

A G E N D A

ABAG EXECUTIVE BOARD MEETING NO. 392

Thursday, May 16, 2013, 7:00 PM

MetroCenter Auditorium
101 8th Street (at Oak Street)
Oakland, California

- 1. CALL TO ORDER & PLEDGE OF ALLEGIANCE**
- 2. PUBLIC COMMENT**
- 3. ANNOUNCEMENTS**
- 4. PRESIDENT'S REPORT**
- 5. EXECUTIVE DIRECTOR'S REPORT**
- 6. CONSENT CALENDAR**

ACTION. Unless there is a request by a Board member to take up an item on the consent calendar separately, the calendar will be acted upon in one motion.

A. Approval of Executive Board Summary Minutes**

Summary Minutes of Meeting No. 391 held on March 21, 2013.

B. Grant Applications**

With Board consent, ABAG will transmit the attached list of federal grant applications to the State Clearinghouse. These applications were circulated in ABAG's Intergovernmental Review Newsletter since the last Executive Board meeting.

C. Authorization to Renew Agreement with Michael J. Arnold and Associates, Legislative Advocate**

Authorization is requested to renew the agreement with Michael J. Arnold and Associates in an amount not to exceed \$60,000 to provide legislative advocacy on behalf of ABAG in Sacramento.

The ABAG Executive Board may act on any item on this agenda.

Agenda and attachments available at [ABAG Home Page](#)

For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913.

Agenda

D. Authorization to Enter Into Agreement with Environmental Protection Agency**

Authorization is requested to approve the annual ABAG/SFEP application for funds under the National Estuary Program and authorize the Executive Director or designee to enter into a new cooperative agreement or amendment with EPA on behalf of the San Francisco Estuary Partnership to provide technical, public involvement and administrative support in implementing the Comprehensive Conservation and Management Plan (CCMP). The agreement term will be through September 30, 2014.

7. UPDATE ON PLAN BAY AREA**

Information/ACTION. Miriam Chion, ABAG Planning and Research Director, will provide an overview of the draft plan and EIR, major comments and key issues to be addressed in the Plan.

A. Draft Plan Bay Area and EIR highlights (Information)

B. Comments on Plan Bay Area (Information)

C. Key Issues for Discussion (Information)

1. Affordable housing and displacement risk
2. Job growth and opportunity industries
3. Open space and agricultural land
4. Regional resiliency

D. SB 375 Provisions for Development Entitlement Process (Action)

8. COORDINATION WITH US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

Information. Miriam Chion, ABAG Planning and Research Director, will summarize correspondence with state and federal agencies on equity concerns and fair housing issues related to the Regional Housing Need Allocation.

9. REGIONAL HOUSING NEED ALLOCATION**

Information/ACTION. Gillian Adams, ABAG Regional Planner, will present recommendations of the RHNA Appeal Committee and an interjurisdictional transfer of units and will request Board approval.

10. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**

Information/ACTION. Committee Chair David Rabbitt, Supervisor, County of Sonoma, will report on Committee activities and request Board approval of Committee recommendations.

11. FINANCE & PERSONNEL COMMITTEE REPORT**

Information/ACTION. Committee Chair John Gioia, Supervisor, County of Contra Costa, will report on Committee activities and request Board approval of Committee recommendations.

12. ADJOURNMENT

The next meeting of the Executive Board is June 20, 2013.

Submitted:



Ezra Rapport, Secretary-Treasurer

SUMMARY MINUTES (DRAFT)

ABAG Executive Board Meeting No. 391
Thursday, March 21, 2013
Joseph Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Mark Luce, Supervisor, County of Napa, called the meeting to order at approximately 7:03 p.m.

A quorum of the Board was present.

Representatives and Alternates Present	Jurisdiction
Councilmember Desley Brooks	City of Oakland
Councilmember Ronit Bryant	City of Mountain View
Councilmember Kansen Chu	City of San Jose
Supervisor Malia Cohen	County of San Francisco
Mayor Pat Eklund	City of Novato
Jason Elliott, Dir, Leg/Gov Affairs	City of San Francisco
Mayor Leon Garcia	City of American Canyon
Supervisor John Gioia	County of Contra Costa
Mayor Pedro Gonzalez	Cities in San Mateo County
Supervisor Scott Haggerty	County of Alameda
Mayor Bill Harrison	City of Fremont
Councilmember Dave Hudson	City of San Ramon
Supervisor Mark Luce	County of Napa
Supervisor Eric Mar	County of San Francisco
Supervisor Karen Mitchoff	Count of Contra Costa
Kelly Pretzer, Office of the Mayor	City of San Francisco
Mayor Julie Pierce	City of Clayton
Councilmember Joe Pirzynski	Town of Los Gatos
Mayor Harry Price	City of Fairfield
Mayor Jean Quan	City of Oakland
Supervisor David Rabbitt	County of Sonoma
Supervisor Katie Rice	County of Marin
Councilmember Libby Schaaf	City of Oakland
Supervisor Linda Seifert	County of Solano
Supervisor Warren Slocum	County of San Mateo
Supervisor Richard Valle	County of Alameda
Representatives Absent	Jurisdiction
Supervisor David Cortese	County of Santa Clara
Vice Mayor Richard Garbarino	City of South San Francisco
Councilmember Ash Kalra	City of San Jose
Director William Kissinger	RWQCB
Councilmember Sam Liccardo	City of San Jose
Councilmember Jake Mackenzie	City of Rohnert Park
Supervisor Dave Pine	County of San Mateo
Mayor Tim Sbranti	City of Dublin
Joaquin Torres, Office of the Mayor	City of San Francisco
Supervisor Mike Wasserman	County of Santa Clara

President Luce led the Board and the public in the Pledge of Allegiance.

President Luce welcomed new Board members Mayor Bill Harrison, City of Fremont, Supervisor Warren Slocum, San Mateo County Board of Supervisors, and returning Board Member Supervisor Malia Cohen, City and County of San Francisco.

2. PUBLIC COMMENT

There was no public comment.

3. ANNOUNCEMENTS

Eric Mar, Supervisor, City and County of San Francisco requested that correspondence from the federal Housing and Urban Development and the state Housing and Community Development to ABAG be distributed and asked that this matter be placed on the agenda of a future meeting.

Pat Eklund, Mayor, City of Larkspur, suggested that the Administrative Committee or another forum review the state Housing and Community Development and Department of Finance's population data.

Pedro Gonzalez, Mayor, City of South San Francisco, commented on the Water Emergency Transportation Authority and the ferry service from South San Francisco to Jack London Square.

4. PRESIDENT'S REPORT

President Luce reported on the following:

The General Assembly and Business Meeting on April 18th and the theme for this is *Planning for People and Places*. City and county delegates are required to attend this annual meeting. All Executive Board members are encouraged to attend. The keynote speaker is Robert Reich, former US Labor Secretary and current Professor in the School of Public Policy at UC Berkeley. The *Growing Smarter Together Awards* will be presented during the luncheon.

The annual Legislative Workshop and Reception was held on February 27th in Sacramento. Senators Mark Leno and Mark DeSaulnier participated along with the Legislative Directors for a few Assemblymembers who were away at a retreat and could not attend.

The Administrative Committee annual retreat was held on February 28th and March 1st in Napa.

5. EXECUTIVE DIRECTOR'S REPORT

Ezra Rapport, ABAG Executive Director, announced the appointment of Brad Paul as Deputy Executive Director. He also reminded members to file their FPPC Statement of Economic Interest with ABAG.

6. ABAG CONSENT CALENDAR

President Luce recognized a motion by Eklund, which was seconded by Dave Hudson, Councilmember, City of San Ramon, to approve the Consent Calendar. The motion passed by unanimously.

A. Approval of Executive Board Summary Minutes**

Summary of Minutes of Meeting No. 391 held on January 17, 2013.

B. Grant Applications**

A list of grant applications was approved for submission to the State Clearinghouse, having been circulated in ABAG's "Intergovernmental Review Newsletter" since the last Executive Board meeting.

C. Appointment to Committees

The Board approved appointments to the following committees:

Legislation and Governmental Organization Committee

Harry T. Price, Mayor, City of Fairfield

Linda J. Seifert, Chair, Board of Supervisors, County of Solano

Regional Planning Committee

Julie Combs, Councilmember, Santa Rosa

Joint Policy Committee

Jean Quan, Mayor, City of Oakland

Administrative Committee

Pat Eklund, Mayor, City of Novato

Jean Quan, Mayor, City of Oakland

San Francisco Bay Restoration Authority

Roseanne Foust, Councilmember, Redwood City (South Bay Seat)

Keith Caldwell, Napa County Supervisor (North Bay Seat)

John Gioia, Contra Costa County Supervisor (East Bay Seat)

Dave Cortese, Santa Clara County Supervisor (Bayside City/County Seat)

John Sutter, Director, East Bay Reg. Park Dist. (Bayside City/Park District Seat)

Samuel Schuchat, Executive Officer, California Coastal Conservancy (Chair)

D. Contracts Approved by ABAG between \$20,000 and \$50,000

ABAG entered into one contract with the University of California at Berkeley Fisher Center for Real Estate totaling \$34,505 since the last Executive Board meeting.

E. Approval of Resolution No. 02-13 Endorsing the San Francisco Bay Area Water Trail

The Board approved Resolution No. 02-13 endorsing the San Francisco Bay Area Water Trail and encouraging shoreline jurisdictions to adopt local resolutions of support and integrate Water Trail policies into local plans to realize the vision of the San Francisco Bay Area Water Trail.

F. Authorization to Ratify Agreement with County of Marin to Provide Technical Support for Permit Writing

The Board ratified an agreement with County of Marin and authorized the Executive Director or designee to enter into agreement with the County to provide technical staff resources to the San Francisco Bay Regional Water Quality Control Board for permit writing assistance.

G. Authorization to Ratify Interagency Agreement with Sonoma County Water Agency

The Board ratified an agreement with the Sonoma County Water Agency and authorization for the Executive Director or designee to enter into agreement with the Sonoma County Water Agency to provide technical staff resources to the San Francisco Bay Regional Water Quality Control Board.

H. Adoption of Resolution No. 03-13 Authorizing Filing of Notice of Categorical Exemption Under CEQA for San Pablo Avenue Green Stormwater Spine Project

The Board approved Resolution No. 03-13 confirming CEQA Determination for San Pablo Avenue Green Stormwater Spine Project.

7. TRANSBAY CENTER PROJECT**

Robert Beck, Senior Program Manager, Transbay Joint Powers Authority, presented the strategy and current status of the region's Transbay Transit Center Project. He introduced the creation of the Transbay Joint Powers Authority, provided a program overview and phasing, gave a status of construction and timeline, and provided planning context for the project.

Members discussed the Transit Center Project's connection with the Sustainable Communities Strategy; excavation materials disposition; office space and jobs; sea level rise impacts; and the Highway 280 extension demolition and redevelopment.

8. PLAN BAY AREA PROCESS AND SCHEDULE**

Miriam Chion, ABAG Planning and Research Director, updated the Board on Plan Bay Area and discussed the Public Hearing schedule and release of the final draft document, which will be released in compliance with Senate Bill 375. She described the Elected Officials Briefings and Public Workshops, Community Based Organizations meetings, and the Draft EIR Hearings. She compared the forecasts by ABAG and the Department of Finance. She reviewed Plan Bay Area key messages.

Rapport noted that the state Department of Finance did not use employment forecasts data for the San Francisco Bay Area as it did with other regions, and that the department will make efforts to correct this in the future.

Members discussed Orinda Watch and other local community organizations concerned about ABAG's forecasts; the difference between the Department of Finance and ABAG's forecasts; the difference between Plan Bay Area and the Regional Housing Need Allocation forecasts; developing a communications strategy; meeting with HCD and DOF regarding projections; format of the open houses and public hearings.

The Board recessed at 8:45 p.m.

The Board reconvened at 8:54 p.m.

9. BAY AREA REGIONAL DISASTER RESILIENCE ACTION PLAN INITIATIVE**

Danielle Hutchings Mieler, ABAG Earthquake and Hazards Program Coordinator, briefed the Board on ABAG's Regional Resilience Initiative and requested adoption

of the Resilience Initiative Policy Papers and Action Plan. She reviewed the goals and objectives of the initiative, discussed resilience to disasters, reviewed the plan focus areas, and listed priorities for implementation. She requested that the Board refer the initiative implementation phase to the Regional Planning Committee.

Members discussed outreach to medical districts and medical community, and retrofit of soft-story structures.

President Luce recognized a motion by Jean Quan, Mayor, City of Oakland, which was seconded by Ronit Bryant, Councilmember, City of Mountain View, to adopt the Resilience Policy Papers and Action Plan and to refer the initiative implementation phase to the Regional Planning Committee. The motion passed unanimously.

10. ADMINISTRATIVE COMMITTEE REPORT

President Luce reported that the Administrative Committee met for its Annual Retreat on February 28th and March 1st in Napa. Sessions included a discussion of the Green Business Program; an overview of the Resilience Initiative providing background on the region's previous work with a previous State Administration where there was great interest in working with ABAG and the region in its role as long-term disaster recovery coordinator; ABAG's role in implementation of Plan Bay Area., which include housing, economic development and land use research and policy development, including messaging and a series of open houses and public workshops; developing a plan for better involvement and utilization of ABAG delegates and alternates; and ABAG's Strategic Plan and suggestions for updating it.

11. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT

Committee Chair David Rabbitt, Supervisor, County of Sonoma, reported on Committee activities and asked Board approval of Committee recommendations and pending legislation, including the following: approval of the January 17, 2013 meeting minutes; new legislation proposed in 2013 state legislative session, including SB 391 (DeSaulnier) California Homes and Jobs Act of 2013, support; SB 792 (DeSaulnier) Regional Entities: Bay Area, watch; AB 416 (Gordon) California Air Resources Board: Local Emission Reduction Program, support; AB 453 (Mullin) Sustainable Communities, support; AB 662 (Atkins, Dickinson, Mitchell, Perea, Ting and Torres) Local Government: Infrastructure Financing Districts, support; AB 745 (Levine) Land Use: Housing Element, watch; AB 1002 (Bloom) Vehicles: Registration Fee-Sustainable Communities Strategy, oppose unless amended; AB 1080 (Alejo) Community Revitalization and Investment Authorities, support; AB 185 (Roger Hernandez) Open and Public Meetings: Televised Meetings, oppose; ACA 8 (Blumenfield) Local Government Financing: Voter Approval, watch; SCA 11 (Hancock) Local Government: Special Taxes-Voter Approval, support; SCA 4 (Luz), Local Government: Transportation Projects, Special Taxes-Voter Approval, oppose; a report on a proposed San Francisco ordinance amending the Building Code to establish a mandatory seismic retrofit program; and a report on the legislative workshop and reception. The committee heard a report on federal income tax limit exemptions for municipal bonds, and a report on SB 299 (DeSaulnier) Lost or Stolen Firearms fact sheet.

President Luce recognized a motion Chair Rabbitt, which was seconded by Karen Mitchoff, Supervisor, County of Contra Costa, to accept the committee report. The motion passed by consensus, with Hudson voting nay on AB 416.

12. FINANCE & PERSONNEL COMMITTEE REPORT

John Gioia, Supervisor, County of Contra Costa, reported on Committee activities and asked Board approval of Committee recommendations, including the following: election of Gioia as committee chair and Bill Harrison, Mayor, City of Fremont, as vice-chair; potential appointment of representative to Administrative Committee; approval of minutes of January 17, 2013 meeting; report on December 2012 and January 2013 financial reports; report on potential financial impacts of Affordable Care Act; report on allocation of funds received from class-action settlements.

President Luce recognized a motion by Supervisor Gioia, which was seconded by Julie Pierce, Mayor, City of Clayton, to accept the committee report. The motion passed unanimously.

13. ADJOURNMENT

President Luce adjourned the meeting of the Board at approximately 9:34 p.m.

Submitted:

Ezra Rapport, Secretary-Treasurer

*** Attachments sent to ABAG Executive Board Members.*

For information on the L&GO Committee, contact Patricia Jones at (510) 464 7933 or PatJ@abag.ca.gov, or Kathleen Cha at (510) 464 7922 or KathleenC@abag.ca.gov.

All ABAG Executive Board meetings are recorded. To arrange for review of audio recordings, please contact Fred Castro, Clerk of the Board, at (510) 464-7913 or FredC@abag.ca.gov.

**Association of Bay Area Governments
Executive Board
Thursday, May 16, 2013
Project Review**

.1 Federal Grant Applications Being Transmitted to the State Clearinghouse
ABAG staff has transmitted the following federal grant applications to the State Clearinghouse. These applications were circulated in ABAG's Intergovernmental Review Newsletter since the last Executive Board meeting. No comments were received on these projects. If the Executive Board wishes to take a position on any of these projects, it should so instruct the staff.

Sonoma

Applicant: City of Sebastopol Public Works Department
Program: USDA
Project: Arsenic Treatment
Description: Arsenic Treatment for City wells 6 & 7, short term work on well 7 to make it operational, feasibility study.
Cost: Total \$2,473,674.00 Federal \$2,473,674.00 State:
Applicant Local
Other
Contact: Richard Emig (707) 823-5331
ABAG Clearinghouse Numbe 15732

San Mateo

Applicant: San Mateo Transit District - Planning & Development Department
Program: FTA
Project: Bus and Bus Facilities Program
Description: Reconfiguration of San Carlos Transit Center; Purchase of 25 Hybrid Diesel/Electri Replacement Buses
Cost: Total \$11,171,965.00 Federal \$8,450,000.00 State:
Applicant Local \$2,721,965.00
Other
Contact: Rebecca Arthur (650) 508-6368
ABAG Clearinghouse Numbe 15733

ASSOCIATION OF BAY AREA GOVERNMENTS

*Representing City and County Governments of the San Francisco Bay Area



ABAG

A G E N D A

May 8, 2012

TO: Executive Board

FROM: Patricia M. Jones, Assistant Executive Director *P. Jones*

SUBJECT: Authorization to Renew Agreement with Michael J. Arnold and Associates,
Legislative Advocate

Authorization is requested to renew ABAG's agreement with Michael J. Arnold and Associates to provide legislative representation in Sacramento. The agreement will not exceed \$60,000 for one year beginning July 1, 2012. Mr. Arnold provides invaluable assistance to the agency in shepherding legislation through the legislative process, and monitoring legislation that impacts the Agency, its members, and the region. He also provides early alerts regarding pending legislation that may have impact on local government and the region. Mr. Arnold also assists in facilitating access to sometimes difficult to navigate state agencies. The agreement with Michael Arnold was initially entered into in 2001 and has been renewed annually.



MEMO

Submitted by: Judy Kelly
Director, San Francisco Estuary Partnership

Subject: Authorization to Enter into Agreement with US Environmental Protection Agency
(EPA)

Date: May 6, 2013

Executive Summary

The San Francisco Estuary Partnership (SFEP) is one of 28 programs mandated under Section 320: National Estuary Program (NEP) of the Clean Water Act. The US Congress appropriates funds each year for the NEP to be distributed through EPA. Each program is required to apply annually for the NEP funds. The funds are allocated equally to the 28 programs, for the fiscal year beginning October 1, 2013 each program will receive an estimated \$ 566,273.

ABAG/SFEP provides a project match of 1:68. ABAG will provide \$15,000 in-kind services and the State Water Resources Control Board will provide \$938,000 in-kind match for office space, computers, telephones, printing, mailing and other overhead expenses for 20 Estuary Partnership staff.

Recommended Action

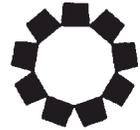
The Executive Board is requested to approve the annual ABAG/SFEP application for funds under the National Estuary Program and authorize the Executive Director or designee to enter into a new cooperative agreement or amendment with EPA on behalf of the San Francisco Estuary Partnership to provide technical, public involvement and administrative support in implementing the Comprehensive Conservation and Management Plan (CCMP). The agreement term will be through September 30, 2014.

Next Steps

When grant is received, the Executive Director or designee is authorized to sign the cooperative agreement or agreement amendment.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 18, 2013
To: Executive Board
From: Miriam Chion
Planning and Research Director 
Subject: **Draft Plan Bay Area and EIR Highlights**

Summary

For information, the attached presentation provides an overview of the Draft Plan Bay Area and Draft Environmental Impact Report (EIR).

Comments on the Draft Plan and Draft EIR are due on May 16, 2013. The Executive Board and Commission will take action on the Plan, EIR, and Regional Housing Needs Allocation (RHNA) at joint meeting in July.

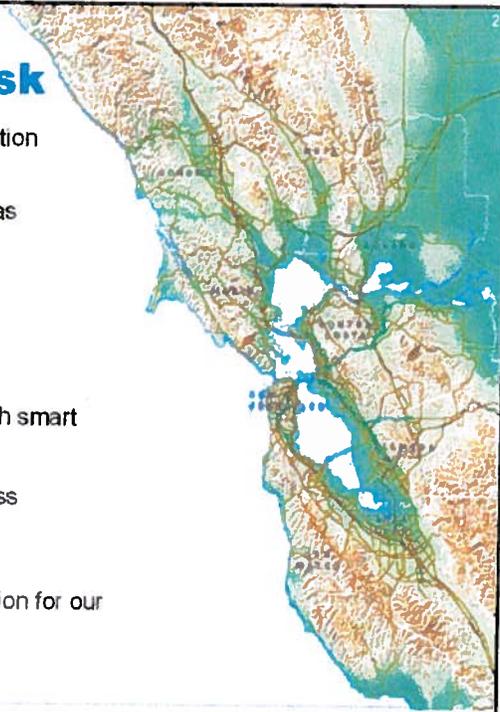
BayArea Plan

Draft Plan Bay Area and
Environmental Impact Report
Highlights

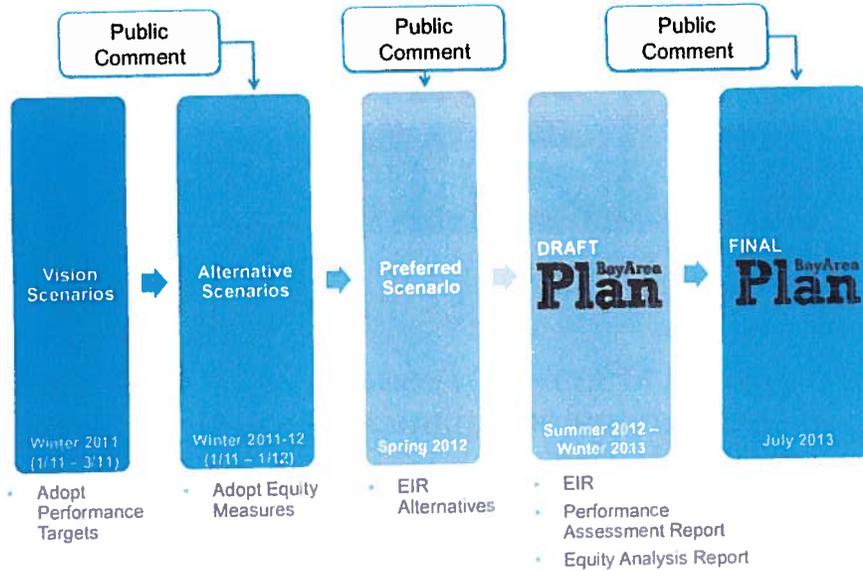
The Regional Task

- Integrate land use and transportation planning
- Reduce per capita greenhouse gas emissions
- House the region's population at all income levels
- Build on local plans
- Stretch available revenues through smart investments
- Increase economic competitiveness
- Preserve our natural environment
- Help ensure a healthy, vibrant region for our children and grandchildren

BayArea
Plan



Plan Bay Area Development Process



Draft Plan Bay Area = Preferred Scenario adopted May 2012

- Jobs-Housing Connection Strategy
- Transportation Investment Strategy



BayArea
Plan

Draft Plan Bay Area Growth Trends



Regional Growth

	2010	2040	Growth 2010-2040
Jobs	3,385,000	4,505,000	1,120,000
Population	7,151,000	9,299,000	2,148,000
Housing Units	2,786,000	3,446,000	660,000



Employment Trends

Knowledge-based and Service Industries Lead Job Growth

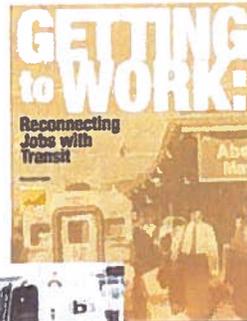
- Nearly 75% of new jobs in professional services, health and education, and leisure and hospitality



BayArea
Plan

Employment Trends

Knowledge sector and service sectors expected to grow have shown a strong preference for locations near transit in urban centers

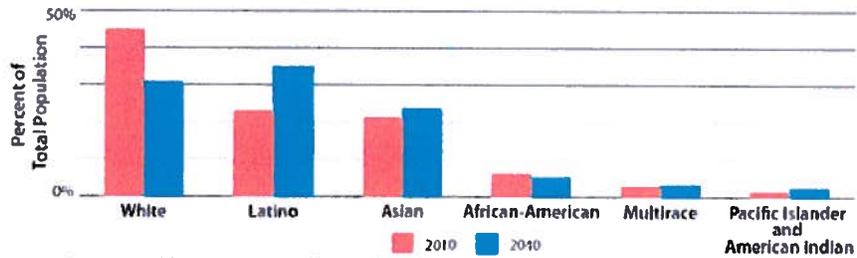


BayArea
Plan

Population Trends

Region will grow significantly more diverse.

