



TO: Regional Advisory Working Group

DATE: April 25, 2017

FR: Ken Kirkey and Matt Maloney, MTC and Miriam Chion, ABAG

RE: Plan Bay Area 2040 – Document, Action Plan and Public Outreach

Last month, staff presented the Draft Plan Bay Area 2040 and accompanying Action Plan to the RAWG. This month's RAWG is a continuation of the discussion of the Draft Plan, with a focus on the strategies included in the Draft Action Plan.

Background

MTC and ABAG released Draft Plan Bay Area 2040 (Draft Plan) on March 31st. The Draft Plan document and associated supplemental reports incorporate the last two years of planning and outreach, including the forecasted development pattern, the transportation investment strategy, and the regional context of economic and demographic change. The Draft Plan also includes a Draft Action Plan, which delves more deeply into short- and medium-term actions to address issue areas where the Plan itself falls short. Last month, MTC and ABAG also released the associated Draft Environmental Impact Report (EIR) for the Plan, identifying impacts and mitigation measures as required by the California Environmental Quality Act.

Throughout the month of May, staff will continue seeking feedback on the Draft Plan, Draft Action Plan, Draft EIR, and other associated reports from policymakers and the public across the nine-county region. Comments on the various documents will be reviewed during the revision process this summer, and staff will provide a summary to Joint MTC Planning Committee with the ABAG Administrative Committee in June.

Plan Document Release

The Draft Plan can be accessed at <http://2040.planbayarea.org>. Although it is best accessed using the website – which works on desktop computers, tablets, and smartphones – users can also download a PDF copy if they would like to print the Plan at home. Limited paper copies will be made available to elected officials and other members of the public on an as-needed basis. Numerous supplemental reports are also available on the website, as is the Draft EIR, which can be accessed at <http://2040.planbayarea.org/reports>.

The Draft Plan incorporates the Final Preferred Scenario¹ adopted by MTC and ABAG in November 2016, with two important improvements. First, the Draft Plan provides a narrative to orient the regional planning process in the context of the current housing crisis and data from our Vital Signs performance monitoring work. Second, the Draft Plan incorporates a Draft Action Plan as its final chapter in accordance with policy direction approved by MTC and ABAG in November 2016. Staff looks forward to receiving feedback on these elements.

¹ The MTC Commission and ABAG Executive Board approved the Final Preferred Scenario of Plan Bay Area 2040 on November 17, 2016. The Preferred Scenario included a growth pattern for housing, population and jobs as well as a list of transportation investments through 2040. After adoption, the Preferred Scenario became the *Proposed Plan*, which is fully described in the Draft Plan Document and forthcoming Draft EIR.

Draft Action Plan

At the same time MTC and ABAG adopted the Final Preferred Scenario, 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.” Since then, staff has solicited policy and implementation ideas from the Regional Advisory Working Group, the Policy Advisory Council, and County Congestion Management Agencies. The Draft Action Plan is the culmination of that input and provides strategic direction on three issue areas: housing, economic development and resilience. **Attachment A** includes the Draft Action Plan, which can also be found online as part of the Draft Plan document.

Road to Adoption

In January 2017, MTC staff presented the proposed public engagement strategy for the release of the Draft Plan to MTC’s Planning Committee. Starting last month, staff is moving forward with a range of outreach methods, including open houses, public hearings, presentations to local elected officials and the Native American Tribal Summit, community outreach, online survey and media briefing webinar. A general timeline is included below and a more detailed outreach schedule is in **Attachment B**.

