

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

November 3, 2023

Agenda Item 7a

MTC Resolution No. 4618 and ABAG Resolution No. 15-2023: Priority Sites Approval

Subject:

Background information on the Priority Sites program and request that the Committee refer MTC Resolution No. 4618 to the Commission for approval and ABAG Resolution No. 15-2023 to the Executive Board for approval. Following approval, projects on adopted Priority Sites will be eligible for current and potential future funding and technical assistance and will be integrated into relevant Plan Bay Area 2050+ strategies.

Background:

In March 2023, the Commission and ABAG Executive Board approved Resolutions 4367 and 10-2023, respectively, establishing eligibility criteria for Priority Sites, and directed staff to solicit nominations. Also in March, MTC approved \$28 million for the Priority Sites Program, including program development and predevelopment funding for pilot projects, in its application to the California Department of Housing and Community Development (HCD) for the second Regional Early Action Program (REAP 2.0). The criteria and approved funding grew out of a Plan Bay Area 2050 Implementation Plan initiative to advance two of the Plan's highest-impact housing strategies—*Accelerate the Reuse of Publicly Owned Land for Mixed-Income Housing and Essential Services* and *Transform Aging Malls & Office Parks into Neighborhoods*. The adopted criteria provide flexibility to enable nominations from cities of all sizes while also creating minimum standards to ensure that sites deliver regional housing, climate, and equity benefits. The criteria established three Priority Site designations: *Regionally Significant* sites with capacity for 500 or more homes, *Community Anchors* with capacity for more than 100 homes accompanied by at least 10,000 square feet of community-serving space, and *Public Sites Portfolio*—two or more sites owned by a public agency with combined capacity for 200 or more homes. All sites must be within a Plan Bay Area 2050 Growth Geography or Transit Priority Area (which includes all areas subject to the Transit-Oriented Communities (TOC) Policy). Finally, nominees must commit to maximizing the share of affordable homes on each site.

Priority Sites Nomination Window

As directed by the Commission and ABAG Executive Board, beginning in April 2023, staff engaged extensively with local jurisdictions, developers, County Transportation Authorities, community-based organizations and other stakeholders to solicit nominations. This included multiple presentations to gatherings of planning directors in each County, weekly “office hours” to guide prospective nominees through the application process, direct outreach to individual cities, and recorded webinars providing step-by-step guidance for identifying and nominating eligible sites. Nominations were due September 30, 2023. Staff received nominations for 211 sites, and staff recommends approving all nominations, which includes one site contingent on the completion of necessary transit improvements. With multiple nominations from every Bay Area county, this first set of Priority Sites ranges from large-scale mall reuse projects (e.g., Solano Town Center in Fairfield and the Great Mall in Milpitas), clusters of sites surrounding rail stations expected to act as catalysts in connecting the region’s transit network (e.g. Millbrae, Union City), underutilized city-owned parking lots in historic downtowns (Santa Rosa and San Rafael), and military base reuse projects (Alameda Point, Concord Community Reuse Project). In addition to documenting consistency with location, development capacity, and affordability criteria, site nominees identified funding and technical assistance needs reflecting the various site planning and development phases. For example, sites recently identified in a Housing Element often need technical assistance to conduct early-stage analysis, engagement, and conceptual design. In contrast, sites with entitled projects typically require predevelopment funding and a source of permanent financing. In many cases, sites need infrastructure improvements—either as part of an entitled project or to prime a site for reuse.

MTC, ABAG, and BAHFA anticipate meeting some of these needs through the predevelopment funding approved by MTC in spring 2023 with REAP 2.0 funds, prioritizing projects with sufficient readiness, alignment with Plan Bay Area 2050, and that advance the three REAP 2.0 goals (accelerating infill development, affirmatively furthering fair housing, and reducing vehicle miles traveled). This predevelopment funding would support an anticipated 6-10 projects that could yield 750 to 3,000 affordable homes. Staff is exploring potential additional REAP 2.0 funds for targeted technical assistance, which could include supporting local governments to issue requests for proposals for public parcels, conceptual studies, or environmental or other site

preparation work. All such assistance provided with REAP 2.0 funds is contingent upon state approval of MTC's application and is expected to be made available in spring 2024. Moreover, MTC has submitted a proposal to a new grant program offered by the U.S. Department of Housing and Urban Development that could support additional technical assistance. However, the timing of the award and potential timing for the availability of funds is still to be determined. In addition, regionwide technical assistance resources produced by MTC and ABAG, such as the Public Lands Playbook and Mall and Office Reuse Guide, will continue to offer guidance and templates to assist local staff and project sponsors—particularly those with early-phase projects. However, given the volume of nominations, additional resources will be needed to design, entitle, and complete the majority of nominated sites. This will likely require additional state and federal advocacy, coupled with new Bay Area sources, such as the potential 2024 regional housing bond measure that BAHFA is authorized to place on the ballot.

Next Steps:

Pending approval by MTC and ABAG, eligible activities on the Priority Sites listed in Attachment A of each resolution will be eligible for ongoing technical assistance, funding opportunities, and targeted grants. In addition, these sites will be reflected in relevant Plan Bay Area 2050+ strategies and in the Plan's growth framework.

Issues:

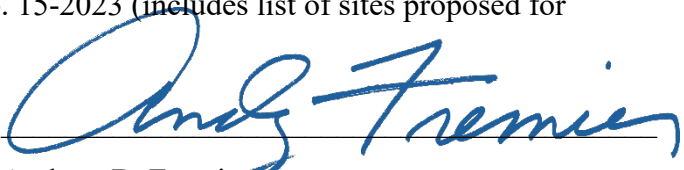
None.

Recommendations:

Refer MTC Resolution No. 4618 to the Commission and ABAG Resolution No. 15-2023 to the ABAG Executive Board for approval, respectively.

Attachments:

- Attachment A: Presentation
- Attachment B: MTC Resolution No. 4618 (includes list of sites proposed for approval)
- Attachment C: ABAG Resolution No. 15-2023 (includes list of sites proposed for approval)



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