Figure 1 Share of Population by Race and Ethnicity, 2010 and 2040

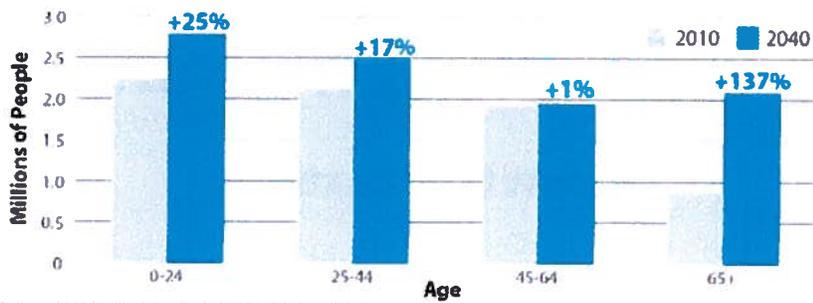


Sources: 2010 Census, California Department of Finance, ABAG

Population Trends

Senior population will grow dramatically.

Figure 2 Bay Area Population by Age, 2010 and 2040

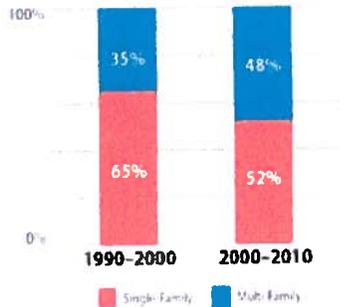


Sources: 2010 Census, California Department of Finance, ABAG

Housing Trends

Aging, more diverse population drives demand for multi-family housing near services and transit.

Figure 6 Bay Area Housing Construction By Type, 1990-2010



Source: ES&S Research



Draft Plan Bay Area

Growth Strategy



Regional Growth Strategy

Priority Development Areas

- Nearly 170 locally nominated areas in over 60 cities and counties
 - Within an existing community/Infill development area
 - Near existing/planned transit
 - Providing housing and/or jobs
 - Diversity of densities and community identities

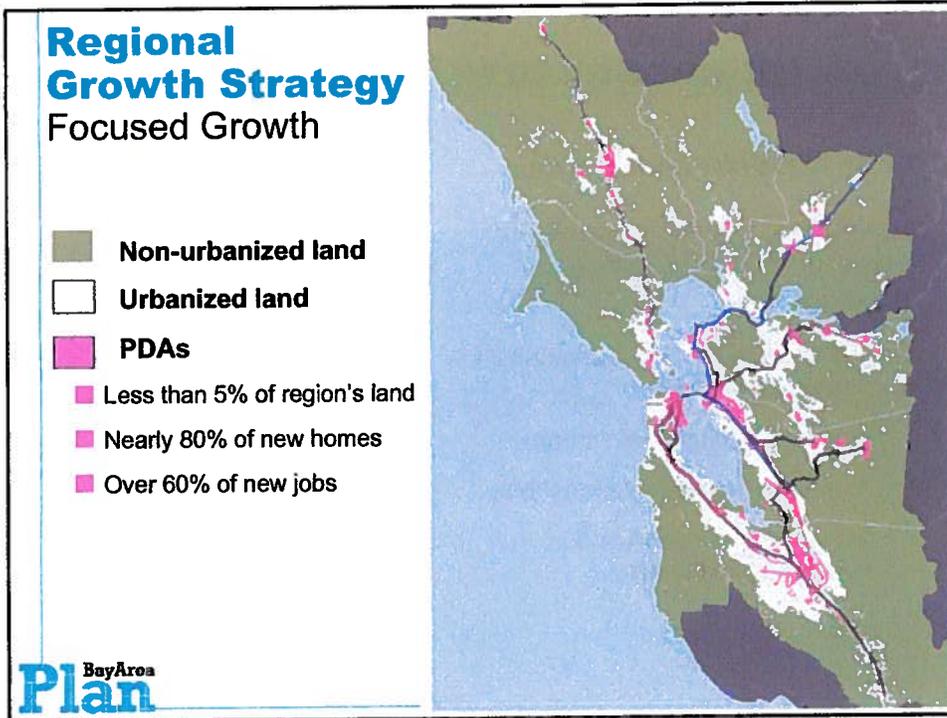


Regional Growth Strategy

Priority Conservation Areas

- Areas to be retained for open space or farmland to maintain quality of life
- More than 100 locally nominated areas





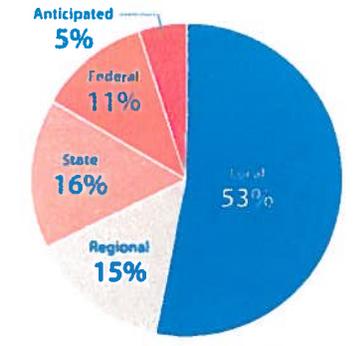
16

Draft Plan Bay Area

Investments

BayArea Plan

Revenue Forecast to 2040

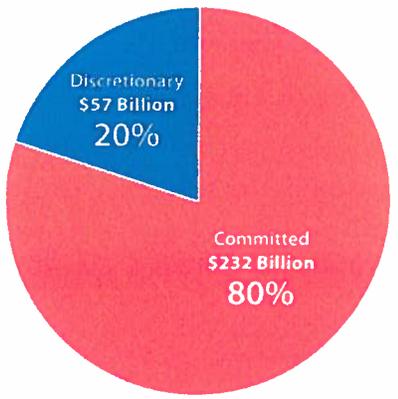


Source	YOFs billions	% of Total
Local	\$154	53%
Regional	\$43	15%
State	\$45	16%
Federal	\$33	11%
Anticipated	\$14	5%
Total	\$289	100%



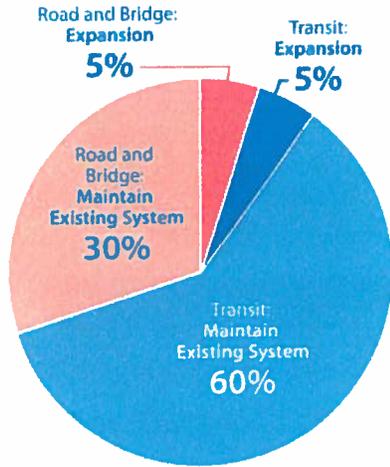
Committed vs. Discretionary Revenues

Total Revenue — \$289 Billion



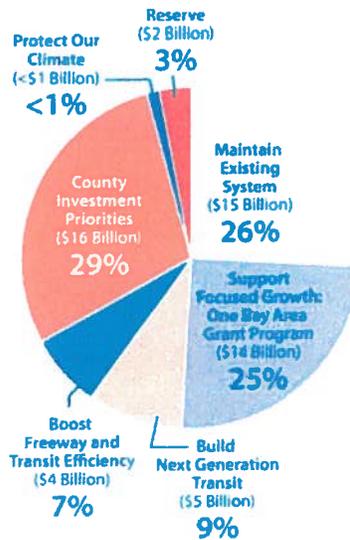
Committed Investments

Committed Revenue — \$232 Billion



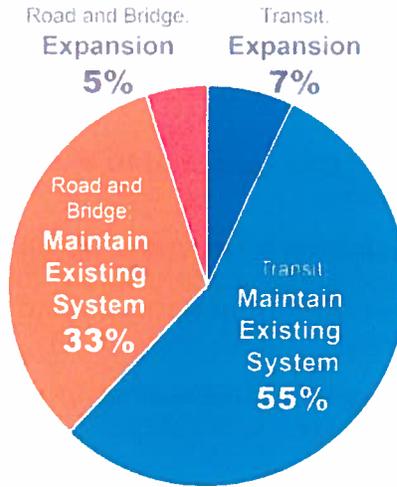
Discretionary Investments

Discretionary Revenue — \$57 Billion



Total Transportation Investments

Total Revenue-
\$289 Billion



Draft Plan Bay Area

Draft Environmental Impact Report

Draft Environmental Impact Report

1. Analyze and disclose the potential environmental effects of the adoption and implementation of the proposed Plan
2. Analyze a range of reasonable alternatives to the proposed Plan
3. Inform decision-makers, responsible and trustee agencies, and members of the public as to the range of environmental impacts of the proposed Plan
4. Recommend a set of measures to mitigate significant adverse impacts

Project (Draft Plan Bay Area)

Project	Summary
(Draft Plan Bay Area)	<ul style="list-style-type: none"> • Based on collaborative planning with cities and counties • Emphasizes growth in locally nominated Priority Development Areas • Preferred Regional Transportation Plan network; no additional taxes or fees assumed • Assumes targeted replacement of redevelopment funding • Assumes current proportion of inter-regional in-commute

No Project

Alternative	How does this alternative differ from the Plan?
No Project (Required)	<ul style="list-style-type: none"> • Urban footprint expansion reduces agricultural land (4,700 acres are affected) • Only fully funded new transportation projects • Increased highway congestion • Greater GHG emissions • Does not meet requirements of SB375; cannot be adopted as a Sustainable Community Strategy

Transit Priority Focus Alternative

Alternative	How does this alternatives differ from the Plan?
Transit Priority Focus	<ul style="list-style-type: none"> • Higher housing densities near high quality transit (e.g. BART) • Location and density of new development does not conform to local government input • Development fees used to shift new housing toward transit station areas • Reduced Express Lane Network • Higher peak period Bay Bridge tolls; funds additional BART and AC Transit investments

Enhanced Network of Communities Alternative

Alternative	How does this alternative differ from the Plan?
Enhanced Network of Communities <i>(Building Industry)</i>	<ul style="list-style-type: none"> • Based on input from the Building Industry; development pattern not reviewed by local jurisdictions • Includes approximately 18% higher household growth than ABAG forecast • Shifts growth to outlying communities with limited transit service • Reduces development and investment in Communities of Concern • Assumes reduction of inter-regional in-commute • Increased highway congestion • Higher peak period Bay Bridge tolls

Environment, Equity and Jobs Alternative

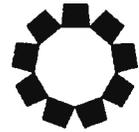
Alternative	How do these alternatives differ from the Plan?
Environment, Equity and Jobs	<ul style="list-style-type: none"> • Shifts growth from central cities to smaller, high-income communities • Location and density of new development does not conform to local government input • Uncommitted roadway expansion projects eliminated • VMT tax and higher peak period Bay Bridge tolls; funds increased transit service (except Muni) • Assumes high levels of housing subsidy

Remaining Plan Milestones



ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 18, 2013
To: Executive Board
From: Miriam Chion
Planning and Research and Research Director
Subject: **Comments on Plan Bay Area**

Summary

For information, this item includes two documents. (1) A summary the public comments received at the open house/public hearings held in each county in the region and (2) an overview of the difference between the recently released Department of Finance population forecast and ABAG economic and demographic projections.

Concerns expressed at the public hearings focused on the desire to retain local control of the entitlement process and concerns regarding the density of new growth planned for PDAs. The projections overview discusses the differences between the Department of Finance population projections which are based on the period between 2000 and 2010, ABAG's employment based forecast which the Department of Finance acknowledges as reasonable, and the Regional Housing need Determination.

Attachments

Summary of Public Hearing Comments
Overview of RHND, DOF, and Plan Bay Area Projections

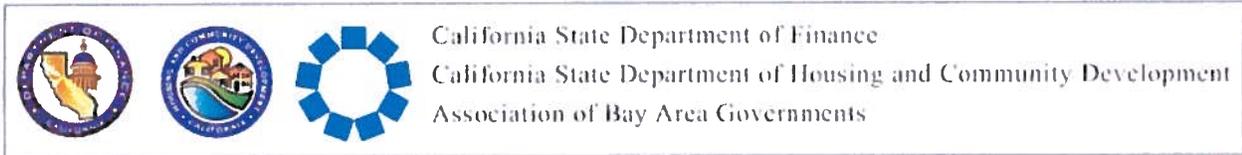
Executive Board, Item 7.b., Attachment 1

Summary of Public Hearing Comments

Public hearings and elected official briefings in each of the nine counties have been conducted throughout April and May to elicit public comment on the Draft Plan Bay Area, which was released on March 22nd with close of comments on May 16th at 4 p.m. At the same time, community members were encouraged to comment on the Draft Environmental Impact Report (EIR) which examines the proposed Plan and four alternatives, and the range of potential environmental impacts that could result from implementation of Plan Bay Area. The Draft EIR was released for public review on March 29th, with close of comment also on May 16th.

Multiple ways to comment were provided in addition to oral comments at public hearings and through polls. Comments could be mailed, e-mailed to info@OneBayArea.org, and individuals could participate in the online forum—Plan Bay Area Town Hall—commenting online on each chapter of the Plan. **A final report and compilation of comments will be compiled for ABAG-MTC review. To date, oral comments encompass some of the following issues:**

- Local land use control: many speakers expressed concern over whether future land use and housing decisions would remain under local control
- Appropriate Levels of affordable housing: opponents of the Plan argued too much housing is projected, while proponents said not enough affordable housing
- Population and job growth forecasts: uncertainty regarding population and job growth forecasts, which included lack of understanding of long term forecast methodology and distrust of population and job forecast numbers
- Job location and transportation access: Plan supporters seeing a need for even better job siting and alternative transportation proposals.
- Priority Development Areas: how they have been identified and approved by local cities/counties for future growth
- Greenhouse Gas Emissions and Sea Level Rise: general concern regarding level of attention provided to GHG emissions, and the siting of development on areas threatened by Sea Level Rise
- Environment, Equity and Jobs (EEJ) EIR Alternative comments included the following:
 - Plan for sufficient housing affordable to low-wage workers in all infill locations with access to jobs or transit
 - Strengthen OneBayArea Grant program to better incentivize local anti-displacement and affordable housing policies, e.g. Fund mitigations such as land banking and housing rehab



Overview of the Regional Housing Need Determination, DOF Population Projections and Plan Bay Area Forecast

This document was prepared by the **California Housing and Community Development Department (HCD)**, the **California Department of Finance (DOF)**, and the **Association of Bay Area Governments (ABAG)**. It provides key points regarding the differences across the Regional Housing Need Determination (RHND), the DOF Population Projections, and the Plan Bay Area Forecast as described by each of the responsible agencies. The chart below summarizes how the three efforts vary in purpose, methodology and timing.

	RHND (Housing Need Projections)	DOF Population Projections	Plan Bay Area Population Forecast
Period Covered	2014-2022 (8 years)	2010-2060 (50 years)	2010-2040 (30 years)
Purpose	Establish housing need for local housing elements	Project population by future fertility, mortality, and migration trends	Inform long term comprehensive regional strategies
Release Date	February 2012	January 2013	May 2012
Growth	187,990 housing units between 2014 and 2022	1.3 million people between 2010 and 2040	2.1 million people between 2010 and 2040

Key Points

- HCD, DOF and ABAG agree that economic trends need to be addressed in Plan Bay Area. ABAG’s 2.1 million population growth projection is directly tied to employment growth.
- DOF’s 2013 projections do not take into account the high job, migration, and population growth from 2010 to 2012.
- The RHND was finalized in February 2012. It was based on the most current information available at the time. By statute, the RHND cannot be changed.
- DOF and the regional planning agencies are working toward better ways to incorporate job growth forecasts into the DOF migration assumptions. DOF acknowledges that ABAG employment methodology and its impact on migration is reasonable.
- The ABAG growth forecast for population relies on DOF assumptions about births and deaths, and the ethnic composition of the population. ABAG will share the job growth forecast and land use trends analysis with DOF for its next projections.

California Housing and Community Development Department (HCD): Regional Housing Need Determination (RHND) based on Population Projections

In consultation with ABAG, HCD developed the RHND based on the partial availability of 2010 Census data, DOF 2011 interim population projections, and ABAG's draft forecast. It took into account the abnormally high vacancies and unique market conditions due to prolonged and atypical recessionary conditions and an unprecedented national foreclosure crisis.

The purpose of the RHND is to ensure the appropriate local planning for the supply and affordability of housing to meet the region's needs for its population and workers by income level. HCD finalized ABAG's regional housing need determination for the 2014-2022 projection period on February 24, 2012. There is no statutory provision authorizing HCD to amend a final RHND and/or change the RHND projection period.

California Department of Finance (DOF): 2013 Population Projections

DOF uses a baseline cohort-component method to project population by age, gender, and race/ethnicity. The baseline projection recognizes people have the right to migrate where they choose and no major natural catastrophes or war will befall the state or the nation. The migration projections for the Bay Area were based primarily on the 2000-2010 period.

A cohort-component method is a demographic model that traces people born in a given year through their lives. As each year passes, cohorts change due to mortality and migration assumptions. Applying fertility assumptions to the women of childbearing age forms new cohorts.

The DOF population projections depict only one possible course of future population change, i.e., the one reflecting assumed trends in fertility, mortality, and migration. The model does not consider employment, which is a major driver of migration. Thus, it is not a forecast of the most likely outcome. These projections do not necessarily show what is most desirable but rather what can be reasonably expected if recent historical trends continue until the year 2060.

Association of Bay Area Governments (ABAG): Plan Bay Area Forecast

Job growth is the main determinant of population growth in the ABAG regional growth forecast as in all major regional forecast modeling in California and around the nation.¹ ABAG job growth to 2040 is estimated as a share of U.S. projected job growth, based on an assessment of regional competitiveness by major industry sectors.

ABAG projections use DOF fertility and mortality assumptions to determine the amount of natural increase in the population. Migration, rather than being tied to recent trends, is a function of job growth. The theory of deriving migration forecasts linked to job growth is that most migration is the result of people moving to regions where job growth exceeds the number of workers supplied by the local economy and vice versa. For the Bay Area, the best example is the large number of people who migrated to the region from other parts of the state, nation and world during the high-tech and dot.com boom of the late 1990s and the exodus out of the region in the years when job losses occurred after 2000 when the boom ended.

¹ Population growth is tied to job growth in the regional projections produced by other regions (SCAG, SANDAG, SACOG, AMBAG, and SBCAG). In addition, job growth is the primary determinant of regional population growth in the models used by the three major national forecasting firms – IHS Global Insight, Regional Economic Models, Inc., and Moody's.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: May 18, 2013
To: Executive Board
From: Miriam Chion
Planning and Research Director 
Subject: **Key Land Use Issues to Address in Plan Bay Area**

Summary

This memo highlights four key issues for further discussion in Plan Bay Area. These issues represent consistent themes raised by elected officials and stakeholders following release of the Draft Plan. This memo describes these issues and how they are being addressed including parallel regional efforts.

Background

Following release of Draft Plan Bay Area, substantive themes have emerged regarding future policies and strategies for the implementation of Plan Bay Area. While these themes were identified in the Draft Plan as elements of an advocacy platform or as challenges for future action, more detail on key issues is provided in this memo to advance the discussion. The issues include:

1. Obtaining subsidies for affordable housing and reducing displacement
2. Integration job growth strategies with infrastructure and economic development
3. Identifying resources to preserve open space and agricultural land
4. Coordinated planning for improving regional resiliency and health

Purpose

These land use issues are presented to gather Board input on questions that staff would need to research and address prior to the July Board/Commission Meeting.

Executive Board

Key Land Use Issues to Address in Plan Bay Area

May 18, 2013

2

1. Obtaining subsidies for affordable housing and reducing displacement

The success of Plan Bay Area implementation hinges on increasing the availability of affordable housing. Production of affordable housing and community stability have been raised as critical issues to retain and improve the quality of life of existing communities, accommodate future growth, and address the labor needs of our business community. Priority Development Areas (PDAs) provide a policy framework that can support investments in disadvantaged communities as well as encourage housing production in communities with access to employment and educational opportunities. In this context, the retention and expansion of affordable housing in PDAs is expected to be targeted for significant investment to avoid the displacement of low-income households from these communities.

The Draft Plan and parallel regional efforts address affordable housing as follows:

- Invest additional \$10 million in the Transit-Oriented Affordable Housing (TOAH) fund, which leverages additional funding from private and community development funding and focuses on PDAs
- Congestion Management Agencies consider affordable housing and displacement policies in developing funding criteria for One Bay Area Grant projects, and will continue to track these policies.
- Consistent with Plan Bay Area, the Regional Housing Needs Allocation (RHNA) proposes higher shares of affordable housing in cities with major employment, transit and public services.
- The HUD Sustainable Communities Grant supports pilot projects that facilitate the production and retention of affordable housing. It will also provide a detailed assessment of displacement risks and develop policies to address those risks.

In the Plan Bay Area implementation section, additional priorities have been identified:

- Develop policies to improve the efficiency of the entitlement process for PDA housing projects.
- Support state legislation that increases funding for affordable housing and community infrastructure. In the 2013 legislative session, this includes: SB33 (Infrastructure financing districts-voter approval repeal); SCA 4 Liu (Local government: transportation projects: special taxes-voter approval); and SCA 8 Corbett (Transportation projects: special taxes-voter approval). We expect additional legislation will be introduced in coming sessions.
- Identify local and regional funding sources to support the production of affordable housing and expand public investments to address the risk of low-income household displacement.
- Consider inclusionary zoning policies to augment affordable housing production and public investments.

The ABAG Administrative Committee may act on any item on this agenda.

Executive Board

Key Land Use Issues to Address in Plan Bay Area

May 18, 2013

3

- Stabilize sources for affordable housing production, including a replacement for redevelopment agencies, as well as consistent funding levels for federal programs such as HOME and Community Development Block Grants (CDBG).
- Prioritize TOAH and other funding for PDAs with major housing responsibilities and high displacement risk.
- Support increased community engagement in low income neighborhoods of color in regional and PDA-focused planning processes.

2. Integrating job growth strategies with infrastructure and economic development

Plan Bay Area has been developed as the recent recession raised major concerns about the overall economic health of the region and the need to support job growth and business development. The first major concern is the creation of jobs that provide reasonable wages, open career ladder opportunities, and retain the competitiveness of the Bay Area. The second major concern is the infrastructure to support existing and future business in the knowledge-based sector, residential services, industrial activities and agriculture. The coordination between the regional agencies and the business community is reflected in several of the Draft Plan and other regional strategies:

- Integrate the location of jobs and regional transportation investments. More than 60% of future jobs and nearly 80% of future homes are located in transit-served PDAs, which will also be supported by infrastructure and planning funds through the One Bay Area Grant.
- Focus knowledge-based jobs in PDAs in core employment areas served by existing and future transit investments.
- Identify industries capable of providing career ladder job opportunities for low and middle income workers, and prioritize workforce training and job placement programs through HUD Sustainable Communities Grant.

Additional tasks to support a healthy regional economy are being considered. Priorities will be defined based on additional discussion and input. These may include:

- Support business organizations in the development of a comprehensive regional development strategy. Some preliminary steps have been led by the Joint Policy Committee.
- Identify economic development strategies appropriate to disadvantaged communities and small towns.
- Improve transit access and availability of services along mixed-use corridors and in existing office parks.
- Develop an online platform for collaboration among local jurisdictions, workforce boards, business organizations to identify local needs and resources, space availability, incentives, and training opportunities.

The ABAG Administrative Committee may act on any item on this agenda.

Executive Board

Key Land Use Issues to Address in Plan Bay Area

May 18, 2013

4

- Create model local land use and urban design guidelines for meeting the needs of growing industries, including those prioritized through the HUD Sustainable Communities Grant.
- Assess the region's need for industrial land to support green businesses and small businesses, agriculture infrastructure and goods movement.