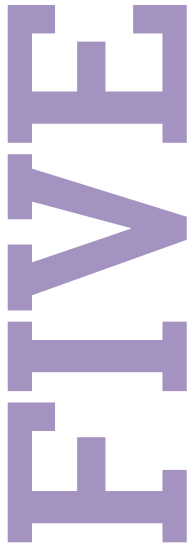
- **March 31:** Draft Plan and associated supplemental reports released to the public
- **April – May:** Local elected official presentations at CMA meetings in each county
- **April 17:** Draft EIR released to the public
- **May:** Open houses in each county, public hearings across the region, and outreach events with community-based organizations
- **June 1:** End of Draft Plan and Draft EIR comment periods
- **June 9:** Presentation to Joint MTC Planning Committee with the ABAG Administrative Committee on outreach meetings and other public feedback
- **July:** Final adoption of Plan Bay Area 2040 (Plan, Action Plan, and EIR) by MTC and ABAG

Attachments:

- Attachment A: Plan Bay Area 2040 Draft Action Plan
- Attachment B: Detailed Outreach Schedule
- Presentation

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Action Plan*

The Bay Area's housing and transportation crisis reflects the cumulative impacts of the region's robust job market and acute failure to keep pace with housing need, especially near growing job centers. Plan Bay Area 2040 projects these problems will intensify if the region does not take significant corrective steps. As a path forward, MTC and ABAG developed an "Action Plan" to focus on performance targets where the plan is moving in the wrong direction, as well as emerging issues that require proactive regional policy solutions.

MTC and ABAG propose a multi-pronged strategy to address housing affordability, the region's widening income disparities and economic hardships faced by low and middle-income workers, and finally the Bay Area's vulnerabilities to natural disasters such as earthquakes and floods. These three issue areas — Housing, Economic Development, and Resilience — form the core of the Action Plan.

* Note: This section is preliminary and may be refined based upon further development.



Similar to past regional achievements in the environment, transportation, and economy, successfully addressing these needs during the implementation of Plan Bay Area 2040 will require a shared commitment among regional policymakers, local governments and civic organizations.

Housing Production, Preservation and Protection

Regional agencies currently lack the tools, resources, and authority to directly address the issues of production, affordability and displacement identified earlier in “The Bay Area Today.” In response, the Action Plan recommends strengthening and expanding existing regional housing initiatives and pursuing more ambitious policy solutions at the state, regional, and local levels. Regional agencies are committed to partnering with local governments, business leaders, and non-governmental organizations to identify and implement game-changing housing solutions.

Connection to Targets

The recommendations in this Action Plan address multiple performance target areas.

- **Housing:** Share of income spent on housing and transportation costs, displacement risk, and affordable housing
- **Economic development:** Access to jobs, middle wage job creation, and pavement maintenance
- **Resilience:** Climate protection, open space protection, and healthy and safe communities

What Actions Have the Regional Agencies Already Implemented for Housing?

To date, regional agencies have largely focused housing actions on funding planning grants, conducting the Regional Housing Needs Allocation (RHNA), conditioning transportation funds on local planning and the production of housing, using existing fund sources for incentives and direct investments in affordable housing, providing best practices and technical assistance, advocating the state legislature for statewide legislative proposals to reduce barriers to housing production, and hosting forums to further information sharing and policy solutions.

More specifically, MTC and ABAG have:

- Produced Regional Housing Needs Allocations (RHNA) and monitored RHNA performance by income-level
- Invested in the Transit Oriented Affordable Housing (TOAH) revolving loan fund
- Conditioned approximately \$600 million in One Bay Area Grant (OBAG) funds on the adoption of an approved housing element and conditioned nearly \$20 billion in transit expansion priorities on minimum zoning via TOD policy
- Awarded 51 PDA Planning grants to-date, which have led to increased zoning capacity for 70,000 housing units, 110,000 jobs and 26 million sq. ft. of commercial development. PDA Plans remove barriers to infill development by creating a predictable permitting process aligned with community objectives.
- Adopted a new OBAG framework in 2016 to increase incentives and direct investments for affordable housing
- Convened regional committees for housing including the Housing Forum, Housing Subcommittee of the Regional Planning Committee, and the upcoming Committee for Affordable and Sustainable Accommodations (CASA)
- Supported CEQA modernization and created an online guide to CEQA streamlining provisions

Two upcoming endeavors will improve the region's ability to address its chronic housing affordability challenges. The integration of MTC and ABAG staff will lead to more effective long-range planning and increase the region's housing policy capacities. The newly created CASA initiative will bring together

diverse interests to develop a Regional Housing Implementation Strategy. This work will likely evaluate and recommend a range of legislative, regulatory, financial, and market-related measures needed to provide for the region's housing needs at all income levels.



