). We are particularly interested in exploring direct housing investments in funding sources currently under discussion, such as RM3 (modeled after the State's successful Affordable Housing and Sustainable Communities Program), and new HOV tolls. CASA, at its discretion, may decide to consider other regional-level revenues, such as leveraging recent private sector contributions from companies like Facebook and Salesforce.
- 2. Stop Involuntary Displacement:** The Action Plan should commit the agencies to developing regional planning practices, incentives, and other mechanisms needed to stop the involuntary displacement of low-income people from their homes and neighborhoods. This should begin with the near-term actions described below, but also involve more expansive efforts to work with affected communities to develop more far-reaching structural solutions to the displacement crisis.

### ***Critical Near-Term Actions the Agencies Should Commit to Undertake Include:***

- 3. Identification of Sites for sustainable, affordable, and equitable development:** The Action Plan should commit the agencies to maintaining an up-to-date regional inventory of housing opportunity sites and public land (showing existing uses), and to tracking what develops on each site, including housing units by income level.
- 4. Zoning and incentives for sustainable, affordable, equitable development:** The Action Plan should commit the agencies to put in place incentives for jurisdictions that go above and

beyond state standards by making housing opportunity sites “shovel ready” for affordable housing development, with all appropriate density and development standards in place, so that affordable housing can be expeditiously developed on all appropriate sites. For instance:

- a) Expand the OBAG model to additional transportation funding sources, and improve linkages between funding incentives and *local* affordable housing production. Examine the region’s discretionary transportation funding sources and establish a plan to integrate sustainable, affordable and equitable development outcomes wherever possible in the disbursement of those funds.
- b) Ensure that the proposed regional Infrastructure Bank will prioritize sustainable, affordable and equitable development patterns. Prioritize use of the bank for infrastructure improvements on sites dedicated to 100% affordable housing development in communities with demonstrated track records of supporting sustainable, equitable development.
- c) Ensure that RM3 fosters sustainable, affordable and equitable development patterns (much like the Strategic Growth Council’s Affordable Housing and Sustainable Communities Program does). Include direct investments in affordable housing and strong conditions and incentives on new transportation funds to ensure that new investments support appropriate land use outcomes.
- d) Update the PDA Investment and Growth Strategy (I&GS) framework. Provide stronger policy guidance for these documents to encourage local adoption of policies that foster sustainable, affordable, and equitable development in priority locations.

**5. Tenant Protections:** The Action Plan should commit the agencies to take near-term steps that will help CASA achieve the medium term displacement outcome (#2, above), for instance:

- a) Encourage the adoption of effective strategies and programs that can help prevent displacement and create affordable housing opportunities such as just cause for eviction, rent stabilization, anti-harassment policies, SRO preservation, housing impact fees, commercial linkage fees, and inclusionary policies.
- b) Commit to adopt targets to achieve “no net loss” of homes affordable to or occupied by low-income households in connection with regional actions and incentives (including infrastructure investment decisions) similar to BART’s recently adopted Transit Oriented Policy Performance Measures and Targets.
- c) Create incentives for local government to adopt no net loss policies in connection with local planning and development decisions, as well as incentives and technical assistance for local governments to accurately track and maintain real-time data on rents and evictions.
- d) Fully integrate research from UC Berkeley’s Urban Displacement Project into regional policymaking, and support its inclusion in local policymaking.

## **6. Close regional data gaps**

- a) Produce an annual progress report that describes the region’s progress toward achieving Plan Bay Area’s goals and targets and identifies how MTC and ABAG’s various actions have contributed to those outcomes.

- b) Improve ability to measure, track and forecast worker-level data on wages in order to more accurately assess housing affordability for working households, jobs-housing fit, and middle-wage job growth or decline.
- b) Provide other data tools, such as a real-time regional development dashboard, a regional displacement and eviction database, site-assessment tools to determine Low-Income Housing Tax Credit (LIHTC) viability, and others.

*Continuity for what works*

ABAG and MTC currently perform important work for the region that should continue to be resourced and expanded. As staff from both agencies are consolidated into MTC there should be a commitment to continuing successful programs such as ensuring that there is dedicated housing staff in the consolidated agency, continuing and expanding existing direct and indirect funding for housing (TOAH, NOAH, OBAG, Jumpstart), and ensure that all advisory bodies in ABAG and MTC have a clear linkage to decision-makers (RAWG, RPC, PAC).

We look forward to seeing these categories of action included in staff's Action Plan outline, to discussing them with the RAWG, and to continuing to partner with you to build a more equitable and sustainable Bay Area.

Sincerely,

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