3. Identifying resources to preserve open space and agricultural land

The FOCUS program set the stage for the integration of land use, open space, and transportation planning. The Draft Plan built upon this framework by targeting PDAs for growth and transportation investment and by seeking to protect habitat, recreation, and agricultural land through Priority Conservation Areas (PCAs). Open space preservation and agricultural vitality remain long-term challenges that will require a continued commitment to regional coordination. The Draft Plan and parallel regional efforts address open space and agricultural land preservation as follows:

- Provide \$10 million for a pilot program to support transportation and conservation projects aimed at protecting Priority Conservation Areas, which leverages additional funding from State agencies and foundations. This is part of the One Bay Area Grant (OBAG).
- Incorporate PCAs and open space protections into the development of the plan's projected land use pattern, which takes place almost entirely within the urban footprint.
- Support completion of the Bay Trail and Water Trail.

Other tasks have been identified to strengthen the long-term vitality of the region's open space network and agricultural economy. Additional discussion is required to prioritize the following:

- Expand PCA grant program, drawing upon the resources of a broader array of non-profit organizations, foundations and state and federal agencies, including sources specifically dedicated to acquisition and preservation.
- Update the PCA framework to more rigorously define the role of different kinds of PCAs in supporting agriculture, recreation, habitat, and other ecological functions. The update would draw upon recent data published by the Bay Area's scientific community.
- Identify stable funding sources for the Bay Trail, community open spaces in PDAs, and the Water Trail.
- Create a regional farmland protection plan led by a partnership of non-profit organizations, representatives of the agricultural industry, ABAG, and potentially state and federal agencies.
- Identify resources that can compensate land owners who provide biological or agricultural easements.

The ABAG Administrative Committee may act on any item on this agenda.

Executive Board

Key Land Use Issues to Address in Plan Bay Area

May 18, 2013

5

4. Coordinated planning for improving regional resiliency and health

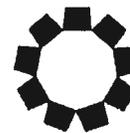
The long-term health of Bay Area communities, businesses, infrastructure investments and natural systems depends upon preparing for natural disasters and the impacts of climate change. Improved coordination between land use and transportation planning and planning for hazard mitigation, adaptation, and air quality has been a consistent theme throughout the Plan Bay Area process. The region's primary hazards include earthquakes, fires, and flooding, including future sea level rise. Air quality in infill development sites adjacent to major transportation corridors is also a concern. The Draft Plan and parallel regional efforts address resiliency and health in several ways:

- Prepare a package of ordinances for local jurisdictions to address resilience following earthquakes. Additional steps are considered based upon the Regional Earthquake Resilience Initiative.
- Assess the risks of climate change on infrastructure and communities in the Adapting to Rising Tides project—a collaborative effort between the regional agencies, Caltrans, the National Oceanic Atmospheric Administration (NOAA), and the Atmospheric Administration Coastal Services Center.
- Develop infrastructure resilience pilot project for the Oakland International Airport led by ABAG in partnership with the Rising Tides Project.

Additional tasks to support regional resilience and health are being considered. Priorities will be defined based on additional discussion and input. These may include:

- Develop healthy infill guidelines developed by the Bay Area Air Quality Management District (BAAQMD) in collaboration with ABAG and local jurisdictions. The guidelines address the challenge of ensuring community health in PDAs near major transportation corridors through the local planning process.
- Support guidelines for community risk assessments.
- Complete a multiple hazards assessment of Priority Development Areas
- Mitigation and adaptation recommendations regarding sea level rise for PDAs and different geographic areas of the region, setting the stage for greater integration into the next Plan Bay Area.

The ABAG Administrative Committee may act on any item on this agenda.



Date: May 3, 2013

To: Executive Board

From: Ezra Rapport
Executive Director

Subject: **SB 375 Provisions for Development Entitlement Process**

Summary and Recommendation

After adoption of Plan Bay Area (Plan) and certification of the programmatic Environmental Impact Report (EIR) for the Plan, cities and counties will have options for making the development entitlement process more efficient, utilizing provisions of SB 375 (see Chapter 4.2 “Implementation of the Sustainable Communities Strategy.”) To activate these SB 375 provisions, the regional agencies can adopt language in the reports that will allow for certain PDA development to be considered consistent with the Sustainable Communities Strategy (SCS). Staff recommends that the Executive Board support the concept of including a regional consistency determination to support these local options and authorize staff to develop the appropriate language for possible action by the Executive Board and the Metropolitan Transportation Commission (MTC) at our joint meeting in July.

Background and Discussion:

As required by SB 375, ABAG and MTC have prepared the draft Plan and a programmatic Draft EIR (DEIR) for the Plan. The land use component of the Plan is based on the Priority Development Areas (PDAs) approved by ABAG. Each PDA includes a specified range of residential uses based on density and for commercial and office uses based on intensity, along with a place type designation that coordinates these uses and ensures the development of complete communities. The DEIR has analyzed, at the regional scale, the environmental impacts of a PDA’s designated densities, intensities and place type.

Under the California Environmental Quality Act (CEQA), the final adopted programmatic EIR for the Plan can be used by cities and counties to (a) exempt a local project that qualifies as Transit Priority Projects (TPPs) from preparing an environmental impact report, (b) allow a local project to use a Sustainable Communities Environmental Assessment (SCEA) or (c) allow the EIR for a local project to tier off the EIR for the Plan. A local project benefits from using a SCEA or from tiering because the entitlement process becomes more efficient by drawing on the analysis from the EIR for the Plan. In addition, there is a tougher threshold for a legal challenge to the SCEA.

SB 375 Provisions for Development Entitlement Process

May 3, 2013

2

Cities and counties may use a SCEA or tier off the EIR for the Plan only if the local project is consistent with the Plan. In theory, the determination of consistency can be made at the local or regional level. Staff believes there may be a benefit to a process for making a consistency determination that has both a regional and a local component.

ABAG and MTC could include a regional determination of consistency in the Plan and/or the Plan EIR that covers all local projects that:

1. are located within a PDA that is in the Plan, and
2. have the same range of densities and intensities as in that PDA, and
3. have uses included in place type designation for that PDA.

However, the regional determination of consistency will not be sufficient by itself or binding on a city or county. A local project can use the SCEA or tier off the Plan EIR only if a city or county also makes a local determination of consistency for the project.

In addition, the Plan includes a forecast of development in areas that are not currently in PDAs. However, unlike the PDAs, these areas do not have an associated range of densities or intensities, or place type. Therefore, ABAG and MTC will not be making any regional determination of consistency for non-PDA areas.

Staff has discussed this concept with MTC staff. We have not undertaken the analysis associated with appropriate findings to enable a regional consistency determination. If the Executive Board and the MTC support this concept, staff will begin work with MTC and CEQA counsel to develop a proposal for your consideration and possible action in July.

Attachment to be mailed by Friday, May 10, 2013

MEMO

Submitted by: Gillian Adams, ABAG Regional Planner

Subject: Regional Housing Need Allocation (RHNA) Appeals and Transfers

Date: May 6, 2013

Executive Summary

Appeals

On July 20, 2012, ABAG released draft housing allocations as part of the Regional Housing Need Allocation (RHNA) process. At this point, each jurisdiction had the opportunity to submit a request to ABAG for a revision to its RHNA. If ABAG denied the request, then the jurisdiction could submit an appeal of ABAG's decision. Out of the fourteen jurisdictions that requested a revision, eight jurisdictions submitted appeals.

At its November 2012 meeting, the Executive Board established an ad hoc committee of the Board to hear the appeals. By statute, ABAG was required to hold a public hearing to hear the appeals. This public hearing took place on April 1, 2013. The Appeal Committee's recommendations are summarized below:

- City of Hayward: *Support appeal for reduction of 116 units.*
- City of Lafayette: *Support appeal for reduction of 27 units.*
- City of Mountain View: *Deny appeal.*
- City of Oakley: *Deny appeal.*
- City of Palo Alto: *Deny appeal.*
- City of San Ramon: *Deny appeal.*
- City of Saratoga: *Deny appeal.*
- City of Sunnyvale: *Support appeal for reduction of 531 units.*

Transfers

The City of Palo Alto and the County of Santa Clara have reached an agreement to transfer 200 moderate-income units from Palo Alto to the County.

Recommended Action

Staff respectfully recommends that the Executive Board:

- Adopt the Appeal Committee's recommendations to support the appeals submitted by the City of Hayward, the City of Lafayette, and the City of Sunnyvale and deny the appeals submitted by the City of Mountain View, City of Oakley, City of Palo Alto, City of San Ramon, and City of Saratoga.
- Approve the transfer of 200 moderate-income units from the City of Palo Alto's RHNA to the County of Santa Clara's RHNA.

Next Steps

ABAG Staff will release the final RHNA numbers on June 3, 2013. The Executive Board is scheduled to adopt the final RHNA on July 18, 2013.

Attachments:

- Memo - Regional Housing Need Allocation (RHNA) Appeal Committee Recommendations
- Letter From the City of Palo Alto Requesting a RHNA Transfer
- Letter from the County of Santa Clara Accepting Palo Alto's Transfer Request

MEMO

TO: ABAG Executive Board
FROM: Gillian Adams, Regional Planner
DATE: May 6, 2013
SUBJECT: Regional Housing Need Allocation (RHNA) Appeal Committee Recommendations

Background

On July 20, 2012, ABAG released draft housing allocations as part of the Regional Housing Need Allocation (RHNA) process. At this point, each jurisdiction had the opportunity to submit a request to ABAG for a revision to its RHNA. If ABAG denied the request, then the jurisdiction could submit an appeal of ABAG's decision. Out of the fourteen jurisdictions that requested a revision, eight jurisdictions submitted appeals. Copies of the appeals submitted by each jurisdiction and ABAG's staff response to each are available on ABAG's website at:
<http://www.abag.ca.gov/planning/housingneeds/pdfs/Appeals.pdf>.

RHNA Appeal Committee Public Hearing

At its November 2012 meeting, the Executive Board established an ad hoc committee of the Board to hear the appeals. The committee was comprised of:

- Palo Alto Mayor Greg Scharff, Chair
- Oakland Councilmember Desley Brooks, Vice Chair
- Novato Mayor Pat Eklund
- Napa County Supervisor Mark Luce
- Clayton Mayor Julie Pierce
- San Francisco Supervisor Eric Mar (alternate)

By statute, ABAG was required to hold a public hearing to hear the appeals. This public hearing took place on April 1, 2013. The Appeal Committee's recommendations are:

- City of Hayward: *Support appeal for reduction of 116 units.*
- City of Lafayette: *Support appeal for reduction of 27 units.*
- City of Mountain View: *Deny appeal.*
- City of Oakley: *Deny appeal.*
- City of Palo Alto: *Deny appeal.*
- City of San Ramon: *Deny appeal.*
- City of Saratoga: *Deny appeal.*
- City of Sunnyvale: *Support appeal for reduction of 531 units.*

The Appeal Committee's decisions are described in more detail below.

Detailed Summary of Appeal Committee Recommendations

City of Hayward

The City of Hayward requested a reduction in its RHNA because incorrect data was used in the RHNA methodology for the Past RHNA Performance factor. Based on annual progress reports submitted to the California Department of Housing and Community Development, Hayward was more successful in building affordable housing than was documented in the ABAG publication titled "A Place to Call Home."

ABAG Staff recommended that the Appeal Committee deny the City of Hayward's appeal because the Past RHNA Performance factor for all jurisdictions was based on the 2007 ABAG housing report *A Place to Call Home*. The RHNA methodology must be based on a data source that includes consistent data for the entire region. The data included in the ABAG report was supplied by the local jurisdiction, and local staff had opportunities to review the contents of the report prior to publication.

Mayor Eklund moved and Mayor Scharff seconded a motion to support the City of Hayward's appeal to reduce its RHNA by 116 units across all income categories because ABAG's use of incorrect permitting data was considered a significant and unforeseen change in circumstances. The committee voted unanimously to support the appeal.

City of Lafayette

The City of Lafayette requested a reduction in its RHNA based on the assertion that the calculations for the Growth Concentration Adjustment were inconsistent with the direction from ABAG's Executive Board. The methodology was described as "proportional," while the resulting redistribution had disproportionate impacts on different cities. In the City's view, this indicated that the methodology was applied in error. The City requested a revision of its allocation to 399 units, based on its calculation of its proportionate share of the 4,370 units reallocated region-wide as part of the Growth Concentration Adjustment.

ABAG Staff recommended that the Appeal Committee deny the City of Lafayette's appeal because the methodology for the Growth Concentration Adjustment was applied to all affected jurisdictions in a consistent manner. Units were redistributed based on an area's proportion of regional growth, and the differences in the results among jurisdictions are related to the underlying growth pattern for each jurisdiction from the adopted Preferred Scenario of the Sustainable Communities Strategy (SCS).

Mayor Eklund moved and Mayor Pierce seconded a motion to support the City's appeal to reduce its RHNA by 27 units across all income categories based on a misapplication of the RHNA methodology. The committee voted 3-2 to support the appeal. Ayes: Mayor Scharff, Mayor Eklund, and Mayor Pierce. Noes: Councilmember Brooks and Supervisor Luce.

City of Mountain View

The City of Mountain View requested a reduction in its RHNA because the City decided in its General Plan (adopted on July 12, 2012) to remove housing as an allowed use in its North Bayshore Priority Development Area (PDA). ABAG Staff assigned housing growth to the PDA in the Jobs-Housing Connection Strategy, even though City of Mountain View staff indicated that the City was only studying this possibility. In addition, the City Council's decision not to allow housing

represented a significant and unforeseen change in circumstances, which should result in a reduction in the RHNA.

ABAG Staff recommended that the Appeal Committee deny the City of Mountain View's appeal because ABAG staff used the most current information about local plans for growth that was available during development of the Preferred Scenario of the SCS, which was adopted in May 2012. In addition, the decision to remove housing as an allowable use in the North Bayshore area was a deliberate action taken by the City Council, and does not constitute an unforeseen change in circumstances. Housing Element law specifically states that ABAG cannot limit the RHNA based on local land use restrictions [GC 65584.04(d)(2)(b)].

Mayor Eklund moved and Councilmember Brooks seconded a motion to deny the City of Mountain View's appeal. The Committee voted unanimously to deny the appeal.

City of Oakley

The City of Oakley requested a reduction in its RHNA because its PDAs are intended for jobs, not housing; and ABAG should have used RHNA performance data for 2007-2014 since Oakley did not incorporate until 1999 and did not adopt a General Plan until 2005 or Housing Element until 2009.

ABAG Staff recommended that the Appeal Committee deny the City of Oakley's appeal because, in providing feedback about the SCS (which is an input into RHNA), the City requested additional housing growth compared to what ABAG was forecasting. ABAG staff used that feedback along with information from local plans to develop the housing growth distribution for Oakley, consistent with the sustainability goals of the SCS. Although ABAG encourages jurisdictions to plan for RHNA units in PDAs, jurisdictions are under no obligation to do so and the RHNA can be accommodated anywhere in the jurisdiction.

For Past RHNA Performance, data for all jurisdictions was taken from the 2007 ABAG housing report A Place to Call Home. The RHNA methodology must be based on a data source that includes consistent data for the entire region. The data included in the report was supplied by the local jurisdiction, and local staff had opportunities to review the contents of the report prior to publication.

Councilmember Brooks moved and Mayor Scharff seconded a motion to deny the City of Oakley's appeal. The Committee voted unanimously to deny the appeal.

City of Palo Alto

The City of Palo Alto requested that at least 350 units of its RHNA be transferred to Santa Clara County because the RHNA methodology does not appropriately assign responsibility for growth related to Stanford University. The RHNA methodology assigned the City responsibility for any growth within its Sphere of Influence, which includes sites for housing identified in Stanford's General Use Permit that are near transit and would be consistent with the goals of SB 375. However, the City, County, and Stanford have agreed that the City will not annex the land. In addition, these sites and other areas of the county along El Camino Real were excluded from the VTA Cores, Corridors, and Station Areas PDA when sites in Palo Alto were included, even though the City did not support being a part of the PDA.

ABAG Staff recommended that the Appeal Committee deny the City of Palo Alto's appeal because the rules regarding assigning responsibility for growth in the Sphere of Influence were adopted as part of the RHNA methodology by the ABAG Executive Board on July 19, 2012. The RHNA is not site specific, so the availability of sites for housing in Santa Clara County that would be consistent with the goals of the SCS does not indicate a misapplication of the RHNA methodology. Finally, The Palo Alto portion of the VTA Cores and Corridors PDA was not treated as a PDA for the purposes of RHNA because the City did not agree to designation of the areas as a PDA.

Supervisor Luce moved and Mayor Pierce seconded a motion to deny the City of Palo Alto's appeal. The committee voted 4-1 to deny the appeal. Ayes: Councilmember Brooks, Supervisor Luce, Mayor Pierce, Supervisor Mar. No: Mayor Eklund.

City of San Ramon

The City of San Ramon requested that its RHNA be reduced by 126 based on removing the impact of the Growth Concentration Adjustment, which the City asserts was misapplied to San Ramon. The City argued that all major recipients of the Growth Concentration Adjustment have light and/or heavy rail stations except San Ramon, which received a larger increase than other transit-rich cities with similar growth rates. San Ramon's increase does not meet the stated goal of directing growth to "medium cities with high job growth and transit access."

ABAG Staff recommended that the Appeal Committee deny the City of San Ramon's appeal because the methodology for the Growth Concentration Adjustment was applied to all affected jurisdictions in a consistent manner. Units were redistributed based on an area's proportion of regional growth, and the differences in the results among jurisdictions are related to the underlying growth pattern for each jurisdiction from the adopted Preferred Scenario of the Sustainable Communities Strategy (SCS).

Mayor Scharff moved and Councilmember Brooks seconded a motion to deny the City's appeal. The committee voted 4-1 to deny the appeal. Ayes: Mayor Scharff, Councilmember Brooks, Supervisor Luce, Mayor Pierce. No: Mayor Eklund.

City of Saratoga

The City of Saratoga requested its RHNA be reduced to 204 units based on the assertion that the 40% Minimum Housing Floor is inconsistent with the overall objective of RHNA and SB 375 and is inconsistent with the requirement that allocations consider a jurisdiction's jobs/housing relationship and access to transit. The City argued its allocation should have been lower because there are no significant existing or planned public transit or employment opportunities in the city.

The 40% Minimum Housing Floor was adopted as part of the RHNA methodology by the ABAG Executive Board on July 19, 2012. The adopted RHNA methodology emphasizes better integration of land use and transportation while also meeting the statutory objectives of RHNA, which include "increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner" [GC 65584(d)]. The minimum housing floor ensures that every jurisdiction is planning for housing to accommodate at least a portion of the housing need generated by the population within that jurisdiction. However, the RHNA methodology also caps a jurisdiction's allocation at no more than 150% of its RHNA from 2007-2014 as a way to ensure that a jurisdiction is not overburdened.

Mayor Pierce moved and Councilmember Brooks seconded a motion to deny the City's appeal. The committee voted 3-2 to deny the appeal. Ayes: Councilmember Brooks, Mayor Eklund, Mayor Pierce. Noes: Mayor Scharff and Supervisor Luce.

City of Sunnyvale

The City of Sunnyvale requested a reduction in its RHNA because incorrect data was used in the RHNA methodology for the Past RHNA Performance factor. Based on data included in the City's Housing Element that was certified by the California Department of Housing and Community Development, Sunnyvale was more successful in building affordable housing than was documented in the ABAG publication titled "A Place to Call Home."

ABAG Staff recommended that the Appeal Committee deny the City of Sunnyvale's appeal because the Past RHNA Performance factor for all jurisdictions was based on the 2007 ABAG housing report *A Place to Call Home*. The RHNA methodology must be based on a data source that includes consistent data for the entire region. The data included in the ABAG report was supplied by the local jurisdiction, and local staff had opportunities to review the contents of the report prior to publication.

Supervisor Luce moved and Councilmember Brooks seconded a motion to support the City of Sunnyvale's appeal to reduce its RHNA by 531 units across all income categories because ABAG's use of incorrect permitting data was considered a significant and unforeseen change in circumstances. The committee voted unanimously to support the appeal.

Recommended Action

Staff respectfully recommends that the Executive Board:

- Adopt the Appeal Committee's recommendations to support the appeals submitted by the City of Hayward, the City of Lafayette, and the City of Sunnyvale and deny the appeals submitted by the City of Mountain View, City of Oakley, City of Palo Alto, City of San Ramon, and City of Saratoga.

Next Steps

ABAG Staff will release the final RHNA number on June 3, 2013. The Executive Board is scheduled to adopt the final RHNA on July 18, 2013.

City of Palo Alto

*Department of Planning and
Community Environment*

April 9, 2013

Ezra Rapport, Executive Director
Association of Bay Area Government
Joseph P. Bort Metro Center
P.O. Box 2050
Oakland, CA 94607-4756

Re: Transfer of RHNA Allocation from City of Palo Alto to Santa Clara County

Dear Mr. Rapport:

The City of Palo Alto requests that the Association of Bay Area Governments (ABAG) accept the transfer of 200 "moderate-income" housing units from the City's RHNA allocation to Santa Clara County for the 2014-2022 planning period, in agreement with the County's concurrence to ABAG. The City sincerely appreciates the cooperation and accommodation of Santa Clara County staff, Supervisor Joe Simitian, and Stanford University in reaching this agreement. We also thank ABAG staff, particularly Gillian Adams and Hing Wong, for their help and support.

The City looks forward to ABAG's Executive Board adoption of the final RHNA allocations in May, reflecting the City-County adjustment.

If you have questions or need additional information, please contact Curtis Williams, the City's Director of Planning and Community Environment, at (650) 329-2321 or curtis.williams@cityofpaloalto.org.

Sincerely,



H. Gregory Scharff
Mayor

cc: Joe Simitian, Supervisor, County of Santa Clara
Kirk Girard, Planning Manager, County of Santa Clara
Palo Alto City Council
James Keene, City Manager, City of Palo Alto

Planning
250 Hamilton Avenue
P.O. Box 10250
Palo Alto, CA 94303
650.329.2441
650.329.2154

Transportation
250 Hamilton Avenue
P.O. Box 10250
Palo Alto, CA 94303
650.329.2520
650.329.2154

Building
285 Hamilton Avenue
P.O. Box 10250
Palo Alto, CA 94303
650.329.2496
650.329.2240

County of Santa Clara
Department of Planning and Development
Planning Office



County Government Center, E. Wing, 7th Floor
70 West Hedding Street,
San Jose, California 95110-1705
(408) 299-5770 FAX (408) 288-9198
www.sccplanning.org

April 17, 2013

Curtis S. Williams
Director of Planning and Community Environment
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Subject: Regional Housing Needs Allocation

Dear Mr. Williams:

To accommodate Palo Alto's interests in an equitable Regional Housing Needs Allocation (RHNA), we do not object to an increase in the County of Santa Clara RHNA for the 2014 to 2022 Housing Element planning period of 200 moderate income units.

This is the number of moderate income RHNA qualified housing units that can be reasonably expected to be constructed on unincorporated Stanford lands during the Housing Element planning period. The estimate is based on a rough extrapolation to the year 2022 of the 76 RHNA housing units currently planned within Stanford's three to five year capital improvement time frame.

As you know, the projected 200 RHNA qualified units will be a small fraction of the total number of housing units likely to be constructed during the planning period on the Stanford campus. The majority of housing production will be dorm units, which do not qualify as housing units for RHNA purposes.

We do not object to a transfer of moderate income units but we cannot accept a transfer of very-low or low income units. As you know, the Stanford General Use Permit (GUP) allows Stanford to provide affordable housing unit on the Stanford campus or make an appropriate cash payment in-lieu of providing the housing unit. In-lieu cash payments provide funding for affordable housing within a six-mile radius of the Stanford campus in surrounding local government jurisdictions. Without developing specific transfer mechanisms, affordable units constructed in other jurisdictions do not meet our RHNA obligations. The Affordable Housing In-lieu Program has been very successful in creating affordable housing but not within the unincorporated areas of Santa Clara County.

Curtis S. Williams
April 17, 2013
Page 2 of 2

We also have discussed our interest in avoiding specifying the location of the construction of any housing units accepted with a RHNA transfer. We understand Palo Alto based their original 350 unit transfer request to the Association of Bay Area Governments on units planned for the Quarry/Arboretum (200 units) and Quarry/El Camino (150 units) sites. While housing development may occur at these locations during the planning period, the Stanford GUP allows flexibility for locating new housing construction on the campus. We do not want to inadvertently impose limitations on the future uses of these sites or restrict the flexibility the GUP provides for locating new housing on the campus.

Given these understandings, we do not object to the Association of Bay Area Governments re-allocating 200 moderate income units from the City of Palo Alto to the County of Santa Clara for the 2014 to 2022 Housing Element planning period.