Housing in Santa Clara County.
Credit: Karl Nielsen

CASA

MTC and ABAG are coordinating the CASA initiative, a multi-sector blue-ribbon committee that will bring together diverse interests to identify game-changing solutions to the region's chronic housing affordability challenges. Core to this strategy will include an effort to replicate the region's success in generating local revenues for transportation by pursuing a regional "self-help" strategy for funding housing investments. A multi-county fee or bond measure, for example, could be among the suite of recommendations put forward by CASA.

This Action Plan makes the following recommendations for Housing:







Housing Actions	Partners and Timeframe
Advance funding and legislative solutions for housing: Implement the recommendations of CASA, in coordination with ABAG's Regional Planning Committee.	MTC/ABAG, CASA committee, local jurisdictions 
Continue recent housing successes: Implement the housing initiatives adopted in the One Bay Area Grant (OBAG) program, including the Naturally Occurring Affordable Housing (NOAH) preservation fund, JumpStart program, and funding for transportation conditioned on RHNA performance (80k by 2020 initiative).	MTC/ABAG, CMAs 
Spur housing production at all income levels and invest directly in affordable housing: Seek to include housing provisions or conditions in upcoming new funding sources (including planning grants), analyze applicability for additional regional funding sources to incentivize housing production and affordability. Continue to monitor and evaluate PDA performance.	MTC/ABAG, the Partnership, regional leaders 
Use housing performance to prioritize funding for long-range transportation projects: Continue to evolve RTP/SCS Project Performance methods to seek stronger alignment between prioritizing transportation projects and housing performance.	MTC/ABAG, CMAs 
Strengthen policy leadership on housing: Expand and transform regional agency technical assistance for local jurisdictions tailored to both Bay Area-wide challenges and challenges unique to specific parts of the region. Focus areas for technical assistance could include guidance on implementing state legislation for housing production, guidance on housing preservation and community stabilization policies and coordination of neighboring jurisdictions along transit corridors and in sub-regions to identify shared solutions to housing challenges.	MTC/ABAG, local jurisdictions 
Close data gaps for housing: Continue to collect, analyze, and disseminate information about housing opportunity sites, zoning, development trends and policy implementation by local governments to inform local, regional, and state policy development and evaluation; create accessible database of major development and publicly owned sites.	MTC/ABAG 

TABLE 5.1 Housing action plan.

Source: Metropolitan Transportation Commission, 2016

Economic Development

Creating a more affordable region also requires a Bay Area economy with greater economic opportunity and mobility. The Action Plan recommends expanding regional economic development capacity through establishing an Economic Development District while also focusing on increasing pathways to middle-wage jobs, preserving infrastructure, and increasing affordable transportation access to job centers.

Regional agencies — in partnership with business, workforce agencies and local jurisdictions — are working to establish a regional Economic Development District and accompanying Economic Development Strategy. This work will advance regional solutions related to business expansion and retention, workforce training, housing and workspace, and infrastructure improvements. This work will also enable the region to compete for public and private funding that can help leverage local assets in places poised for growth, particularly in communities of concern and other economically distressed areas.

Long-term economic growth also requires infrastructure investment. While the region has made substantial transportation investments, it still has unmet capital maintenance needs exceeding \$30 billion and some of the worst transit crowding and traffic congestion in the nation. Relieving transit crowding and increasing transit access will require broad regional coordination and planning. The region should also continue advocating for increases in funding for critical expansion projects, as well as maintenance of existing infrastructure.



