



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

**Agenda Item 6**

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TO: Policy Advisory Council

DATE: April 5, 2017

FR: Georgia Gann Dohrmann, MTC

W.I. 1113

RE: MTC and ABAG Housing Principles

As MTC and the Association of Bay Area Governments (ABAG) move toward staff integration, the two agencies' legislative staff are coordinating on a set of housing principles that will serve as joint guidelines to inform our evaluation and advocacy around state and federal housing proposals. Below is a summary, and a more complete discussion of the principles is attached, for your consideration and feedback.

- Increase funding
- Incentivize production
- Enhance sustainability
- Prioritize infill development
- Lower the cost of housing production
- Limit hurdles
- Preserve affordability and combat displacement

A draft was presented at the March 15 ABAG Legislation and Governmental Organization committee, and staff are bringing this to the April 5 Housing Subcommittee meeting of the ABAG Regional Planning Committee for additional discussion. This has not yet gone to the MTC Commission or ABAG Executive Board for consideration.

**Attachment:**

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

**Housing Principles for MTC and ABAG 2017 State and Federal Legislative Advocacy**

*Draft: March 28, 2017*

The Bay Area's housing and transportation challenges are inextricably linked to the lack of affordable housing near jobs and high-quality transit service. Steep cuts to state and federal affordable housing programs have contributed to an estimated \$1.4 billion annual revenue gap in funding needed for Bay Area public agencies to meet the growing needs of the region's low- and moderate-income households, as determined in the 2015-2023 Regional Housing Needs Allocation (RNHA). Housing prices – driven by demand that has far outpaced supply – are pushing residents further away from job centers, degrading the Bay Area's quality of life and contributing to record congestion levels, increased greenhouse gas emissions (GHG) and displacement of existing residents.

Later this year, the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) expect to adopt *Plan Bay Area 2040 (Plan)*, a regional roadmap for accommodating projected household and employment growth as well as a transportation investment strategy. The *Plan* includes ambitious targets – driven by input from Bay Area residents – to support a growing economy, provide more housing and transportation choices, and reduce transportation-related pollution in the region. The Bay Area must build more housing to create strong, equitable, and sustainable communities and maintain the region's position as a leading state and national economic engine.

Therefore, MTC and ABAG recommend the following principles to guide engagement on state and federal housing proposals:

- **Increase funding** – Augment state funding sources for affordable housing to assist local jurisdictions and the region in meeting the daunting need to create and preserve affordable housing units. Leverage state funds by incentivizing local agencies to raise their own funds and issue permits for affordable housing.
- **Incentivize production** – Reward progress toward reaching housing production goals by tying production to other infrastructure-related investments, including leveraging state funds to incentivize increased housing supply near high-quality transit service.
- **Enhance sustainability** – Support approaches that will help the Bay Area meet air quality and climate change goals, improve resilience to natural hazards, and protect open space, consistent with *Plan Bay Area 2040*.
- **Prioritize infill development** – Support efforts to significantly increase housing production, especially compact, mixed-use development in locally-designated priority development areas (PDAs), housing element sites, and job centers.
- **Lower the cost of housing production** – Support reforms to expedite project delivery and reduce production costs without diminishing environmental standards and safeguards. In addition to California Environmental Quality Act (CEQA) streamlining, support options to reduce the cost of permitting and construction, including modular construction.
- **Limit hurdles** – Projects that conform to community, regional, and state policy should receive permits and get built. Enforce existing state laws and mandates, including the Housing Accountability Act and RNHA goals. In addition, reduce monetary and regulatory hurdles to building accessory and secondary dwelling units, tiny houses, and micro units.
- **Preserve affordability and combat displacement** – Preserve existing stock of deed-restricted and naturally-occurring affordable housing.