We've appreciated the cooperative approach taken by you and your staff in working on this transfer. Please let us know if you need any further assistance.

Sincerely,



Nash Gonzalez
Director

Cc: Charles Carter, Stanford University
Whitney McNair, Stanford University
Bill Shoe, County of Santa Clara
Sylvia Gallegos, County of Santa Clara
Jeff Smith, County of Santa Clara
Supervisor Joe Simitian, County of Santa Clara

LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE

Committee Chair: Supervisor David Rabbit—Sonoma County
Committee Vice Chair: Supervisor Scott Haggerty—Alameda County

Staff: Patricia Jones – Assistant Executive Director 510/ 464-7933; FAX 510/464-7970; PatJ@abag.ca.gov
 Kathleen Cha – Senior Communications Officer 510/ 464-7922; KathleenC@abag.ca.gov

Thursday, May 16, 2013 – 3:30 p.m. to 5:00 p.m.
ABAG Large Conference Room B, MetroCenter, 101 Eighth Street, Oakland

AGENDA*

1.	OPEN AGENDA Committee members may raise issues for consideration; members of the public may speak.	Information/ Action
2.	APPROVAL OF MINUTES Committee will review and approve the minutes of the March 21, 2013, L&GO meeting.	Information/ Action
3.	LEGISLATION PROPOSED IN 2013 STATE LEGISLATIVE SESSION—FOR CONSIDERATION AB 188 (Ammiano) Property Taxation: Change in Ownership AB 210 (Wieckowski) Transactions and Use Taxes: County of Alameda and County of Contra Costa AB 431 (Mullins) Regional Transportation Plan: Sustainable Communities Strategy—Funding AB 523 (Ammiano) Department of Housing and Community Development: Loans AB 738 (Harkey) Public Entity Liability: Bicycles AB 1051 (Bocanegra) Housing (Sustainable Communities for All) AB 1179 (Bocanegra) Regional Transportation Plan: Sustainable Communities Strategy—Schoolsites AB 1229 (Atkins) Land Use: Zoning Regulations SB 731 (Steinberg) California Environmental Quality Act (CEQA) and Sustainable Communities Strategy SB 299 (DeSaulnier) Firearms: Lost or Stolen—Reports	Information/ Action
4.	REVIEW OF AMENDMENTS TO LEGISLATION PREVIOUSLY CONSIDERED AB 1002 (Bloom) Vehicles: Registration Fee—Sustainable Communities Strategy SB 1 (Steinberg) Sustainable Communities Investment Authority SB 391 (DeSaulnier) California Homes and Jobs Act of 2013 SB 792 (DeSaulnier) Regional Entities: Bay Area	Information/ Action
	ADJOURNMENT Next meeting is scheduled for July 18, 2013.	Action
	Agenda and other written materials are available at ABAG/Front Desk, 101 8th Street, Oakland, or at http://www.abag.ca.gov/meetings	

* The Committee may take any action on any item on the agenda

** Full California Bill Texts and actions can be read and printed out from state website: www.leginfo.ca.gov



LEGISLATION
2013 State Legislative Session
Legislation & Governmental Organization Committee
May 6, 2013

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
*NEW BILLS					Bold Face/Shading in Legislation Summary indicates change/ amendments.
<i>Bills to be reviewed are listed in numeric order with Assembly bills listed first, followed by Senate bills</i>					
New Bills					
AB 188 Ammiano	Property Taxation: Change in Ownership	ASM Revenue and Taxation Com 5/13/13 Hearing	Support		<p>Revises the circumstances under which a "change in ownership" of real property owned by a legal entity is deemed to have occurred. Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Provides that, when 100% of ownership interests in a legal entity are sold or transferred in a single transaction, the purchase or transfer of those interests is considered to be a "change of ownership" of the real property owned by the entity, thus, triggering a reassessment of the property for tax purposes. 2) Specifies that a "purchase or transfer" of ownership interests in a legal entity means a merger, acquisition, private equity buyout, transfer of partnership shares, or any other means by which a legal entity acquires the ownership interest of another legal entity, including the subsidiaries or affiliates of the legal entity and the property owned by those subsidiaries and affiliates. 3) States that a purchase or transfer of 100% of ownership interests in a legal entity is considered to be a "change of ownership" of the real property owned by that entity, whether or not any one legal entity that is a party to the transaction acquires more than 50% of the ownership interests. 4) Requires the State Board of Equalization (BOE) to notify assessors when such a change in ownership has occurred.

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
AB 210 Wieckowski	Transactions and Use Taxes: County of Alameda and County of Contra Costa	ASM Revenue and Taxation Com	Support MTC Support		<p>Extends the current authorization for Alameda County to adopt an ordinance imposing a transactions and use tax (TUT) for transportation programs and allows Contra Costa County to adopt a similar ordinance. Specifically:</p> <p>1) Extends the sunset date from January 1, 2014 to December 31, 2020, allowing the County of Alameda to adopt an ordinance, conditioned upon voter approval, to propose the imposition of a TUT for the support of countywide transaction programs.</p> <p>2) Allows the County of Contra Costa to adopt an ordinance proposing the imposition of a TUT for the support of countywide transportation programs at a rate of no more than 0.5% that, in combination with other specified taxes, exceeds the 2% statutory limitation.</p>
AB 431 Mullins	Regional Transportation Plan: Sustainable Communities Strategy: Funding	ASM Transportation Com	Watch		<p>This bill authorizes a transportation planning agency that is designed as a metropolitan planning organization to impose a transactions and use tax of no more than 0.5% within all or a portion of its jurisdiction, in order to fund transportation, and affordable housing, as well as parks and open space in conformity with the region's sustainable communities strategy. The bill allows the proposed transactions and use tax to exceed the 2% combined county cap that is contained in existing law. In order to impose the tax, the transportation planning agency must first develop an expenditure plan for the revenues and then the governing board of the transportation planning agency must then adopt an ordinance proposing the tax by a majority vote of that governing board. Provisions in the bill allow the transportation planning agency that includes territory of more than one county, or portions of a county, to elect to exclude one or more counties from the transactions and use tax ordinance.</p> <p><i>The bill is co-sponsored by the Center for Sustainable Neighborhoods and the Non-Profit Housing Association of Northern California.</i></p>
AB 523 Ammiano	Department of Housing and Community Development: loans	ASM Appropriations Com Suspend File	Support		<p>This bill allows the Department of Housing and Community Development (HCD) to reduce the interest rate to as low as 0% on loans for affordable rental housing developments, if specified conditions are met.</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
AB 738 Harkey	Public Entity Liability: Bicycles	ASM Judiciary Com			The bill states: "This bill would provide that a public entity or an employee of a public entity acting within his or her official capacity is not be liable for an injury caused to a person riding a bicycle while traveling on a roadway, if the public entity has provided a bike lane on that roadway."
AB 1051 Bocanegra	Housing (Sustainable Communities for All)	ASM Re-referred to Appropriations Com	Support.		Creates the Sustainable Communities for All Program to fund, via cap-and-trade auction revenues, the equitable implementation of SB 375 (Steinberg), Chapter 728, Statutes of 2008.
AB 1179 Bocanegra	Regional Transportation Plan: Sustainable Communities Strategy: Schoolsites	ASM Local Government Committee	Oppose MTC Oppose		Requires metropolitan planning organizations to identify, in consultation with local educational agencies, how the sustainable communities strategy may impact school enrollments and school capacities in the areas targeted for infill. Specifically, this bill requires the sustainable communities strategy (SCS) to identify, in consultation with each local educational agency (LEA) in the region, how the SCS may impact school enrollments and capacities and the need for new schoolsites or expansion or modernization of existing schoolsites.
AB 1229 Atkins	Land use: Zoning Regulations	ASM Local Government Committee Hearing 5/8	Support CSAC Support		Expressly authorizes the legislative body of a city or county to establish inclusionary housing requirements as a condition of development. Specifically, this bill: Authorizes the legislative body of a city or county to establish, as a condition of development, inclusionary housing requirements, which may require the provision of residential units affordable to and occupied by lower-income, very low-income, or extremely low-income owners or tenants.
SB 731 Steinberg	California Environmental Quality Act (CEQA) and Sustainable Communities Strategy	SEN Read Second time and amended Re-referred to Appropriations Com	Watch		States the Legislature's intent to revise various provisions in CEQA: -- Expands the exemption for a residential development project that is undertaken to implement a specific plan by providing that "new information" triggering an environmental review does not include "new information consisting solely of argument, speculation, unsubstantiated opinion or narrative, evidence that is

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are caused by, physical impacts on the environment."</p> <p>--Authorizes the appropriation of \$30 million in the annual state budget to the Strategic Growth Council for Sustainable Communities Strategy project grants.</p> <p>--Authorizes a renewable energy project applicant to present to the public agency, orally or in writing, the benefits of the project such as reducing traffic or improving air quality.</p> <p>--In making a finding of overriding considerations, requires those findings to be made available in draft form for review by the public at least 15 days prior to approval of the proposed project. Requires the lead agency to provide notice of the draft findings through specified methods, including electronically.</p> <p>--Requires a lead agency to prepare an annual report on project compliance with mitigation measures as part of the mitigation monitoring plan.</p> <p>-- Provides that aesthetic impacts of a residential, mixed-use residential, or employment center project, as defined, within a transit priority area, as defined, shall not be considered significant impacts on the environment. Clarifies that this provision does not affect or change the authority a lead agency's authority to consider aesthetic impacts pursuant to local design review ordinances or other discretionary powers.</p> <p>--Requires the Office of Planning and Research to prepare revisions to the CEQA guidelines establishing thresholds of significance for noise, and for transportation and parking impacts on residential, mixed-use residential or employment centers within transit priority areas. Provides that this provision does not affect the authority of a public agency from establishing transportation or parking standards applicable to projects requiring more stringent thresholds of significance.</p> <p>--Allows the statute of limitations for an action against a public agency for noncompliance to be suspended, for a maximum of four years, by mutual agreement of the parties.</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 5
SB 299 DeSaulnier	Firearms: Lost or Stolen: Reports	SEN Third Reading	Support		<p>--Requires a lead agency, at the request of a project applicant, to prepare a record of proceedings concurrently with the preparation of an environmental review document.</p> <p>--Requires all documents in the record of proceedings be posted on the lead agency's Internet web site.</p> <p>--Authorizes the statute of limitations to be suspended by mutual agreement of the parties. Provides that the period of time for tolling may not exceed four years in such an agreement but authorizes the extension of the tolling period.</p> <p>--Authorizes a court to direct an agency to revise only those portions of a CEQA document found not to be in compliance with CEQA and includes specific requirements to be met for a court to do so.</p> <p>--Establishes the position of Advisor on Renewable Energy Facilities in the Governor's office and sunsets the position on January 1, 2017.</p>	
	Bills Previously Considered				<p>This bill requires that owners and possessors of firearms report the theft or loss of a firearm to local law enforcement agency within 48 hours of the time they knew or reasonably should have known that the firearm had been stolen or lost, as specified, and requires firearms dealers to post notice of this requirement within their licensed premises. Also provides that the reporting provisions do not preclude or preempt a local ordinance imposing additional penalties or reporting requirements for the theft or loss of a firearm.</p>	
SB 1 Steinberg (co-author DeSaulnier)	Sustainable Communities Investment Authority	SEN Appropriations	Support	Watch	<p>Amended: 4/15, 5/2</p> <p>Amended to include the following: <u>A city or county that created a redevelopment agency that was dissolved pursuant to Part 1.85 (commencing with Section 1634770) of Division 24 shall not form a Sustainable Communities Investment Authority under this section unless the successor agency or designated local authority for the former redevelopment agency has received a finding of completion from the Department Finance pursuant to Section 34179.7.</u></p> <p><u>And the following language under description of Plan, what local government must adopt:</u> An ordinance that does both of the</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 6
					<p>following:</p> <p><u>(1) Prohibits the number of housing units occupied by extremely low, very low, and low-income households, including the number of bedrooms in those units, in the Sustainable Communities Investment Area at the time the Sustainable Communities Investment Authority is established from being reduced during the effective period of the Sustainable Communities Investment Plan.</u></p> <p><u>(2) Requires the replacement of dwelling units that house extremely low, very low, or low-income households, upon their removal from the Sustainable Communities Investment Area, pursuant to subdivision (a) of Section 33413 within two years of their displacement.</u></p> <p>This bill would authorize certain public entities (a city, county, city and county, or a special district) of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law—to administer economic development and affordable housing programs.</p> <p>The bill would require the authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. <i>(bill says that a "Sustainable Communities Investment Area shall include the following: 1) Transit priority project areas; 2) Areas that are small walkable communities...")</i></p> <p>The bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue, as defined, to the authority through its Sustainable Communities Investment Plan. The bill would establish prequalification requirements for entities that will receive more than \$1,000,000 from the Sustainable Communities Investment Authority and would require the Department of Industrial Relations to monitor and enforce compliance with prevailing wage requirements for specified projects within a Sustainable Communities Investment Area.</p> <p>The bill would deposit moneys received by the department from developer charges related to the costs of monitoring and enforcement in the State Public Works Enforcement Fund. By depositing a new source of revenue in the State Public Works Enforcement Fund, a continuously appropriated special fund, the bill would make an appropriation.</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 7
SB 33 Wolk	Infrastructure Financing Districts: Voter Approval— Repeal	SEN Re-referred to Government and Finance Com Hearing 3/13	Support LCC Support	Support	<p><i>A measure to update Infrastructure Financing District law, making it a more useful tool for helping cities maintain, repair, and rebuild critical infrastructure and create economic development:</i> This bill would revise and recast the provisions governing infrastructure financing districts. The bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures.</p> <p>The bill would instead authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative body, and issue bonds by majority vote of the authority by resolution.</p> <p>The bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. The bill would authorize a district to finance specified actions and projects, and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer.</p> <p>The bill would create a public accountability committee to review the actions of the public financing authority. This bill would specify that the date on which the district would cease to exist would not be more than 40 years from the date on which the public financing authority adopted the resolution adopting the infrastructure financing plan. The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.</p>	
SB 391 DeSaulnier	California Homes and Jobs Act of 2013	SEN Transportation and Housing Committee Hearing 4/9	Support	Support	<p>The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that revenues from this fee be sent quarterly to the Department of Housing and Community Development for deposit in the California Homes and Community Fund, which the bill would create within the State Treasury. The bill would provide that moneys in the fund may be expended for supporting affordable housing, administering housing programs, and the cost of periodic audits, as specified.</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 8
SB 279 Hancock	San Francisco Bay Restoration Authority	SEN Appropriations Com Hearing 5/13	Support Estuary Partnership Support		<p><i>This bill would result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature.</i></p> <p>Specifies procedures for conducting a multi-county election to approve a special tax measure proposed by the San Francisco Bay Restoration Authority.</p> <p><i>Senate Bill 279 declares the San Francisco Bay Restoration Authority (SFBRA) to be a "district," as defined in a specified statute. SB 279 requires the SFBRA's elections to be governed by specified state laws for district initiatives and referenda, except as otherwise provided in the San Francisco Bay Restoration Authority Act.</i></p> <p><i>SB 279 requires the SFBRA to file, with the board of supervisors of each county in which a special tax measure will appear on the ballot, a resolution requesting that the election be consolidated with the next regularly scheduled statewide election and setting forth the exact form of the ballot question, in accordance with state law.</i></p> <p>The bill requires the SFBRA to transmit a copy of the special tax measure to its legal counsel, who must prepare an impartial analysis of the measure in accordance with state law. The impartial analysis prepared by the SFBRA's legal counsel is subject to review and revision by the county counsel of the county that contains the largest population, as determined by the most recent federal census, among the counties in which the measure will be submitted to the voters.</p>	
SB 792 DeSautinier	Regional Entities: Bay Area	SEN Transportation and Housing Com	Watch	Watch	<p>Amended 4/10:</p> <p><u>This bill would require the joint policy committee to prepare a regional organization plan for the affected regional entities. The regional organization plan would include a plan integrating, by July 1, 2016, certain major planning documents of the individual entities into a comprehensive regional plan that also addresses other specified goals, and a plan for consolidating certain functions that are common to the regional entities. The regional organization plan would also include a statement relative to the expected reduction of overhead, operation, and management costs. The bill would require the joint policy committee to ensure public participation in the development and adoption of the plan, hold at least one public hearing in</u></p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SCA 4 Liu	Local Government: Transportation Projects: Special Taxes – Voter Approval	SEN Referred to Coms. on GOV. & Finance Hearing 5/15	Support LCC Watch MTC recommends support (with possible amendment)	(was Support) Changed to Oppose 3/21 because of unacceptable amendment Support	<p>each county to adopt a final plan by June 30, 2015. The bill would also require the joint policy committee to develop and adopt public community outreach and inclusive public participation programs and to maintain an Internet Web site. The bill would also require the joint policy committee to appoint an advisory committee on economic competitiveness with specified members from the business community and other organizations to adopt goals and policies related to the inclusion of economic development opportunities in the plans of the regional entities. The bill would require the joint policy committee, until a comprehensive regional plan is adopted, to conduct a review of the major planning documents and associated policies and plans, and regulations of each regional entity, including an assessment of the consistency of the policies, plans, and with the requirements of Senate Bill 375 of the 2007-08 Regular Session, and with the goals and policies adopted by the advisory committee on economic competitiveness. The bill would require the joint policy committee to issue a consistency report describing the findings of each review and to hold hearings in that regard, and would require the applicable regional entity to consider the findings. The bill would require all cost savings derived from implementation of the regional organization plan to be directed to the joint policy committee's general fund. By imposing new duties on the joint policy committee, the bill would impose a state-mandated local program.</p> <p><u>The bill would require the Legislative Analyst's Office to analyze voting power disparities based on population, race, and ethnicity relative to the voting power of each city and county on the governing board of each of the regional agencies, and to report to the Legislature by July 1, 2014, as specified.</u></p> <p>This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of it voter voting on the proposition. (<i>resolution to propose constitutional amendment for vote by people of California</i>)</p>
SCA 8 Corbett	Transportation Projects: Special Taxes – Voter Approval	SEN Referred to Coms. on GOV. & Finance Hearing 5/15	Support LCC Watch	Support	<p>This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation projects requires the approval of 55% of its voters voting on the proposition. (<i>resolution to propose constitutional amendment for vote by people of California</i>)</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SCA 9 Corbett	Local Government: Economic Development—Special Taxes – Voter Approval	SEN Referred to Coms. on GOV. & Finance Hearing 5/15	Support	Watch	This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for community and economic development projects requires the approval of 55% of it voters voting on the proposition. (resolution to propose constitutional amendment for vote by people of California)
SCA 11 Hancock	Local government: special taxes: voter approval	SEN Referred to Coms. on GOV. & Finance Hearing 5/15	Support	Support	The California Constitution conditions the imposition of a special tax by a local government upon the approval of 2/3 of the voters of the local government voting on that tax, and prohibits a local government from imposing an ad valorem tax on real property or a transactions tax or sales tax on the sale of real property. This measure would instead condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition. The measure would also make conforming and technical, nonsubstantive changes.
AB 22 Blumenfield	Sidewalks: Repairs	ASM Local Government Committee	Oppose LCC Watch	Oppose	Under existing law, the Improvement Act of 1911, the owners of lots or portions of lots fronting on any portion of a public street or place are required to maintain any sidewalk in such condition that the sidewalk will not endanger persons or property and maintain it in a condition that will not interfere with the public convenience in the use of those works or areas, except as to those conditions created or maintained by persons other than the owner. This law imposes a duty of repair on the abutting property owners for defects in sidewalks, regardless of who created the defects, but does not of itself create tort liability to injured pedestrians or a duty to indemnify municipalities, except where a property owner created the defect or exercised dominion or control over the abutting sidewalk. This bill would prohibit a city, county, or city and county that has an ordinance in operation that requires the city, county, or city and county to repair or reconstruct streets, sidewalks, or driveways that have been damaged as a result of tree growth from repealing the ordinance without the concurrence of the local electorate by majority vote. The bill would also declare that this is a matter of statewide concern. Amended 2/27, 4/9
*AB 39 Skinner & John A Perez	Proposition 39: Implementation	ASM Re-referred to Utilities and Commerce Com	Support	Watch	This bill would require the State Energy Resources Conservation and Development Commission (Energy Commission) to administer grants, no-interest loans, or other financial assistance to an eligible institution, defined as a public school providing instruction in kindergarten or grades 1 to 12, inclusive, for the purpose of projects that create jobs in California by reducing energy demand and consumption at eligible institutions. This bill would continuously appropriate for prescribed fiscal years an unspecified amount to the