Construction in San Francisco.
Credit: Karl Nielsen

This Action Plan makes the following recommendations for Economic Development:

Economic Development Actions	Partners and Timeframe
<p>Coordinate regional economic solutions and increase funding for economic development: Continue work on developing the region's Economic Development District and implement the action plan of the Comprehensive Economic Development Strategy.</p>	<p>MTC/ABAG, economic organizations, EDA, megaregional partners</p> <p>1-2 YEARS</p>
<p>Strengthen middle-wage job career paths for goods movement: Implement the recommendations of the Megaregional Goods Movement Cluster Study, which will focus on emerging industries and middle-wage jobs.</p>	<p>MTC/ABAG, freight businesses, megaregional partners</p> <p>1 - 4 YEARS</p>
<p>Increase transportation access to growing job centers: Broaden core capacity transit study partnership to cover a larger geography to plan for major transportation capital investments; move forward on planning efforts for a second Transbay Tube; continue to evaluate a means-based fare or other methods for reducing transportation costs for lower-wage workers.</p>	<p>MTC/ABAG, transit agencies, the Partnership, megaregional partners</p> <p>2 - 4 YEARS</p>
<p>Preserve existing infrastructure: Advocate for new revenues for transportation and continue focusing on "Fix It First" investments in keeping with long-standing MTC policy.</p>	<p>MTC/ABAG, state legislature</p> <p>1 YEAR</p>
<p>Preserve and enhance existing industrial lands: Establish criteria for Priority Production Areas to encourage local jurisdictions to plan for space needed for manufacturing, distribution and repair while assessing ways of meeting other critical needs such as housing.</p>	<p>MTC/ABAG, local jurisdictions</p> <p>2 - 4 YEARS</p>

TABLE 5.2 Economic Development Actions.

Source: Metropolitan Transportation Commission, 2016

Resilience

In response to emerging and increasingly pressing threats to the Bay Area's communities, ecosystem and economy, the Action Plan recommends continuing and expanding existing resilience efforts and developing creative funding solutions to implementing resilience projects.

Regional agencies have initiated several programs advancing resilience against sea level rise, flooding, and extreme events including earthquakes. In 2010, the Bay Conservation and Development District (BCDC) kicked off the Adapting to Rising Tides program, which evaluated vulnerability and risk along the shoreline of several communities and continues to be a platform for sharing best practices. More recently, the Bay Area Regional Collaborative (BARC), along with BCDC, have been awarded planning and design grants for assessing transportation vulnerability and developing design solutions for climate-related challenges.

Regional agencies have also collaborated with the Environmental Protection Agency, FEMA, and the California Earthquake Authority on recommendations for resilient housing, both for earthquakes and flooding. This collaboration established the Resilient Housing Policy Initiative that helps jurisdictions access analysis and policy tools for the seismic retrofit of existing housing. The region should expand these efforts through outreach and technical assistance, as well as develop financial solutions to resilient housing and green infrastructure, especially for communities with high social vulnerability and exposure to natural hazards.

Recent Funding Successes for Resilience

Two recent grant awards will significantly advance the regional dialogue on climate vulnerability and develop workable solutions:

- **Caltrans and the Bay Area Toll Authority allocated \$1.2 million to continue to conduct a regional vulnerability assessment for transportation infrastructure, Priority Development Areas (PDA), Priority Conservation Areas (PCA) and disadvantaged and vulnerable communities. In addition to a regional vulnerability assessment, the project goals include developing a regional framework for identifying solutions and strategies to address vulnerability on an ongoing basis.**
- **The Rockefeller Foundation awarded a \$4.6 million grant to create the Bay Area: Resilient by Design Challenge. Bay Area leaders will work with international design teams to develop innovative and implementable design solutions for climate-related challenges in 10 sites across the Bay Area region. This project will last through 2018.**

This Action Plan makes the following recommendations for Resilience:







Resilience Actions	Partners and Timeframe
Develop a regional governance strategy for climate adaptation projects: Develop an institutional strategy for managing, coordinating, and implementing regional and local projects related to sea level rise.	BARC, MTC/ABAG, BCDC, Caltrans, local jurisdictions 
Provide stronger policy leadership on resilient housing and infrastructure: Expand guidance on resilient housing policies for earthquake, flooding, and fire, working in coordination with state and federal agencies and focusing on communities with high social vulnerability and exposure to natural hazards. Strengthen infrastructure lifelines to ensure that utilities can provide services under a variety of conditions and future scenarios.	MTC/ABAG, local jurisdictions 
Create new funding sources for adaptation and resilience: Pursue new funding opportunities, including innovative financing, for retrofits of buildings, retrofits of existing infrastructure, and infrastructure solutions to protect against flooding, earthquakes, and exposure to environmental health risks.	MTC/ABAG, BARC, BCDC 
Establish and provide a resilience technical services team: Broadly share best practices and grant opportunities for climate adaptation and natural hazard mitigation. Continue to assess vulnerabilities and identify workable solutions through public and private avenues. Integrate resilience into Priority Development Area (PDA) planning.	BARC, MTC/ABAG, BCDC 
Expand the region's network of natural infrastructure: Coordinate regional programs to preserve and expand natural features that reduce flood risk, strengthen biodiversity, enhance air quality, and improve access to urban and rural public space. Leverage existing initiatives—including Priority Conservation Areas (PCAs), the Resilient by Design Challenge, San Francisco Estuary Partnership, and Bay Restoration Authority—and partner with special districts and cities.	MTC/ABAG, BCDC, jurisdictions, utilities 
Establish the Regional Advance Mitigation Program (RAMP): Advance mitigation for infrastructure projects to strengthen regional biological conservation priorities. Work to secure off-site compensatory mitigation lands for multiple infrastructure projects in-advance of environmental reviews to improve both project delivery and conservation outcomes.	MTC/ABAG, Caltrans, RAMP coalition 

TABLE 5.3 Plan Bay Area 2040 “Action Plan” recommendations for resilience.

Source: Metropolitan Transportation Commission, 2016

Plan Bay Area 2040 Outreach Schedule

After a multi-year planning effort, the Draft Plan Bay Area 2040 was released for public review and comment on March 31, 2017. With this major milestone comes a round of public engagement, including nine open houses and three public hearings.

Open Houses and Public Hearings	Venue / Address	Date/ Time
Alameda County Open House	Fremont City Hall (City Council Chambers) 3300 Capitol Avenue Fremont	Thursday, May 4 6:30 p.m. to 8:30 p.m.
Contra Costa County Open House	Embassy Suites (Contra Costa Ballroom) 1345 Treat Blvd. Walnut Creek	Wednesday, May 10 6:30 p.m. to 8:30 p.m.
Marin County Public Workshop and Open House	Mill Valley Community Center 180 Camino Alto Mill Valley	Saturday, May 20 8:30 a.m. Registration/Open House 9 a.m. Presentation
Napa County Open House	Elks Lodge 2840 Soscol Avenue Napa	Monday, May 15 6 p.m. to 8 p.m.
San Francisco Open House	Bay Area Metro Center 375 Beale Street San Francisco	Wednesday, May 17 6:30 p.m. to 8:30 p.m.
San Mateo County Open House	Sequoia High School (Multi-Purpose Room) 1201 Brewster Avenue Redwood City	Thursday, May 4 6:30 p.m. to 8:30 p.m.
Santa Clara County Open House	Marriott Hotel (San Jose Ballroom IV-VI) 301 S. Market Street San Jose	Monday, May 22 6:30 p.m. to 8:30 p.m.
Solano County Open House	Solano County Events Center 601 Texas Street Fairfield	Monday, May 15 6 p.m. to 8 p.m.
Sonoma County Open House	Finley Community Center 2060 W. College Ave. Santa Rosa	Monday, May 22 6 p.m. to 8 p.m.
Public Hearing in San Francisco	Joint MTC Planning/ ABAG Administrative Committees Bay Area Metro Center, 375 Beale Street San Francisco	Friday, May 12 9:40 a.m. or immediately following Legislation Committee, whichever occurs later
Public Hearing in San Jose	MLK Library (Room 225) 150 E. San Fernando Street San Jose	Tuesday, May 16 6 p.m. to 8 p.m.
Public Hearing in Vallejo	Vallejo Naval and Historical Museum 734 Marin Street Vallejo	Thursday May 18 6 p.m. to 8 p.m.

In addition to the open houses and public hearings, we will hold four meetings with community-based organizations and nine briefings with elected officials (one in each county) during the months of April and May.

The deadline for public comment is 4 p.m., June 1, 2017. Submit comments to info@PlanBayArea.org.