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 11
AB 48 Skinner	Firearms: Ammunition—Sales	ASM Re-referred to Appropriations	Watch	Watch	<p>Energy Commission for this purpose in each year that at least that amount of money is transferred to the Job Creation Fund. This bill would require the Energy Commission to administer the grants, no-interest loans, or other financial assistance program to ensure that projects satisfy the prescribed criteria that apply to all expenditures from the Job Creation Fund. This bill would require an eligible institution that receives a grant, no-interest loan, or other financial assistance to report the amount of energy saved to the Energy Commission and to compute the cost of energy saved as a result of implementing projects funded by the grant, as prescribed.</p> <p>This bill would set forth certain criteria to be used to prioritize projects to be funded from moneys in the Job Creation Fund relative to public schools, school districts, public colleges and universities, and other public buildings and facilities. This bill would require moneys for job training and workforce development to be available from the Job Creation Fund, upon appropriation by the Legislature, to the California Conservation Corps, Certified Community Conservation Corps, Youth Build, and other existing workforce development programs, as specified, consistent with the requirements of the California Clean Energy Jobs Act.</p> <p>This bill would require moneys for <u>public-private partnerships</u> to be available from the Job Creation Fund, <u>upon appropriation by the Legislature, for assistance to certain local governments to establish and implement Property Assisted Clean Energy programs or similar financial and technical assistance consistent with the requirements of the California Clean Energy Jobs Act.</u></p>	<p>Amended April 4th</p> <p>Amended 2/4 to include: <u>This bill would exempt an individual in the state who sells, transfers, or furnishes ammunition to certain specified law enforcement individuals from those identification and reporting requirements.</u></p> <p>This bill would make it a misdemeanor, punishable by a fine of not more than \$1,000 or imprisonment in a county jail not to exceed 6 months, or by both that fine and imprisonment, to knowingly manufacture, import, keep for sale, offer or expose for sale, or give or lend any device that is capable of converting an ammunition feeding device into a large-capacity magazine.</p> <p>The bill would revise the definition of "large-capacity magazine" to mean any ammunition feeding device with the capacity to accept more than 10 rounds, including a readily restorable, as defined, disassembled large-capacity magazine, and an oversize magazine body that appears to hold in excess of 10</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
<p>AB 185 Roger Hernandez</p>	<p>Open and public meetings: televised meetings</p>	<p>ASM Local Government</p>	<p>Watch</p>	<p>Oppose</p>	<p>rounds. This bill would require anyone in the state, prior to selling, transferring, or otherwise furnishing ammunition to an individual or business entity in this state or any other state to require proper identification, as prescribed, to be an authorized firearms dealer, and to report the sales to the Department of Justice. An individual who fails to make the required report or who knowingly makes a report with false or fictitious information would be guilty of a misdemeanor. The bill would require the department to alert local law enforcement entities in the community in which the purchaser resides if an individual purchaser who is not a peace officer obtains more than _____ rounds within a 5-day period. <i>(By creating a new crime, this bill would impose a state-mandated local program.)</i></p> <p>Amended 4/2, 4/17, 4/23: The bill would require a local agency that collects a franchise fee from the holder of a state franchise that provides PEG channels to televise the open and public meetings of its legislative body and planning commission, and, if it is financially feasible, to televise the open and public meetings of any of its advisory committees unless the local agency can prove a financial hardship, unless doing so would result in a financial hardship, as defined, in which case the local agency would be required to broadcast the meetings via an audio-visual electronic medium or an audio medium.</p> <p>The bill would provide that an audio or video recording of an open and public meeting made at the direction of a local agency may be erased or destroyed 2 years after the recording. The bill would require a local agency that collects a franchise fee from the holder of a state franchise that provides PEG channels to televise the open and public meetings of its legislative body and any of its advisory committees, if financially feasible, and to only use the franchise fees for that purpose. The bill would require that these franchise fees be used to cover the necessary expenses, as defined, for implementing the televising of the local agency's open and public meetings. The bill would authorize, if franchise fee moneys in excess of that necessary to televise these meetings are available, the use of such fees to provide live streaming of these meetings on the Internet. By imposing new duties on local public officials to televise open and public meetings, the bill would impose a state-</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 13
AB 416 Gordon	California Air Resources Board: Local Emission Reduction Program	ASM Appropriations Suspense File	Support	Support	<p>mandated local program.</p> <p><i>Existing Law: The Ralph M. Brown Act requires that an audio or video recording of an open and public meeting made at the direction of a local agency is subject to inspection pursuant to the California Public Records Act and may be erased or destroyed 30 days after the recording. Existing law requires that any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.</i></p> <p><i>The Digital Infrastructure and Video Competition Act of 2006 provides that cities, counties, cities and counties, or joint powers authorities receive state franchise fees in exchange for the use of public rights-of-way for the delivery of cable and video services provided within their jurisdictions, based on gross revenues, pursuant to a specified formula, from state franchise holders that provide public, educational, and governmental access (PEG) channels.</i></p> <p><u>Amended 4/4: The bill would require the implementation of the program to be contingent on the appropriation of money by the Legislature</u></p> <p>This bill would create the Local Emission Reduction Program and would require money to be available from the general fund, upon appropriation by the Legislature, for purposes of providing grants to develop and implement greenhouse gas emission reduction projects in the state. The bill would require the state board to award moneys under the program to eligible recipients, as specified, and would permit the state board to give consideration to the ability of a project to, among other things, create local job training and job creation benefits and provide opportunities to achieve greenhouse gas emission reduction in ways that increase localized energy resources. This would include projects/ opportunities that decrease air or water pollution; reduce the consumption of natural resources or energy; provide opportunities to achieve greenhouse gas emission reductions in ways that increase localized energy resources; increase the reliability of local water supplies; increase solid waste diversion from landfills; achieve greenhouse gas emission reductions in ways that reduce vehicle miles traveled; prevent conservation of agricultural, forest, and open space lands to uses that result in higher greenhouse gas emissions.</p>	Page 13
AB 453	Sustainable Communities	ASM	Support	Support	<p><i>Existing law establishes the Strategic Growth Council and</i></p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
Mullin		Appropriations Suspense File			<p>appropriated \$500,000 from the funding provided by the initiative to the Natural Resources Agency to support the council and its activities. The council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.</p>
AB 662 Atkins, Dickinson, Mitchell, Perea, Ting, and Torres	Local government: infrastructure financing districts	SEN Read First Time, to Com on Rules	Support	Support	<p>Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to the division of taxes and voter approval requirements. Existing law prohibits on infrastructure financing district from including any portion of a redevelopment project area.</p> <p>This bill would delete the prohibition on infrastructure financing district including any portion of a redevelopment project area.</p>
AB 745 Levine	Land Use: Housing Element	ASM Housing and Community Development	Watch	Watch	<p>This bill would authorize a city or county to request the appropriate council of governments to adjust a density to be deemed appropriate if it is inconsistent with the city's or county's existing density.</p> <p><i>The Planning and Zoning Law requires a city or county to adopt a comprehensive, long-term general plan that includes various mandatory elements, including a housing element that, in turn, is required to contain, among other things, an inventory of resources and constraints relevant to meeting the city's or county's housing needs. That law also requires a city's or county's inventory of land suitable for residential development to be used to identify sites that can be developed for housing that are sufficient to provide for the city's or county's share of the regional housing need, and for that purpose, requires a city or county to determine (1) whether each site in the inventory can accommodate some portion of its share, as specified, and (2) the number of housing units that can be accommodated on each site, as specified. That law requires a city or county, for the number of units calculated to accommodate its share of the regional housing need for lower income households, to either provide a prescribed analysis demonstrating how the adopted densities accommodate this need, or deem certain densities appropriate to accommodate housing for lower income households, based on specified classifications.</i></p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
AB 1002 Bloom	Vehicles: Registration Fee—Sustainable Communities Strategy	ASM Transportation	Support	Oppose unless amended	<p>Amended 4/23: Added to projects to be funded: <i>Safe Routes to School projects, and pedestrian safety projects if the road and highway maintenance and repair costs make up no more than 20 percent of the total pedestrian safety project cost. These funds may also be used for the construction and planning of, and as local matching funds for purposes of applying for federal or state transportation grants</i></p> <p>This bill would, in addition to any other fees specified in the Vehicle Code and the Revenue and Taxation Code, impose a fee of \$6 to be paid at the time of registration or renewal of registration of every vehicle subject to registration under the Vehicle Code, except as specified. This bill would require the Department of Motor Vehicles, after deducting all costs incurred pursuant to that provision, to remit all moneys realized pursuant to that provision for deposit in the Sustainable Communities Strategy Subaccount which is hereby established in the Motor Vehicle Account and made available, upon appropriation by the Legislature, for implementation of sustainable communities strategies.</p> <p><i>Existing law imposes a registration fee to be paid to the Department of Motor Vehicles for the registration of every vehicle or trailer coach of a type subject to registration, except those vehicles that are expressly exempted from the payment of registration fees. Existing law, until January 1, 2016, imposes a \$3 increase on that fee, \$2 of which is to be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and \$1 of which is to be deposited into the Enhanced Fleet Modernization Subaccount.</i></p>
AB 1080 Alejo	Community Revitalization and Investment Authorities	ASM Appropriations Com	Support	Support	<p>Amended 4/24:</p> <p>This bill would authorize certain public entities of a community revitalization and investment area, as described, to form a community revitalization plan within a community revitalization and investment authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a community revitalization plan for a community Revitalization and investment area and authorize the authority to include in that plan a provision for the receipt of tax increment funds.</p>
ACA 8	Local Government Financing:	ASM	Support	Watch	This measure would similarly lower to 55% the voter-

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
Blumenfield	Voter Approval	Re-referred Local Government Com			approval threshold for a city, county, or city and county to incur bonded indebtedness, exceeding in any year the income and revenue provided in that year, that is in the form of general obligation bonds to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services.



Association of Bay Area Governments

Date: May 6, 2013
To: ABAG PLAN Executive Director
ABAG PLAN Executive Committee
From: Jim Hill, ABAG PLAN - Risk Management Officer
Subject: Assembly Bill 738 (Harkey); Public Entity Liability – Bicycle Lanes

Recommendation

ABAG PLAN staff is recommending that each PLAN member voice their support of this emerging piece of legislation. Staff also encourages the ABAG Legislation & Governmental Organization Committee and their constituents to support the Assembly Bill.

Overview

AB 738 was introduced on February 21, 2013 by Assembly Member Diane Harkey (73rd District – Southern California) and principally co-authored by Assembly Members Frank Bigelow (5th District – Central California) and Curt Hagman (55th District – Southern California).

As introduced, this bill would provide that a public entity or an employee of a public entity acting within his or her official capacity is not liable for an injury caused to a person riding a bicycle while traveling on a roadway, if the public entity has provided a bike lane on that roadway.

The bill is supported by the California Association of Joint Powers Authority and by a host of insurance pool administrators.

Analysis

AB 738 is officially titled: **An act to add Section 830.7 to the Government Code, and to add Section 21207.1 to the Vehicle Code, relating to public entity liability.**

The bill was originally referred to the Assembly Judiciary Committee to be heard on March 24th. The hearing was re-scheduled for April 23rd but subsequently cancelled at the request of the author.

Existing law gives a public entity or public employee immunity from liability for an injury caused by the plan or design of construction of or improvement to public property in certain cases. Existing law allows public entities to establish bicycle lanes on public roads. This bill would provide that a public entity or an employee of a public entity is not liable for any injury caused to a person riding a bicycle while traveling on a roadway, if the public entity has provided a bike lane on that roadway.

The bill would help cities and towns avoid costly litigation brought against them in certain cases where there may be zero liability on behalf of the city, however, dangerous condition arguments are raised solely based on the installation of the bicycle lane on the public roadway.

Each of our member cities recognizes the value of providing for safe passage of both motorists and bicyclists. Many cities encourage the use of bicycles as an alternative means of travel to reduce traffic congestion and to promote healthy lifestyles. AB738 will provide a sensible reduction in liability for public entities that construct and provide bike lanes as a public benefit to their community constituents if someone is injured while using the bike lane(s).

PLAN's Best Practices program strongly encourages the use of Caltrans specifications when planning and creating bicycle lanes. PLAN member agencies are conscious of the need to keep our streets and sidewalks safe from dangerous conditions. The absence of this bill creates an additional burden on cities that support the bicycling community and choose to install bicycle lanes for the pleasure and use of bicyclist.

Conclusion

Bicycle lanes are intended to make public roads safer for bicyclists and allow our roads/streets to be shared by both automobiles and bicycles. Liability imposed on public agencies for injuries to bicyclists that are caused by bad drivers discourages the installation of such lanes. **AB 738** would reduce the amount of "deep pocket" lawsuits against public entities for injuries caused to bicyclist by bad drivers. Immunity from these "deep pocket" lawsuits will encourage public entities to install bicycle lanes for the benefit of the bicycling community.

ABAG PLAN strongly supports this legislation. We are currently facing several lawsuits where there is no clear liability on behalf of the city/town and all alleged injuries were the result of bad drivers who struck individuals who were using bicycle lanes. We are requesting all ABAG PLAN members to send letters voicing their support of this legislation to their elected representatives. We are encouraging members to do everything in their power to see that this bill, or a similar bill, is put into effect by our Legislators.

ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, May 16, 2013
 ABAG Conference Room B
 MetroCenter—8th and Oak Streets
 Oakland, CA

		Recommendation***
1.	Call to Order	
2.	Public Comments	Information
3.*	Minutes of March 21, 2013 Meeting	Action
4.*	Financial Reports – ABAG <i>The February and March 2013 Financial reports will be presented and reviewed.</i>	Action
5.*	Prospective ‘Cadillac Tax’ Mandated as part of Affordable Care Act. <i>Staff will provide a brief review of the ‘Cadillac Tax’ to commence January 1, 2018.</i>	Information
	THE FOLLOWING ITEMS WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT.	
6.	Public Employee Performance Evaluation <i>Title: Executive Director</i>	Action/Information
7.	Adjournment	Action
*	Attachments enclosed with packet.	
**	Supporting documentation will be sent under separate cover.	
***	The Committee may take action on any item on the agenda, which action may be the recommended action, any other action or no action.	

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

March 21, 2013

Members Present

Supervisor John Gioia, Chair
Mayor Bill Harrison, Vice Chair
Supervisor Mark Luce
Mayor Julia Pierce
Supervisor David Cortese
Supervisor Scott Haggerty
Supervisor David Rabbitt
Supervisor Karen Mitchoff
Councilmember Ronit Bryant

Jurisdiction

County of Contra Costa
City of Fremont
County of Napa
City of Clayton
County of Santa Clara
County of Alameda
County of Sonoma
County of Contra Costa
City of Mountain View

Members Absent

Supervisor Dave Pine County of San Mateo

Officers and Staff Present

Ezra Rapport, Executive Director
Patricia Jones, Assistant Executive Director
Kenneth Moy, Legal Counsel
Susan Hsieh, Assistant Finance Director

1. The meeting was called to order by Supervisor Luce, President of ABAG at 5:15 pm.
2. There were no public comments.
3. Supervisor John Gioia was elected Chair and Mayor Bill Harrison was elected Vice Chair. No action was taken regarding potential appointment of representative to the Administrative Committee. /M/Haggerty/S/Cortese/C/approved.
4. Summary Minutes of the January 17, 2013 meeting were approved. /M/Haggerty/S/Pierce/C/approved.
5. Hsieh provided an overview of the Financial Reports for the months of December 2012 and January, 2013. /M/Haggerty/S/Rabbitt/C/approved.

6. Hsieh provided an oral report on the potential financial impacts of Affordable Care Act on ABAG. Information regarding "Cadillac Plans" was requested for the next meeting.
7. The committee approved the allocation of funds received from class-action settlements.
/M/Mitchoff/S/Pierce/C/approved.
8. Closed Session. No reportable action.
9. Meeting adjourned.

TO: Finance and Personnel Committee

DT: April 21, 2013

FM: Herbert Pike, Finance Director

Re: Financial Reports
--February 2013

The following are highlights of the financial reports for February 2013.

Overall Summary (Figures 3, 4, 7 & 8)

February 2013 represents the eighth month of the new fiscal year (66.67 percent). February was the first month to reflect a marginal increase in billable rates for labor due to adjustments in leave accrual and diminished payroll costs (from the year prior). While equity continued to decline marginally during the month of February, the adjusted billable labor rates should mitigate losses in the payroll clearing account accumulated year-to-date, also boosted by the seasonal impact of an increase in billable hours to grant programs during the last third of the fiscal year.

Cash on Hand (Figure 1)

Cash on hand decreased to \$3.78 million as of February 28th from \$3.96 million on January 31st. The decrease of \$177 thousand is attributed primarily to the increase in receivables. The February balance includes approximately \$1.97 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The February 28th cash balance is approximately \$263 thousand more than the prior year.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$4.95 million on February 28th, an increase of \$596 thousand from the month prior. The \$4.95 million is \$1.65 million higher than the receivables of the year prior. The increase in receivables appears to be the result of a surge in grant billings associated with some capital intensive projects that are closing or that will be closing out very soon. Contractors are spending down the funds committed for the work, finding themselves in a use it or lose it situation. Adjustments in staffing have been made and should not adversely affect future collections.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through February 28th, the eighth month of the new fiscal year, amounted to about \$17.53 million, or 71.3 percent, of the adjusted, budgeted annual expense of \$24.60 million for FY 2012-13. This appears to reflect the frenzy of activity that accompanied the closure of several major projects. It exceeds the 66.7 percent (eight/twelfths, two-thirds) average and is opposite the normal trend where there is usually a slight lag in the accumulation of expenses in the fiscal year. The primary factor accelerating expense is the closing of the projects, including Trash Capture Devices in numerous jurisdictions within the region, who are trying to

get their claims recorded before the grant expires. Non-labor expense is expected to decline in the latter months of the fiscal year as the projects with high-capital payouts to other entities subsides with many of the deadlines past.

Actual vs. Budgeted Revenues (Figure 10)

As of February 28th, total revenues amounted to about \$17.00 million, or 69.0 percent, of the adjusted, budgeted annual revenue of \$24.65 million for FY 2012-13. Higher billable labor rates, along with the seasonal increase in billable hours normally realized in the last four month of the fiscal year (less vacation, fewer holidays, lower sick leave usage), should increase overhead recovery.

Fund Equity (Figure 5)

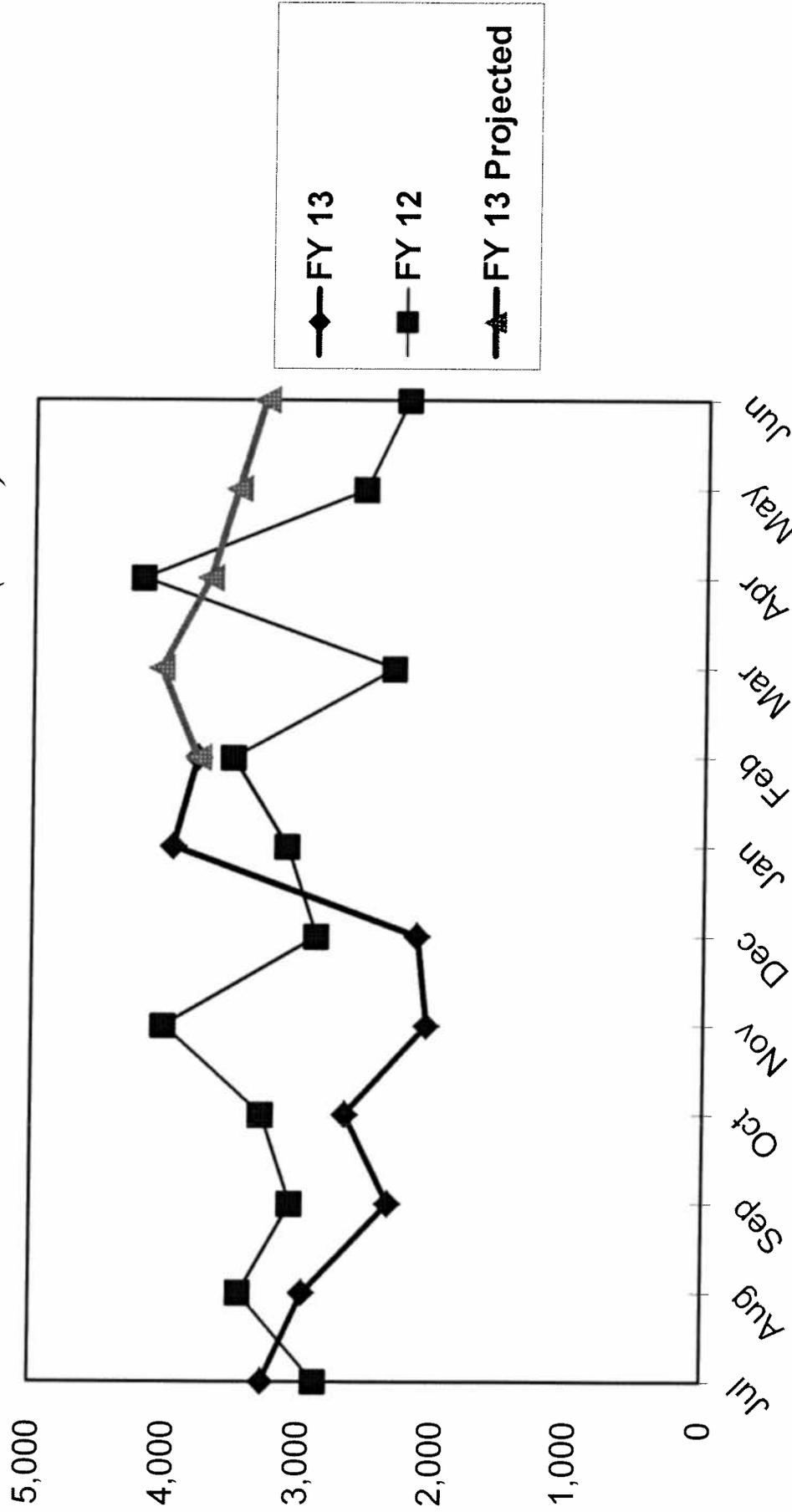
As of February 28th, general fund equity was approximately \$630 thousand, a decrease of \$35 thousand from the prior month. The Agency's restricted fund equity, consisting of capital, self-insurance, building maintenance and reserves, is \$610 thousand. Total fund equity of \$1.24 million is \$680 thousand less than the year prior. Much of this loss may be expected to be offset by increased grant staffing and greater overhead recovery during the remainder of the fiscal year.

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 44.29 percent, or 1.34 percent above target. The decrease in February was somewhat unexpected because it was a short month, including holidays, so grant-funded personnel costs are down slightly while utility costs, and other operating cost continue unabated. It is anticipated that the last four months of the fiscal year will see increase billable grant hours that will result in a reduction of overhead as a percent of labor costs and bring the year-end indirect overhead rate closer to the budgeted rate of 42.95 percent.

ABAG Financial Indices

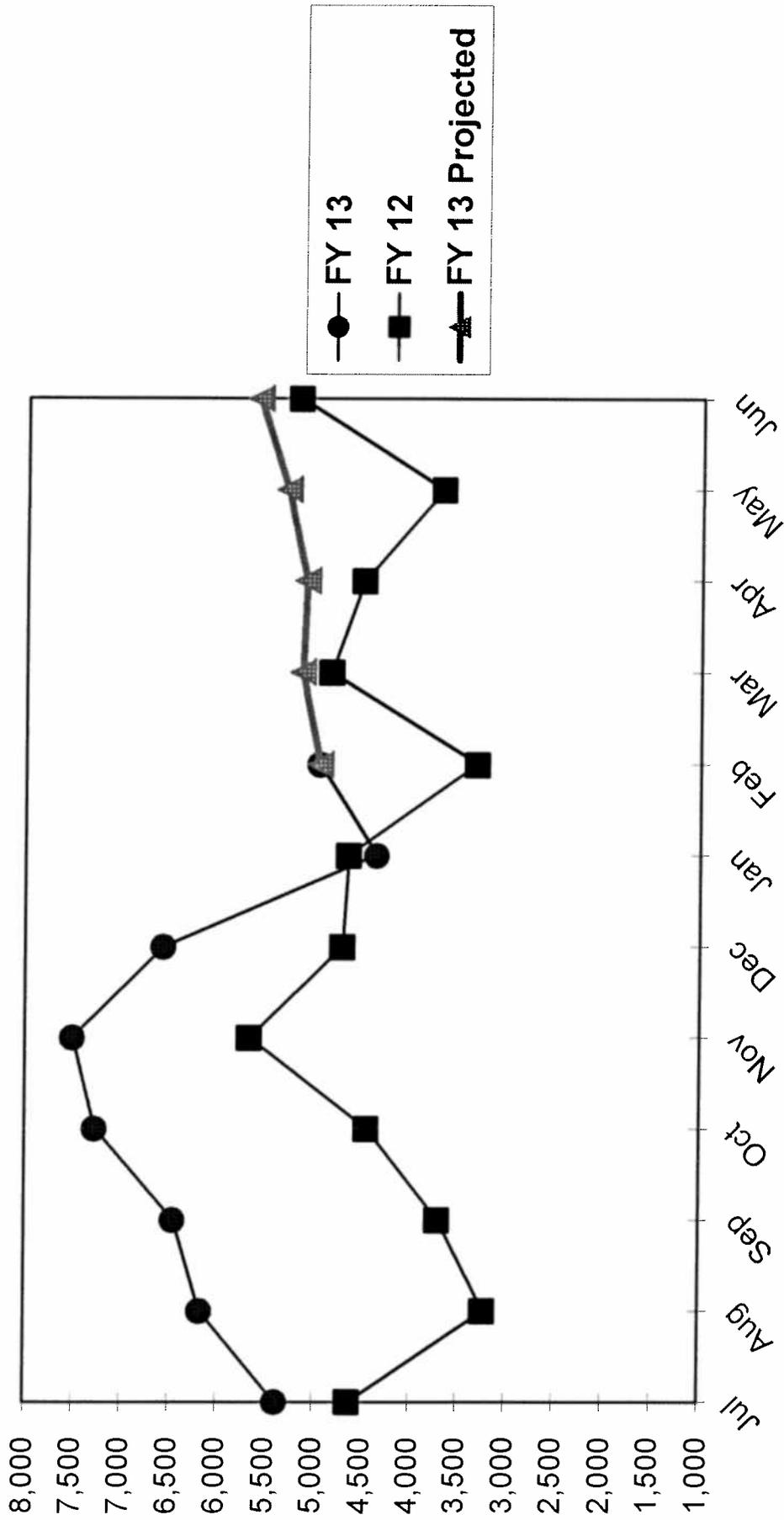
Figure 1--Cash on Hand--FY 12 and FY 13 (\$'000)



Represents the sum total of cash deposited at our bank and the Local Agency Investment Fund. This chart shows fluctuation patterns of cash on hand for the current and prior fiscal years.

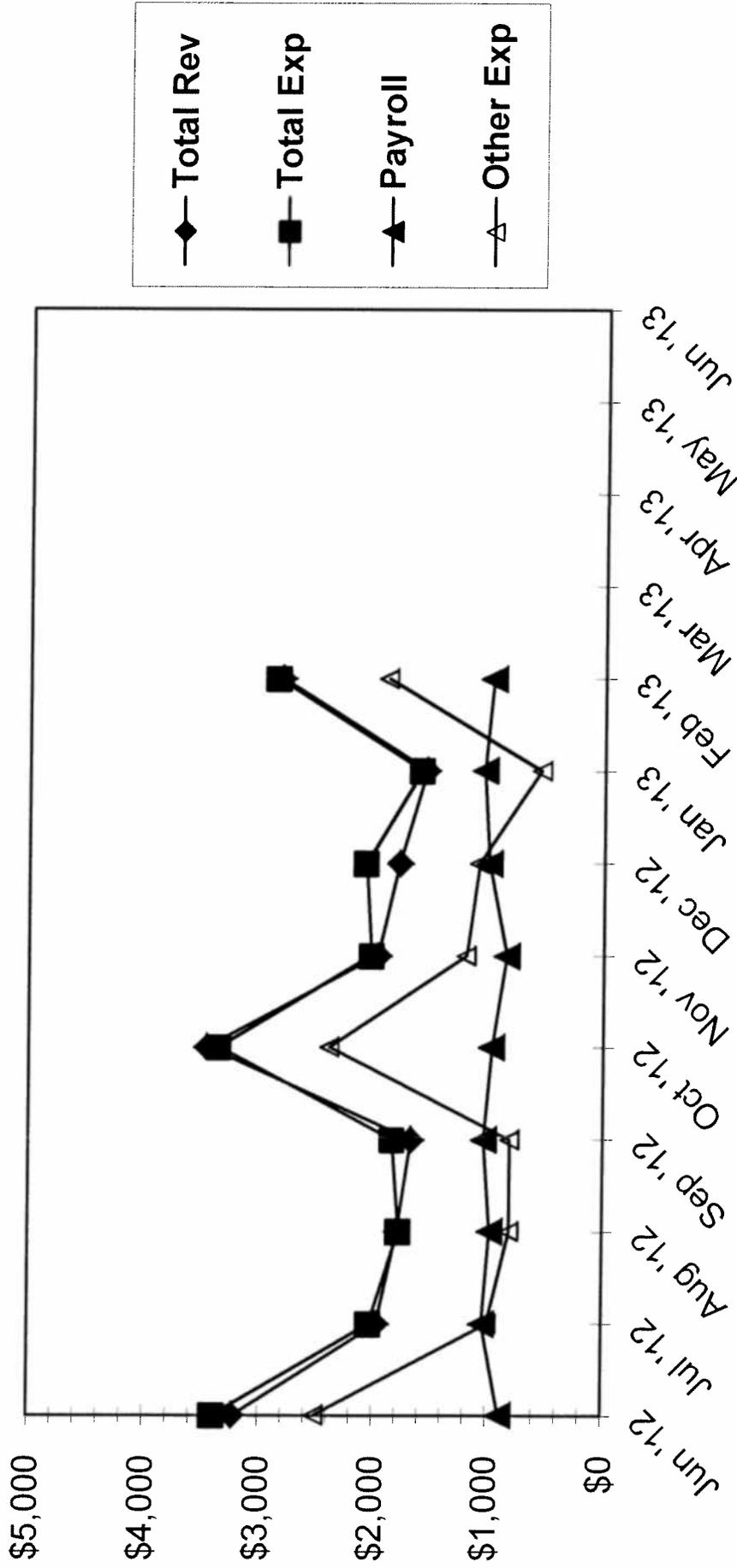
ABAG Financial Indices

Figure 2--Accounts Receivable--FY 12 and FY 13 (\$'000)



Accounts receivable include receivables generated by grants and service programs over two fiscal years. Reflects the reasonableness of our receivable levels; usually have about six weeks' worth of annual revenues in receivables.

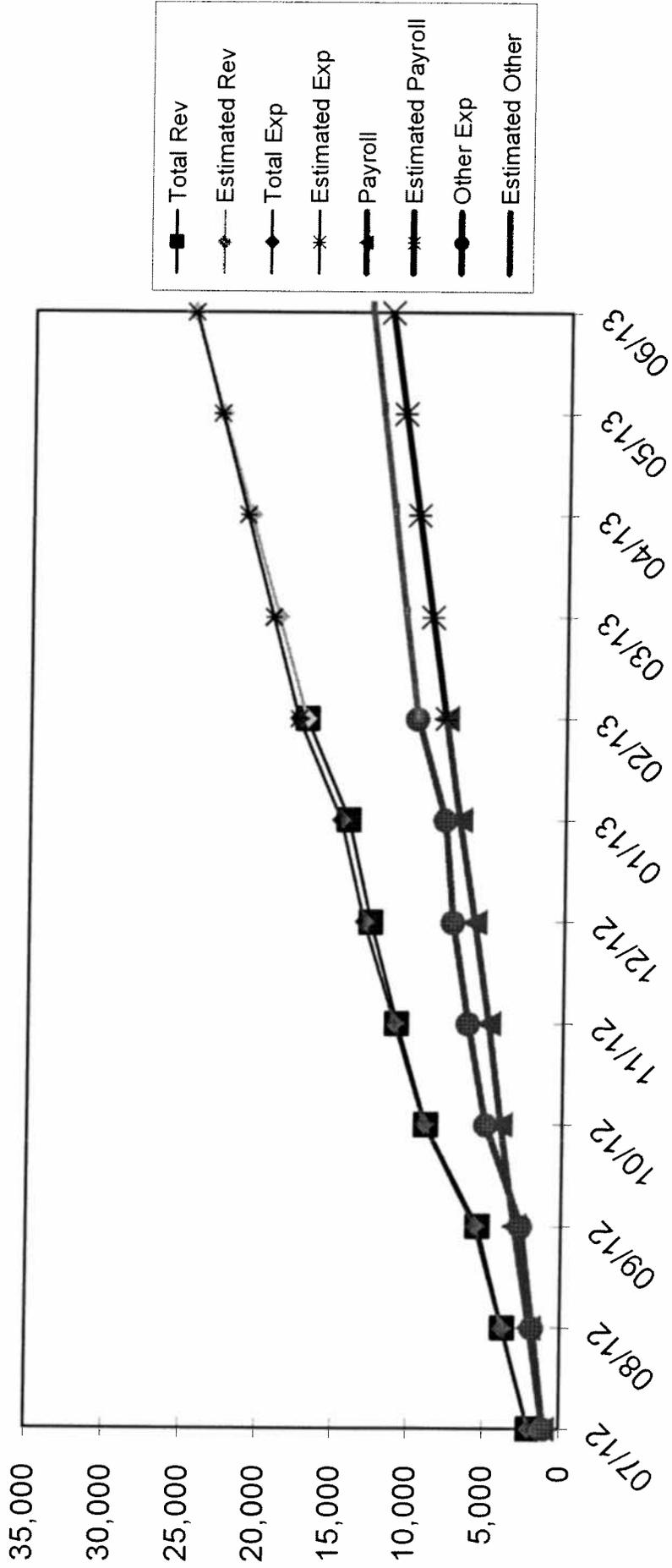
ABAG Financial Indices
Figure 3--Current Month Revenues & Expenses
FY 12-13 (\$'000)



Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the Association.

ABAG Financial Indices

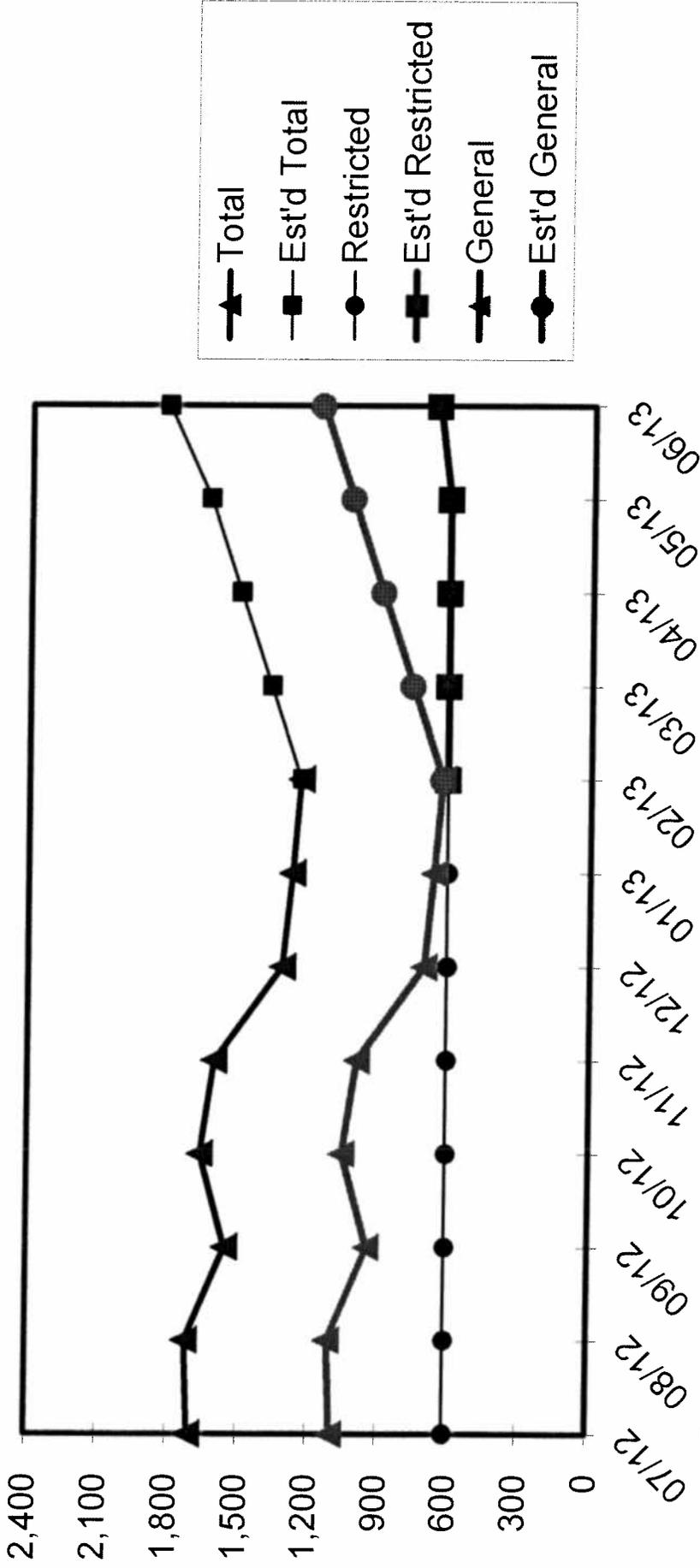
Figure 4--Year-to-date Revenues & Expenses
FY 12-13 (\$'000)



Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or deficit) for the Association.

ABAG Financial Indices

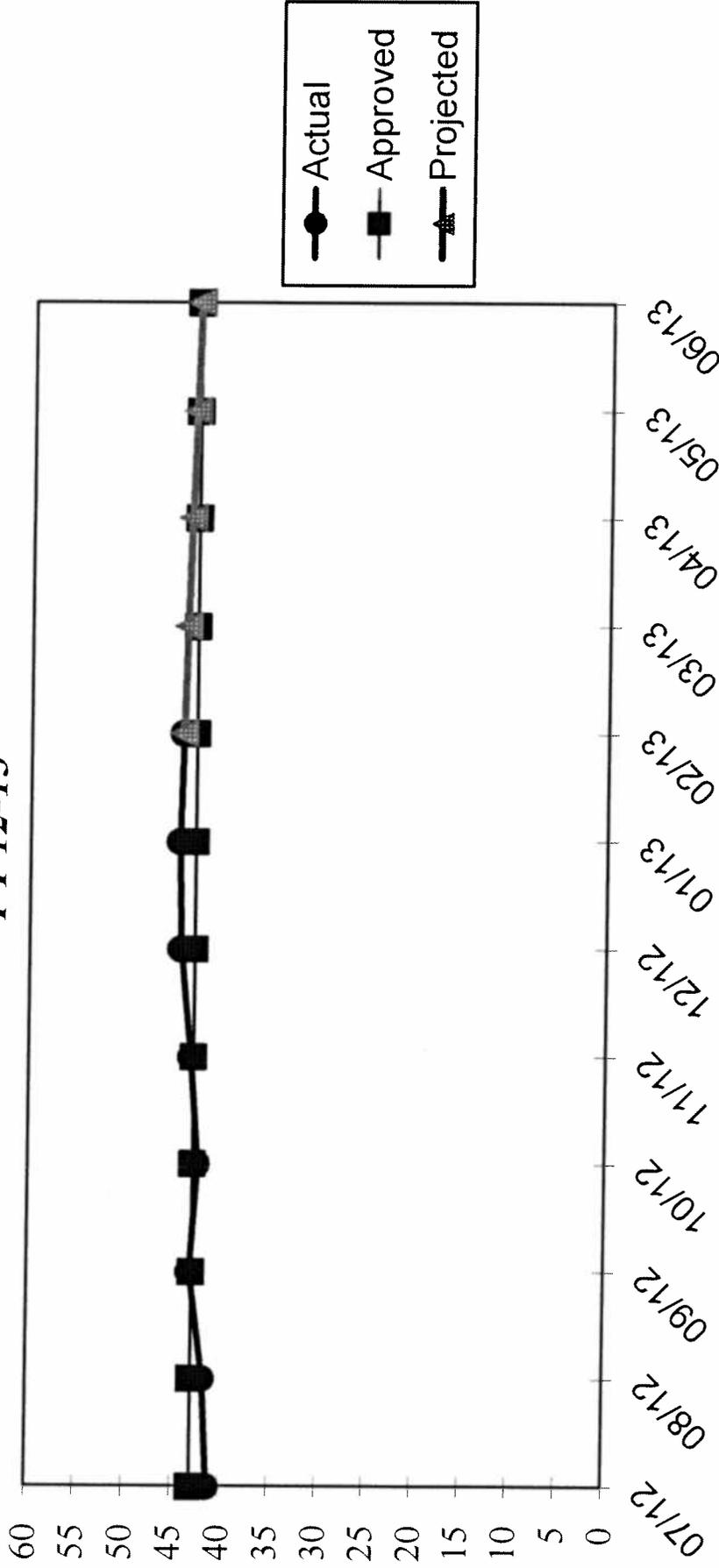
Figure 5--Fund Equity
FY 12-13 (\$'000)



Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvement interest, building maintenance, self-insurance, capital and contingency reserve. These restricted equities represent the Association's equities set aside for specific purposes. Total equity is the sum total of general and restricted equities.

ABAG Financial Indices

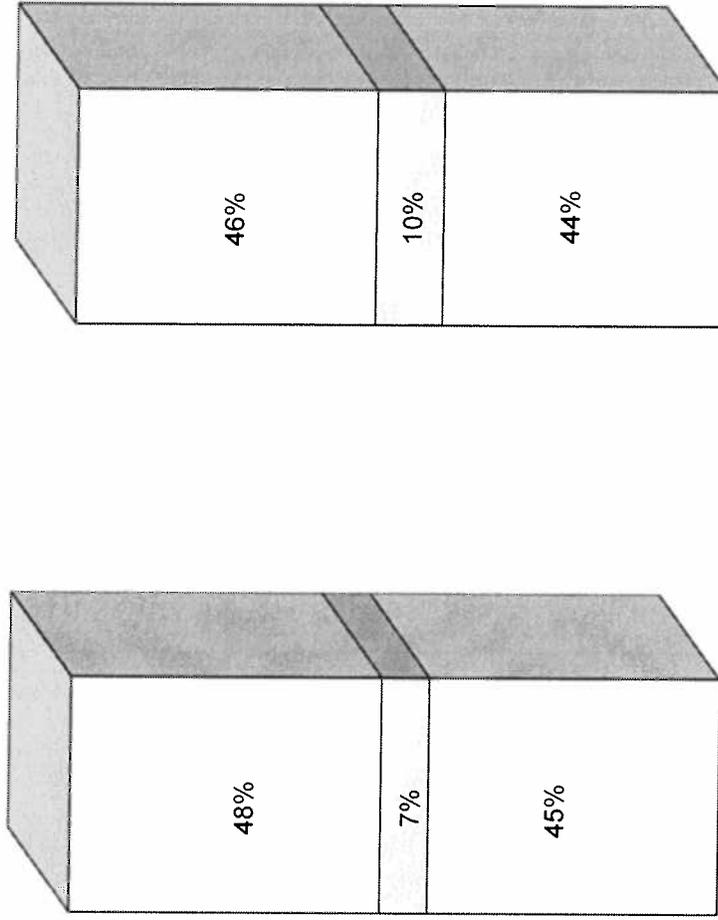
**Figure 6--Indirect Cost Rate (% of Direct Labor Cost)
FY 12-13**



Shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB Circular A-87.

ABAG Financial Indices

Figure 7-- Composition of Expenses FY 12--FY 13
Year to Date
(\$'000)

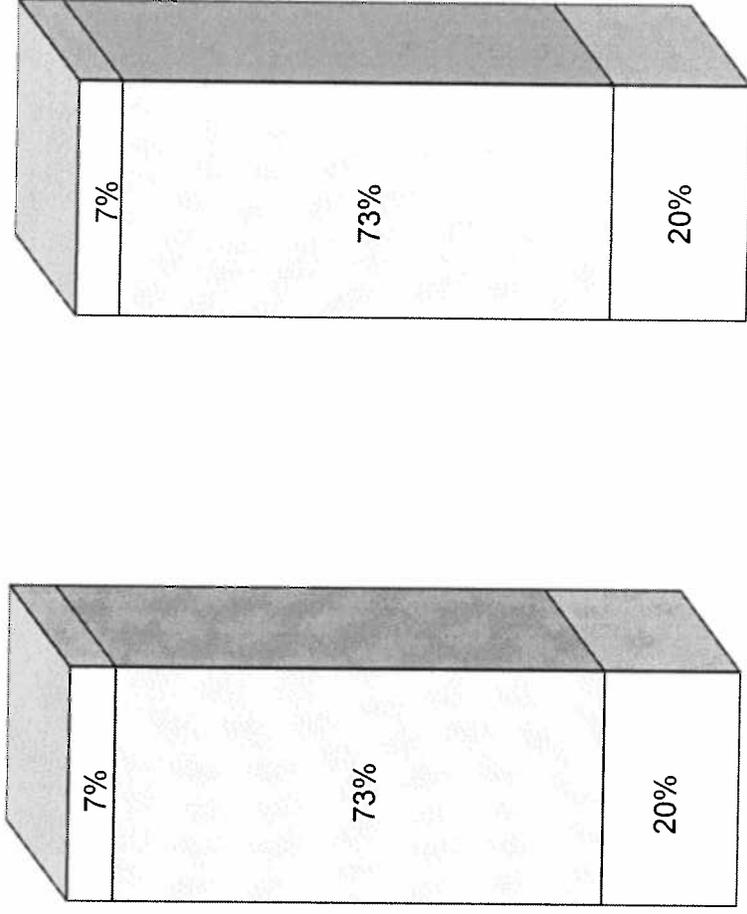


	FY12-13 Expenses (Total \$17,531)	FY11-12 Expenses (Total \$17,482)
□ Consultants	\$8,386	\$8,050
□ Others	\$1,304	\$1,829
□ Payroll	\$7,841	\$7,603

This chart compares expenses for current and prior fiscal year. It groups expenses into three broad categories--payroll costs, consultants and other expenses.

ABAG Financial Indices

Figure 8-- Composition of Revenues FY 12--FY 13
Year to Date
 (\$'000)

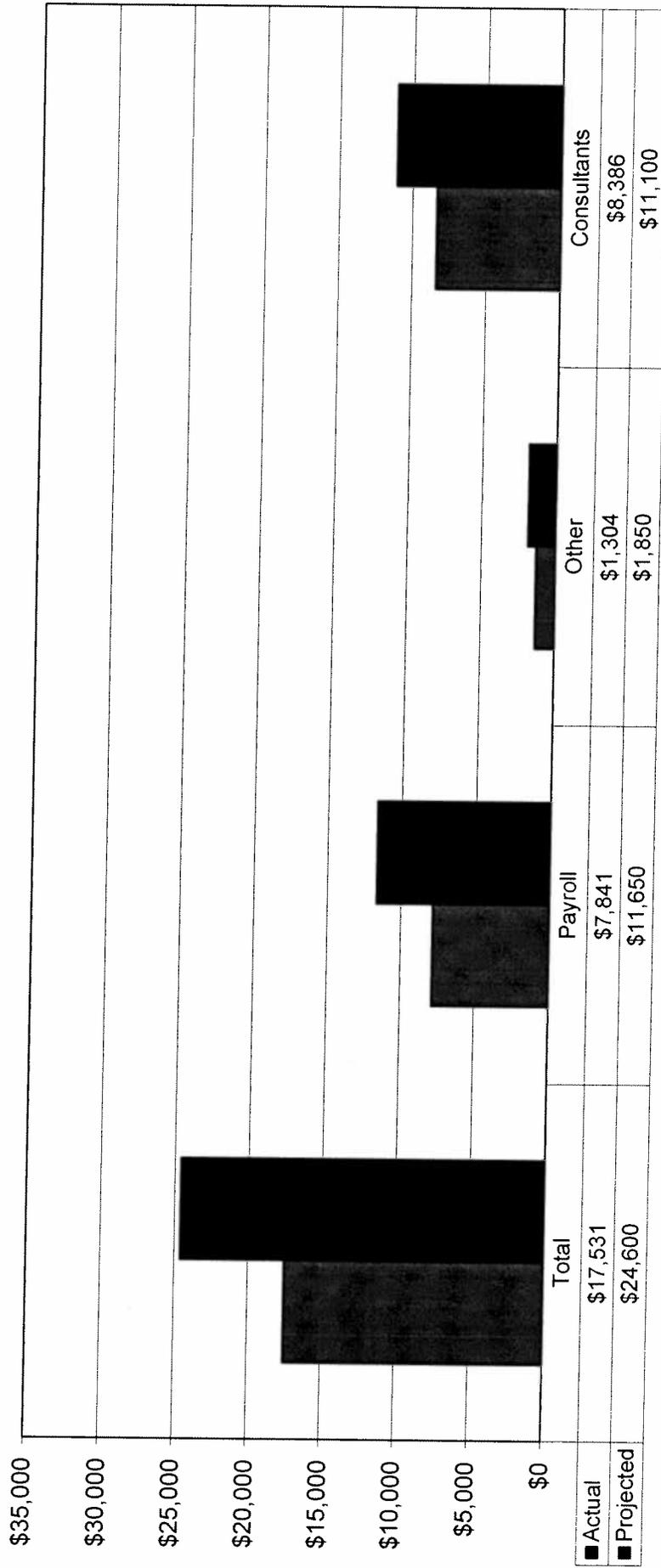


	FY 12-13 Revenue (Total \$17,000)	FY 11-12 Revenue (Total \$17,762)
□ Membership	\$1,150	\$1,155
□ Grants	\$12,417	\$13,008
□ Services & Others	\$3,433	\$3,599

Presents a breakdown of total revenues into four main sources--membership, grants, services and others. This chart compares revenue sources between current and prior fiscal year.

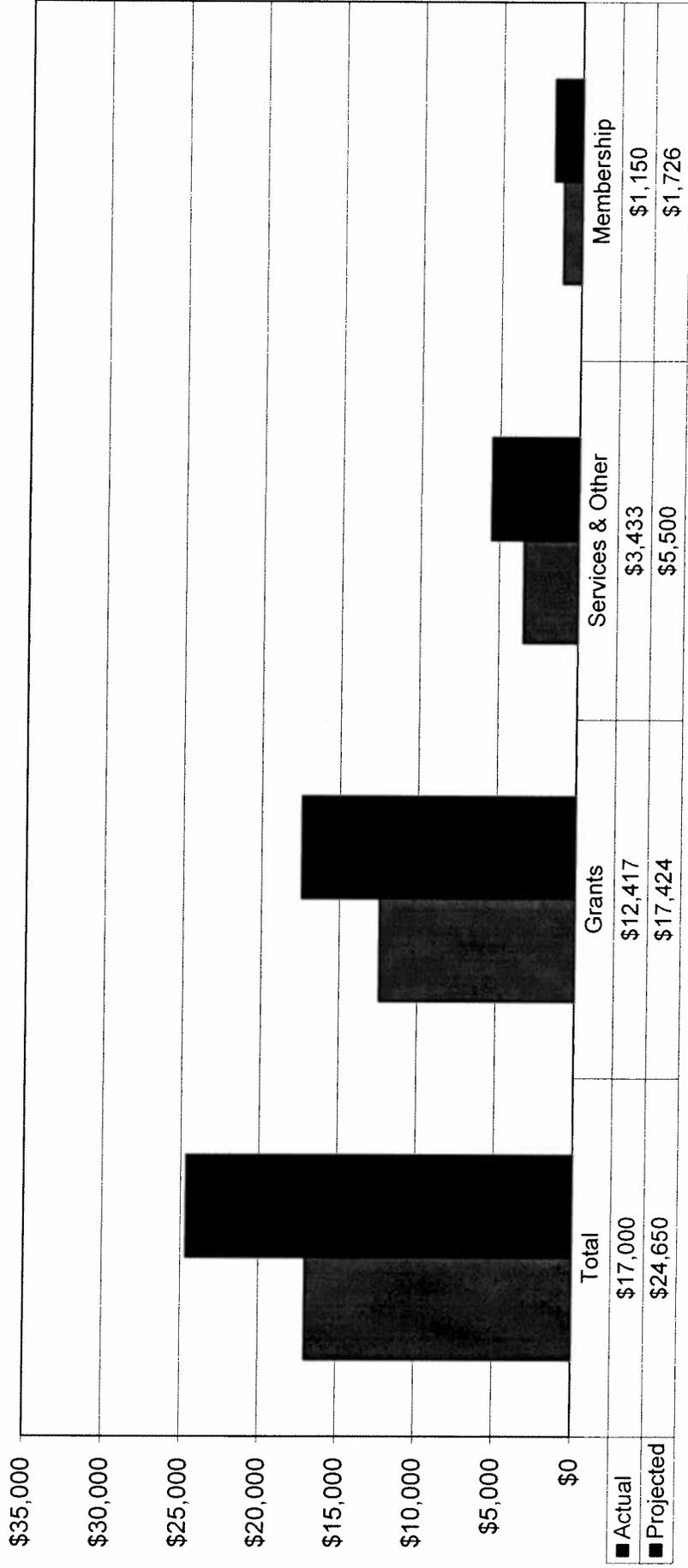
ABAG Financial Indices

Figure 9--Actual vs Projected Expenses--FY 12-13 Year to Date (\$'000)



Presents a comparison of actual and budgeted/projected total expenses as well as component categories: payroll costs, consultants and other expenses.

ABAG Financial Indices
Figure 10--Actual vs Projected Revenues--FY 12-13
Year to Date (\$'000)



Presents a comparison of actual and budgeted/projected total revenues as well as component categories: membership dues, grants, services and other.

TO: Finance and Personnel Committee

DT: April 30, 2013

FM: Herbert Pike, Finance Director

Re: Financial Reports
--March 2013

The following are highlights of the financial reports for March 2013.

Overall Summary (Figures 3, 4, 7 & 8)

March 2013 represents the ninth month of the new fiscal year (75.0 percent). During March, there was a \$238 thousand increase in Agency equity, a turnaround from the losses in recent months. This is the first indication that the anticipated seasonal trend—increased billable work hours during the latter months of the fiscal year—and the adjustments made in February to increase benefit accruals to mitigate the variance between actual personnel costs and billable payroll costs are having a beneficial impact on mitigating equity losses incurred during the first half of the fiscal year. Other contributors to the increase in equity were SFEP donations and FAN financial services income. Especially for the SFEP donations, offsetting expenses are expected to ensue within the next couple of months. Staff believes that ABAG can approach its budgeted targets by the close of the fiscal year (June 30, 2013), but with continued close scrutiny. The Federal sequestration of funds has impacted any of the Agency's current programs, but there are indications that some grant support for next year may be reduced; none would appear to adversely impact staffing, but would most likely necessitate reductions in outside technical consultants. Actual overhead is finally trending toward the budgeted rate of 42.95 percent, the gap between revenues and expenditures is closing, and the Agency's cash position is improving.

Cash on Hand (Figure 1)

Cash on hand increased to \$4.06 million as of March 31st from \$3.3.78 million on February 28th. The increase of \$273 thousand is attributed primarily to the impact in quarterly billings wherein the first month following the end of a quarter when the billings are mailed and the collections come at the end of that first month and in the beginning of the second month following the end (close) of a quarter. The March balance includes approximately \$2.57 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The March 31st cash balance is approximately \$1.32 million more than the prior year; however, much of the increase is attributed to advanced (pre-paid) grant funds provided by the grantor.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$5.14 million on March 31st, an increase of \$189 thousand from the month prior. The \$5.14 million is \$298 thousand higher than the receivables of the year prior. Unbilled receivables declined by \$526 thousand from the prior month, but billed grant receivables increased by \$740 thousand over the same period. Because

the close of February was delayed to accommodate some adjustments to the billable labor rates, this may have delayed the release of some of the billings which may be why we are still awaiting collection on those billings.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through March 31st, the ninth month of the new fiscal year, amounted to about \$19.31 million, or 78.5 percent, of the adjusted, budgeted annual expense of \$24.60 million for FY 2012-13. This appears to reflect the frenzy of activity that accompanied the closure of several major projects. It exceeds the 75.0 percent (nine/twelfths, three/fourths) average and is opposite the normal trend where there is usually a slight lag in the accumulation of expenses in the fiscal year. The primary factor accelerating expense is the closing of the projects, including Trash Capture Devices and Energy Retrofits in numerous jurisdictions within the region, who have been trying to get their claims recorded before the grants expire. Non-labor expense is expected to decline in the latter months of the fiscal year as the projects with high-capital payouts to other entities subsides with many of the deadlines past.

Actual vs. Budgeted Revenues (Figure 10)

As of March 31st, total revenues amounted to about \$19.02 million, or 77.14 percent, of the adjusted, budgeted annual revenue of \$24.65 million for FY 2012-13. Higher billable labor rates, along with the seasonal increase in billable hours normally realized in the last three months of the fiscal year (less vacation, fewer holidays, lower sick leave usage), should increase overhead recovery.

Fund Equity (Figure 5)

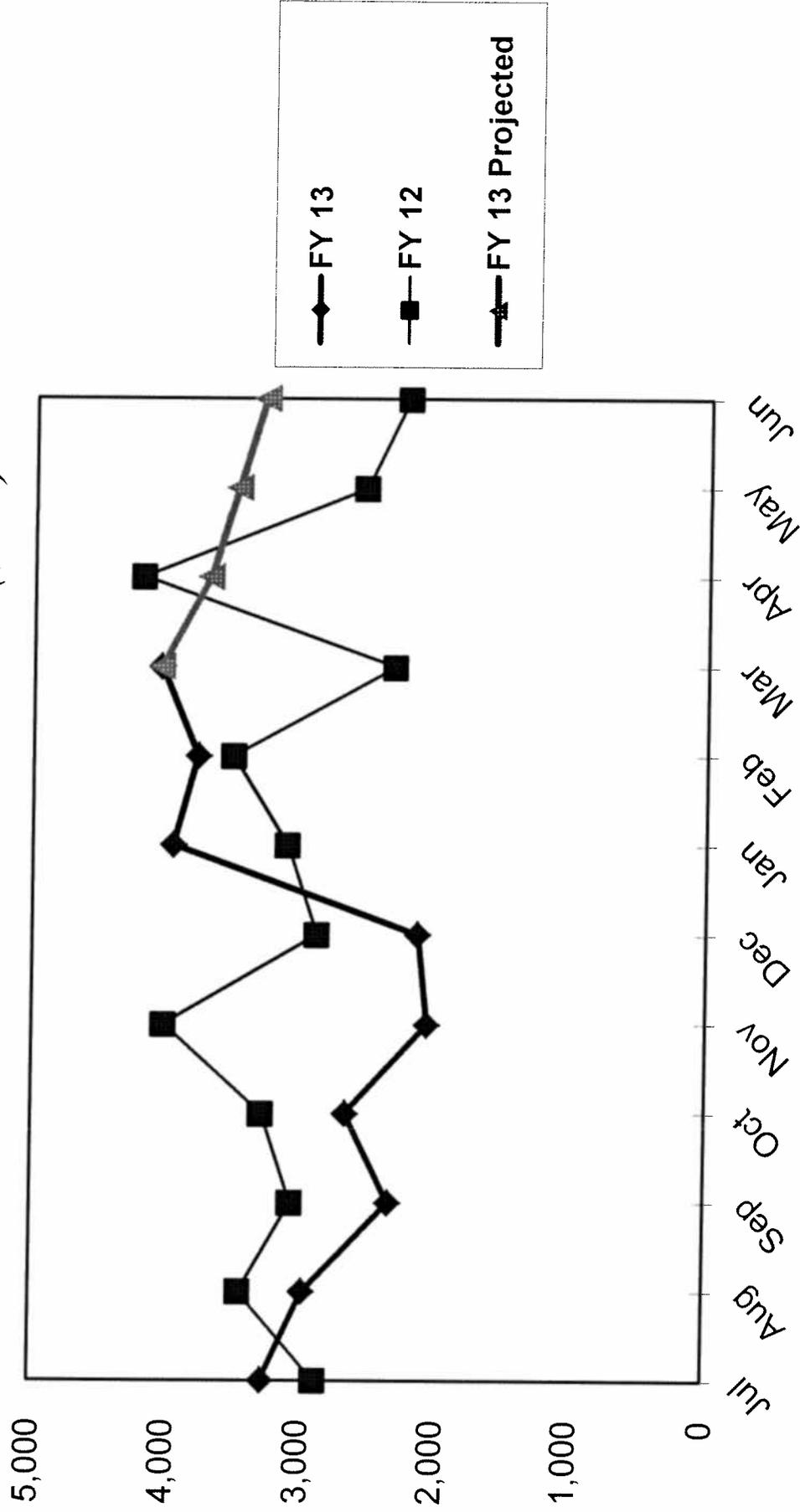
As of March 31st, general fund equity was approximately \$869 thousand, an increase of \$238 thousand from the prior month. The Agency's restricted fund equity, consisting of capital, self-insurance, building maintenance and reserves, is \$610 thousand. Total fund equity of \$1.48 million is \$547 thousand less than the year prior. Much of this loss may be expected to be offset by increased grant staffing and greater overhead recovery during the remainder of the fiscal year. Increased benefit accruals during the latter part of the fiscal year (implemented in February) should also serve to significantly reduce the year-to-date losses in the payroll clearing account (the difference between billed labor rates and actual payroll/benefit costs incurred).

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 43.90 percent, or 0.95 percent above target. The decrease in March continues the continued decline in the rate since January. It is anticipated that the last three months of the fiscal year will see a continuing increase in billable grant hours that will result in a further reduction of overhead as a percent of labor costs and bring the year-end indirect overhead rate closer to the budgeted rate of 42.95 percent.

ABAG Financial Indices

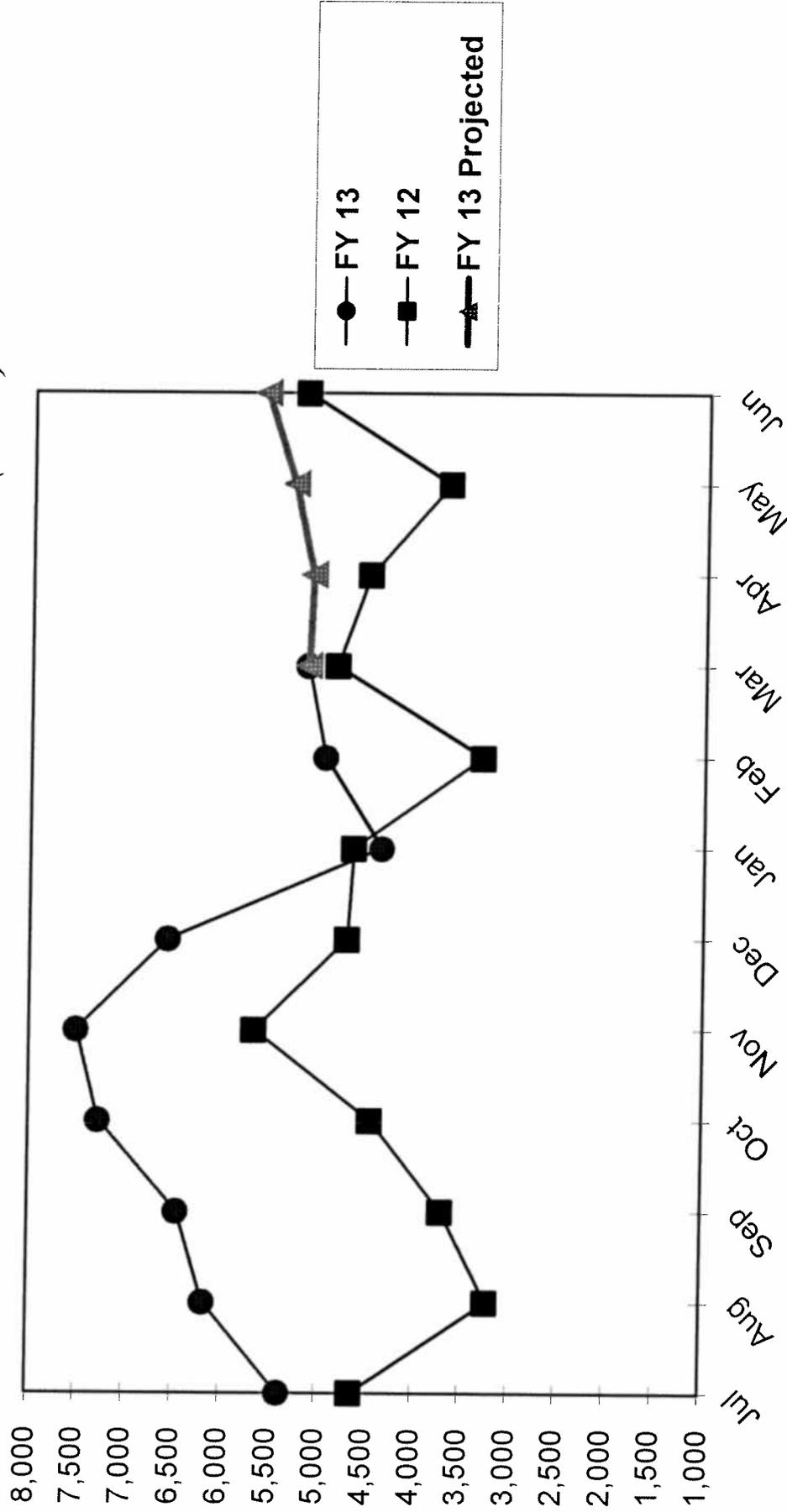
Figure 1--Cash on Hand--FY 12 and FY 13 (\$'000)



Represents the sum total of cash deposited at our bank and the Local Agency Investment Fund. This chart shows fluctuation patterns of cash on hand for the current and prior fiscal years.

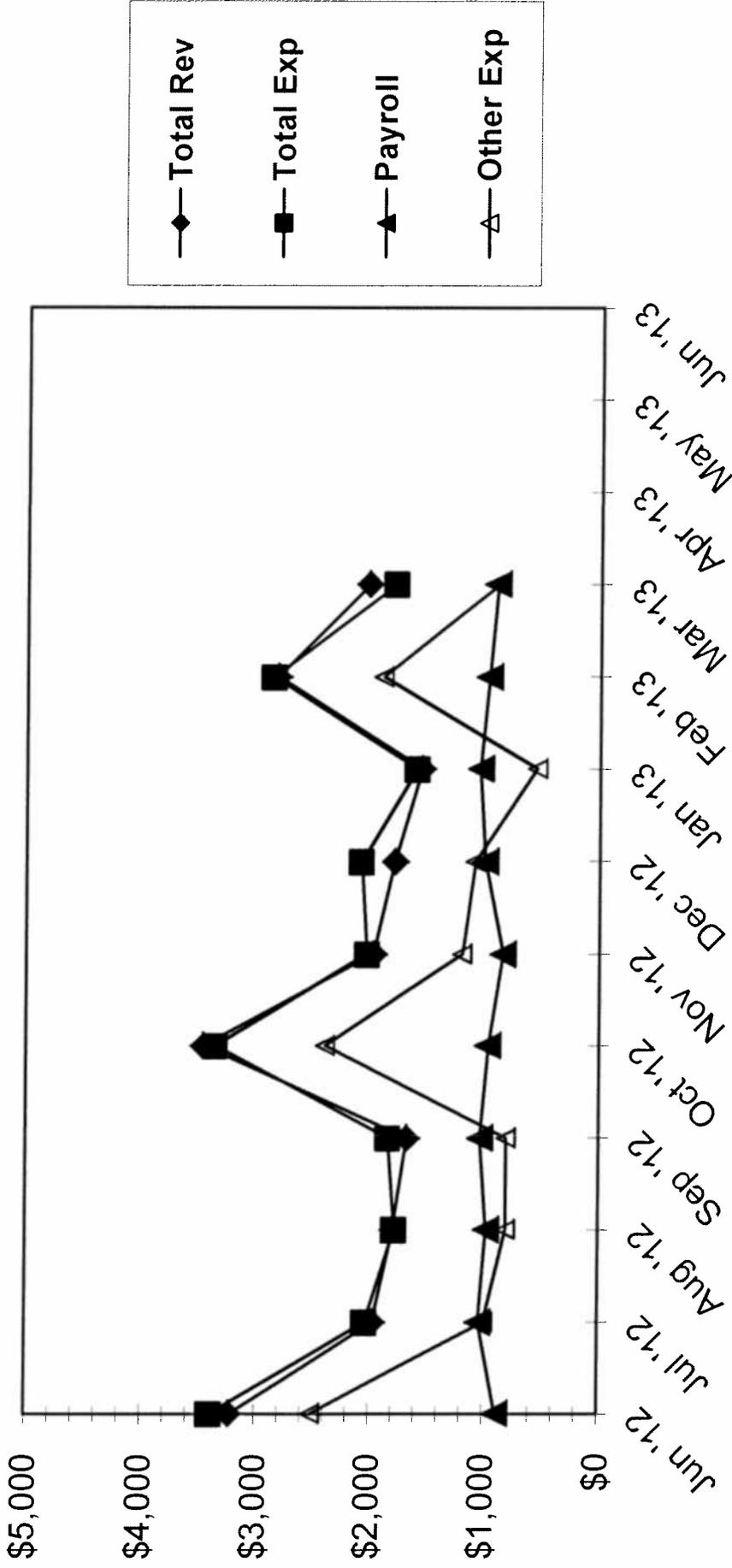
ABAG Financial Indices

Figure 2--Accounts Receivable--FY 12 and FY 13 (\$'000)



Accounts receivable include receivables generated by grants and service programs over two fiscal years. Reflects the reasonableness of our receivable levels; usually have about six weeks' worth of annual revenues in receivables.

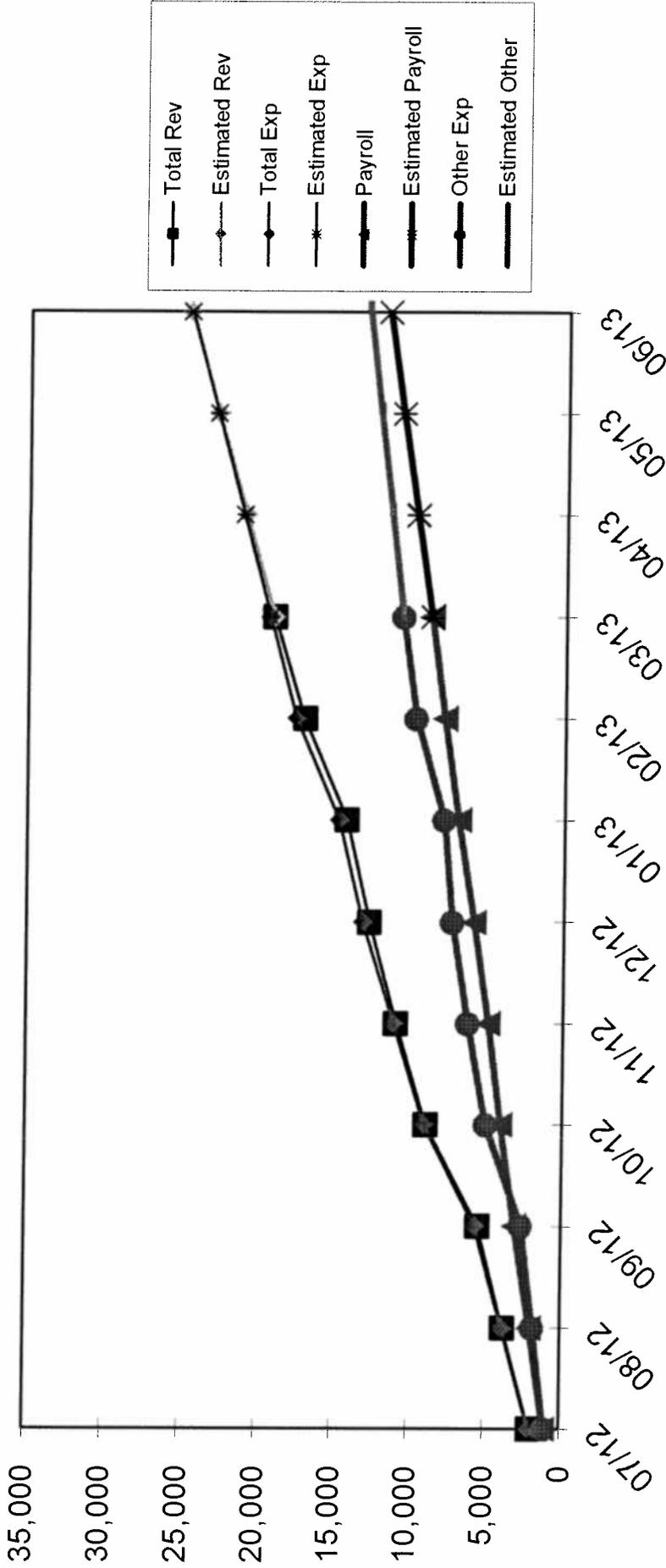
ABAG Financial Indices
Figure 3--Current Month Revenues & Expenses
FY 12-13 (\$'000)



Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the Association.

ABAG Financial Indices

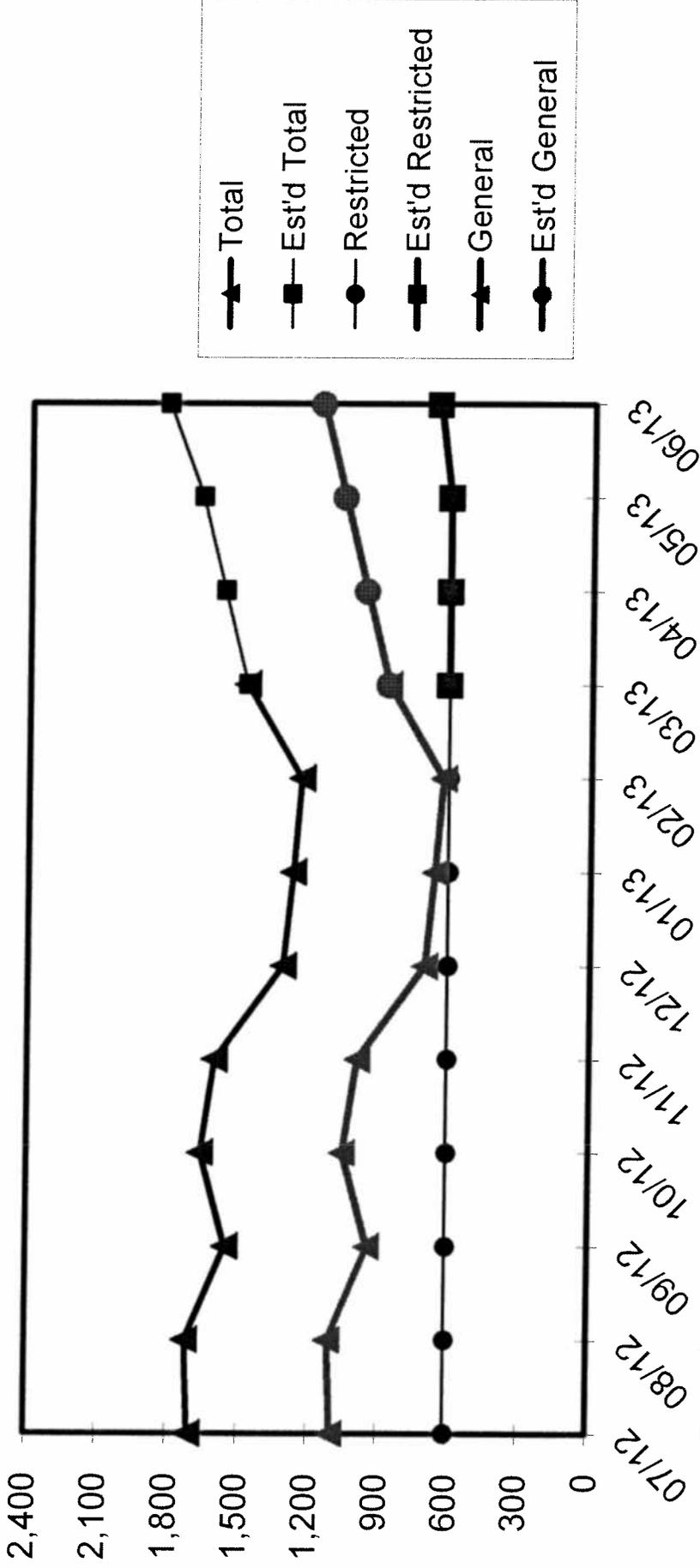
Figure 4--Year-to-date Revenues & Expenses
FY 12-13 (\$'000)



Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or deficit) for the Association.

ABAG Financial Indices

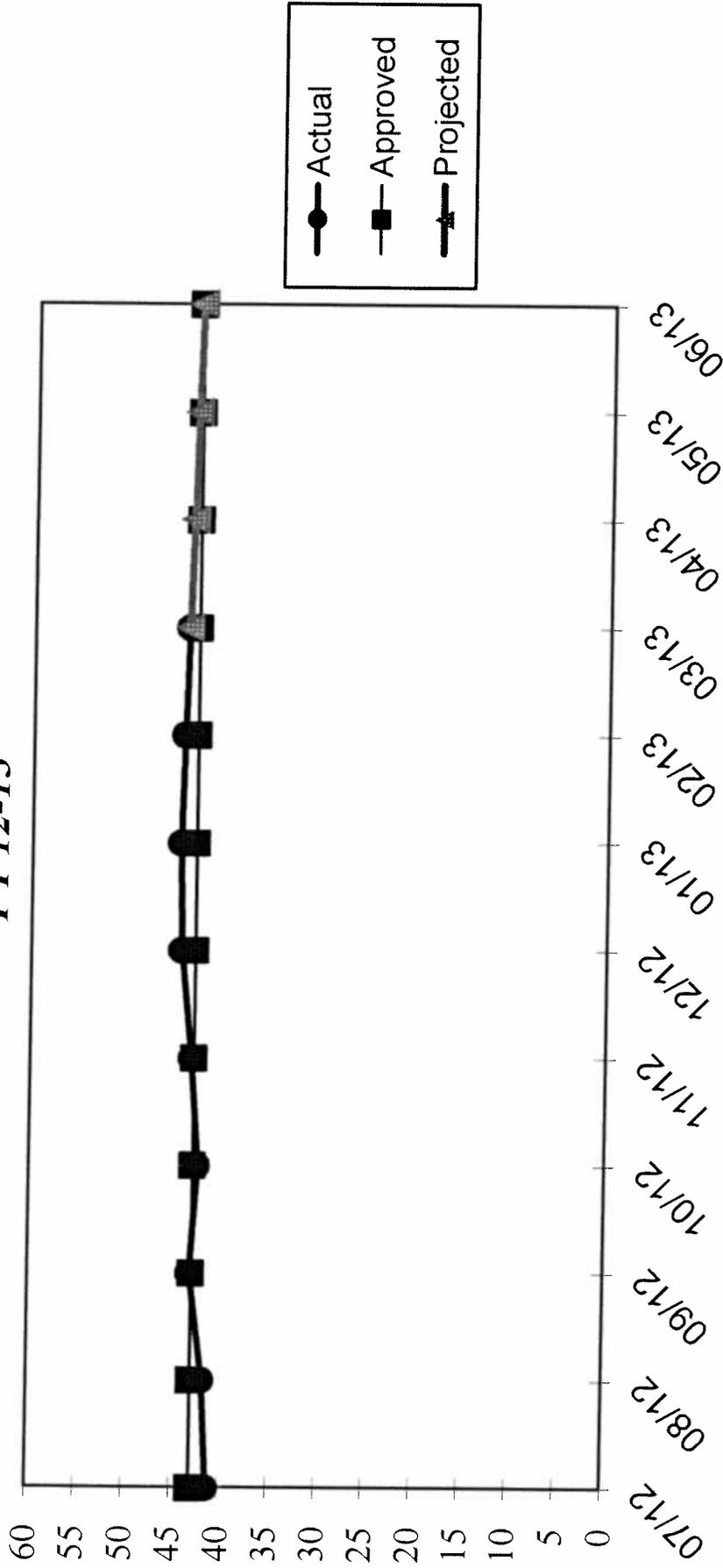
Figure 5--Fund Equity
FY 12-13 (\$'000)



Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvement interest, building maintenance, self-insurance, capital and contingency reserve. These restricted equities represent the Association's equities set aside for specific purposes. Total equity is the sum total of general and restricted equities.

ABAG Financial Indices

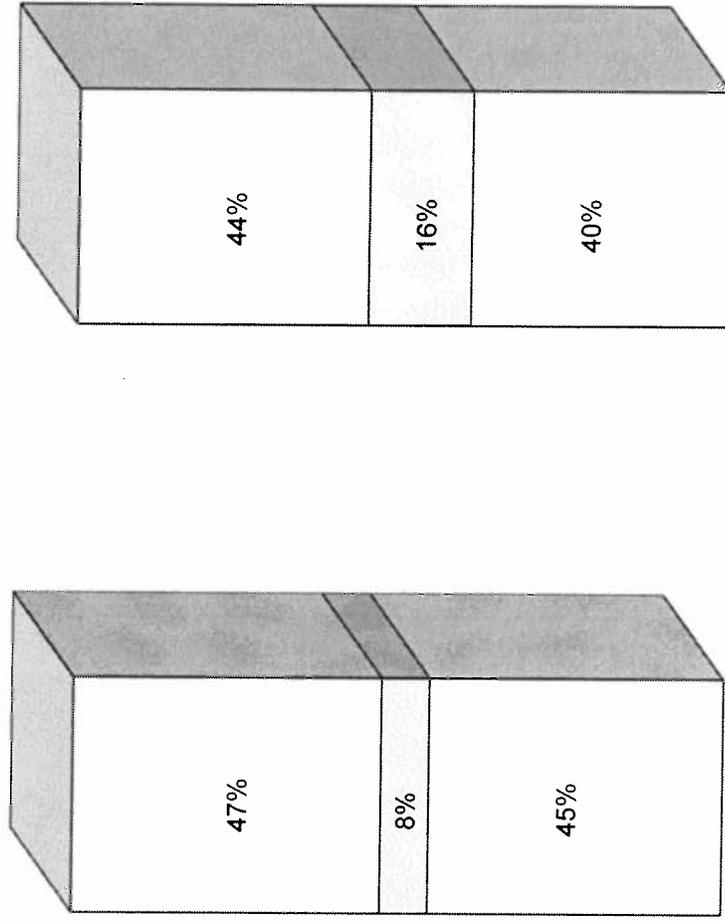
Figure 6--Indirect Cost Rate (% of Direct Labor Cost) FY 12-13



Shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB Circular A-87.

ABAG Financial Indices

Figure 7-- Composition of Expenses FY 12--FY 13
Year to Date
(\$'000)

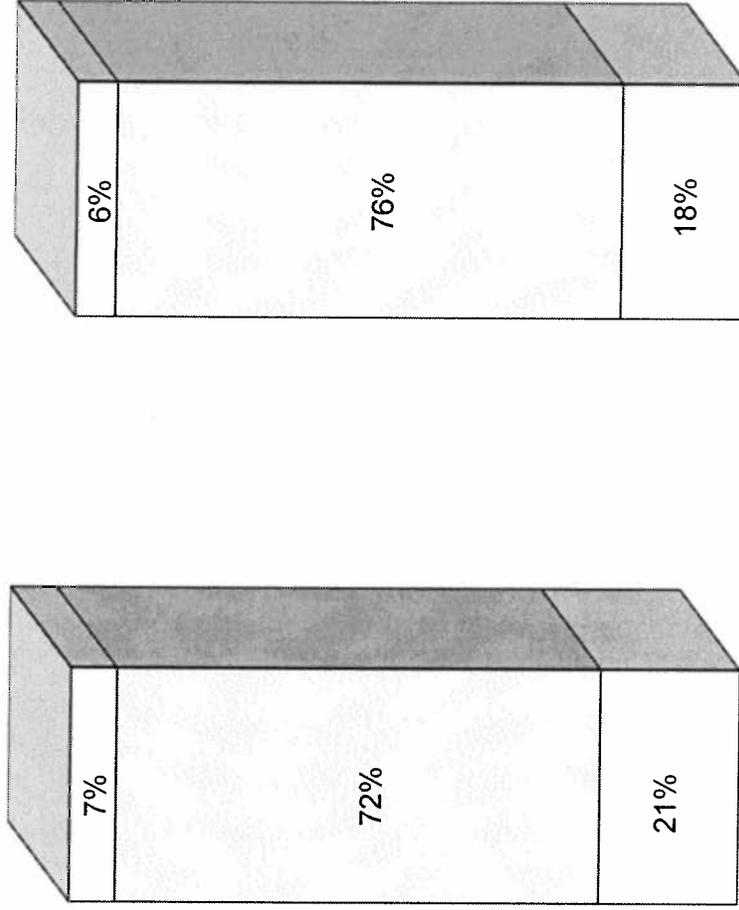


	FY12-13 Expenses (Total \$19,308)	FY11-12 Expenses (Total \$21,733)
□ Consultants	\$9,140	\$9,679
□ Others	\$1,433	\$3,456
□ Payroll	\$8,735	\$8,598

This chart compares expenses for current and prior fiscal year. It groups expenses into three broad categories—payroll costs, consultants and other expenses.

ABAG Financial Indices

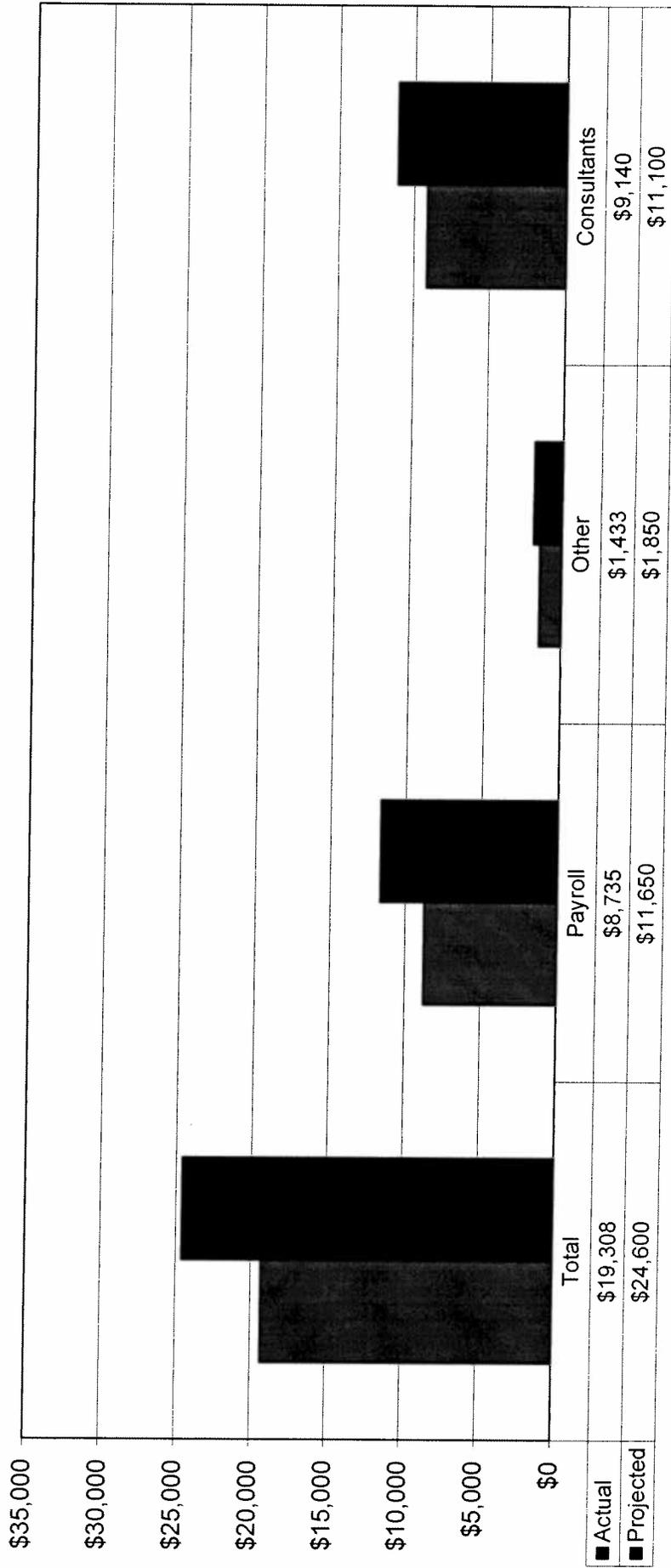
**Figure 8-- Composition of Revenues FY 12--FY 13
Year to Date
(\$'000)**



	FY 12-13 Revenue (Total \$19,015)	FY 11-12 Revenue (Total \$22,118)
□ Membership	\$1,293	\$1,299
□ Grants	\$13,788	\$16,755
□ Services & Others	\$3,934	\$4,064

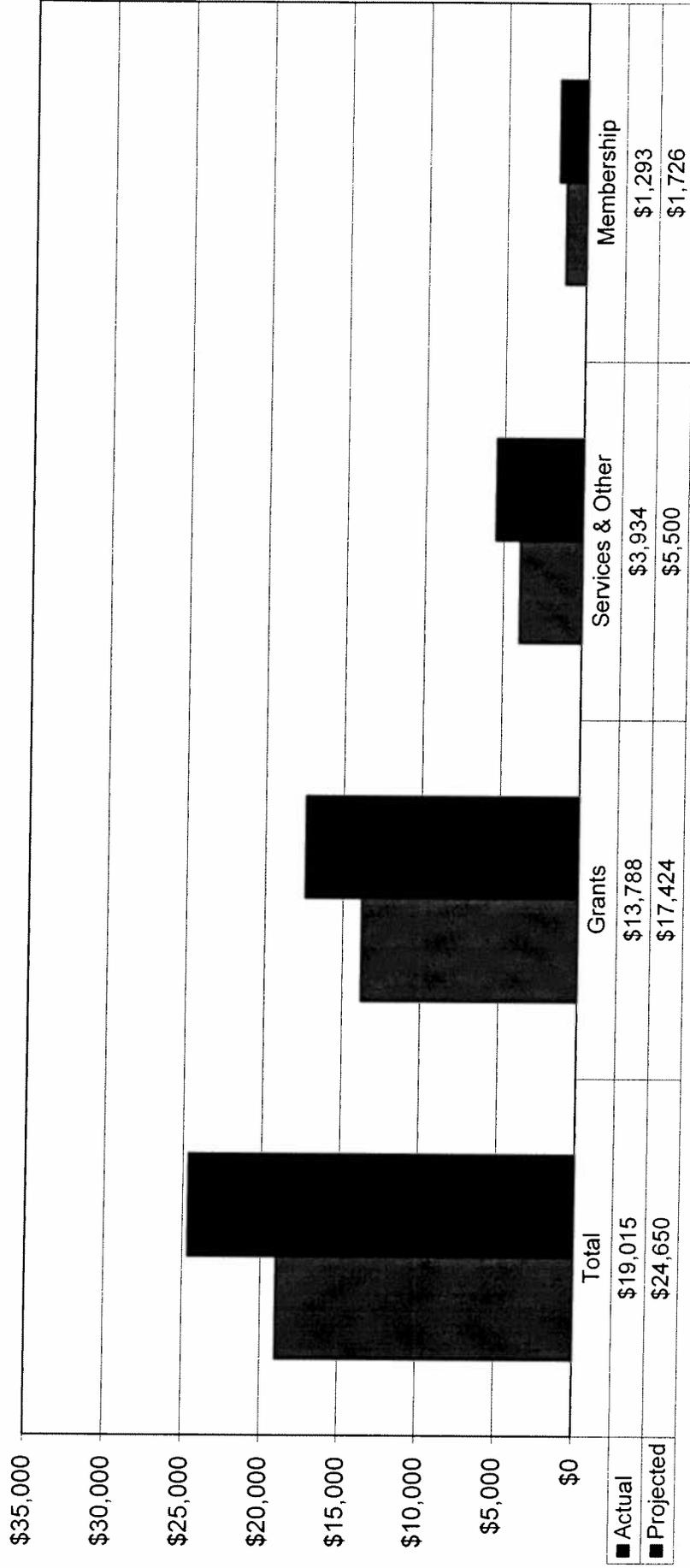
Presents a breakdown of total revenues into four main sources--membership, grants, services and others. This chart compares revenue sources between current and prior fiscal year.

ABAG Financial Indices
Figure 9--Actual vs Projected Expenses--FY 12-13
Year to Date (\$'000)



Presents a comparison of actual and budgeted/projected total expenses as well as component categories: payroll costs, consultants and other expenses.

ABAG Financial Indices
Figure 10--Actual vs Projected Revenues--FY 12-13
Year to Date (\$'000)



Presents a comparison of actual and budgeted/projected total revenues as well as component categories: membership dues, grants, services and other.

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE & PERSONNEL COMMITTEE**

**TABLE OF FINANCIAL REPORT DATA ELEMENTS
(thousands of dollars)**

FOR THE MONTH ENDED MARCH 31, 2013

<u>Description</u>	<u>Year-To-Date Actual</u>	<u>Year-End Estimate</u>
ASSETS		
Cash	4,055	3,300
Receivables	5,141	5,600
REVENUES		
Membership Dues	1,293	1,726
Grants	13,788	17,424
Charges for Services	3,934	5,500
Total Revenues	<u>19,015</u>	<u>24,650</u>
EXPENSES		
Salaries and Related Benefits	8,735	11,650
Consultant Services	9,140	11,100
Other Expenses	1,433	1,850
Total Expenses	<u>19,308</u>	<u>24,600</u>
Change in Net Assets	(293)	50
Beginning Net Assets	1,772	1,772
Ending Net Assets	<u>1,479</u>	<u>1,822</u>
NET ASSET BREAKDOWNS		
Unrestricted	869	1,162
Restricted	610	660
Total Net Assets	<u>1,479</u>	<u>1,822</u>
INDIRECT OVERHEAD		
Approved Overhead	42.95%	42.95%
Overhead Rate %	43.90%	42.95%

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE & PERSONNEL COMMITTEE**

**TABLE OF FINANCIAL REPORT DATA ELEMENTS
(thousands of dollars)**

<u>Index Description</u>	<u>Mar-13</u>	<u>Feb-13</u>	<u>Jan-13</u>	<u>Mar-12</u>	<u>Feb-12</u>
Cash	4,055	3,782	3,959	2,320	3,519
Receivables	5,141	4,952	4,356	4,843	3,302
Payroll Cost-YTD	8,735	7,841	6,875	8,598	7,603
-Month	894	966	1,041	995	793
Total Other Expense-YTD	10,573	9,690	7,802	13,135	9,879
-Month	883	1,888	545	3,256	1,216
Total Expenses-YTD	19,308	17,531	14,677	21,733	17,482
-Month	1,777	2,854	1,586	4,251	2,009
Total Revenues-YTD	19,015	17,000	14,180	22,118	17,762
-Month	2,015	2,820	1,545	4,356	2,187
Fund Equity-General	868	630	665	1,465	1,360
Total Restricted	610	610	610	560	560
Total Fund Equity	1,478	1,240	1,275	2,025	1,920
Approved Overhead	42.95%	42.95%	42.95%	42.95%	42.95%
Overhead Rate %	43.90%	44.29%	44.57%	37.87%	37.42%

F&PC AGENDA ITEM 4-D

To: **ABAG Finance & Personnel Committee**
From: **Herbert Pike**
CC: **Ezra Rapport, Executive Director**
Date: **3/21/2013**
Re: **Update on the Implementation of the Cadillac Tax as Mandated in the Affordable Care Act**

The 'Cadillac Tax' excise tax plan as mandated by the Affordable Care Act is scheduled to commence on January 1, 2018. What the Tax plan will do is impose a 40 percent tax on amount that health benefit plans exceed a fixed cap. As an example, if the cap for a family plan was \$25,000 per year, but the proposed plan was priced at \$27,000, the IRS would impose a tax of \$800—40 percent of the difference between \$27,000 and the cap of \$25,000. The tax is collected from the insurance provider, so the tax would presumably be included in the price of the 'Cadillac' plan offered to the insurance offered to employees. One would assume that insurers would try to avoid the tax, reducing the cost of coverage by increasing co-pays and deductibles paid by the insured.

The proposed caps will be more problematic in areas with high health care costs, e.g. the Bay Area. It is stated that normal health insurance costs in Alaska normally run far in excess of the cap proposed for 2018. The Federal government is also presuming that some of the costs attributed to implementation of the Affordable Care Act in the first year, 2014, will have moderated by the time the caps are imposed in 2018.

The most recent caps suggested for 2018 are:

Individual Plans	\$10,200/year
Family Plans	\$27,500/year

ABAG's current Kaiser North rates paid through CalPERS are \$8,024 for single coverage and \$20,861 for family coverage. That appears well within the limits, but given that increases for January 2014 are estimated to be 12-15 percent, including Affordable Care Act implementation, and with an average increase of 5.0-7.5 percent per year for January of 2015, 2016, 2017 and 2018, the cost for 2018 could range from \$10,924-\$11,464 for single coverage and \$28,399-\$29,803 for family coverage in 2018. For perspective, the average increase in January 2013 was 10 percent. Incorporating the 'Cadillac Tax' would push our rates even higher in 2018.

While CalPERS health care rates still appear to be rising rapidly, health care costs across the country are noted for being unexpectedly moderated over the last couple of years. This diminishes the potential for the Federal government to adjust the caps upward.

Unless some accommodation is made to adjust the caps based on local cost of living costs, the pressure will be for CalPERS to negotiate rates within the proposed caps which would strongly indicate negotiated increases in deductibles and co-pays. Increasing employee co-pay of their insurance does not appear to have any impact upon the 'Cadillac Tax' in that it is imposed at the insurance plan level based on the premium, not with who is paying for it.

Some articles from a brief internet search are attached for your review. Staff is prepared to further research any questions pertaining to the Affordable Care Act and the 'Cadillac Tax' that may arise from discussions at the Committee meeting.

LEGISLATIVE BRIEF:

NEWS RELATED TO THE AFFORDABLE CARE ACT

CONSIDERATIONS FOR THE "CADILLAC PLAN" EXCISE TAX

The Affordable Care Act's "health benefits excise tax" will impose a 40% nondeductible tax on the annual value of health plan costs for employees that exceed \$10,200 for single coverage or \$27,500 for family coverage starting in 2018. Dubbed the "Cadillac plan tax," the levy is intended to fund health care initiatives by penalizing high cost health plans that presumably offer generous benefits, incentivizing them to offer less substantial plans below the threshold.

The Alliance has concerns about the excise tax for several reasons, and will advocate for change as new legislation and regulations are considered in Congress:

- » The level of the tax once a plan is hit is extremely high at 40 percent. If a plan with 1,000 enrollees exceeds the threshold by \$1,000, its tax liability would equal \$1 million.
- » Plan costs could be high for reasons other than offering "gold-plated" benefits. For example, plans may cover an unusual number of employees that are sick and/or live in a region with expensive health costs. There are some considerations offered in the statutes for plans that cover high-risk workers, but not enough to cover all situations.
- » The tax is indexed by the overall rate of inflation and not medical inflation. Therefore, we expect that all employer plans will eventually fall under the tax, some as soon as 2018.
- » The value of prescription drug and certain dental plans are currently included in the calculation of plan costs.
- » The tax is likely to create administrative issues as they apply to both employer and employee contributions and salary reductions to FSAs and HSAs. When different coverage providers issue coverage, the onus will presumably be on the employer to calculate the tax and determine responsibility for payment.

Even though the Cadillac plan tax doesn't take effect for a few years, The Alliance recommends plans start planning for it now for the reasons stated above and because other ACA provisions may impact employers' desires to make significant plan changes. The Alliance has created an "Excise Tax Calculator" that helps members project when their plan will hit the threshold. There may be modifications plans may consider now that could help them avoid the tax for additional years.

Updated: December 5, 2012

'Cadillac' Insurance Plans Explained

TOPICS: INSURANCE, HEALTH REFORM

By Jenny Gold
KHN Staff Writer
MAR 18, 2010

This story was done in collaboration with our partner 

This is an updated version of a story that was last updated on Jan. 15, 2010.

The Democrats final health bill negotiated by the House, Senate and White House released Thursday contains a scaled-back tax on high-cost insurance policies. Here is a brief guide to these types of insurance plans.

What is it, and what does it offer the consumer?

Sometimes referred to as a "Cadillac" or "gold-plated" insurance plan, a high-cost policy is usually defined by the total cost of premiums, rather than what the insurance plan covers or how much the patient has to pay for a doctor or hospital visit.

People who have Cadillac plans often have low deductibles and excellent benefits that cover even the most expensive treatments, but this is not always the case. Premium costs can be high for reasons other than generous benefits, including the age, gender and health status of the customer. In an employer-based plan, premiums are based on the pooled risk of employees

and may be higher if many of the employees are sick, older, female or live in a region with expensive health costs.

Who has high-premium plans?

Although news accounts have frequently described Cadillac coverage as plans catering to Wall Street titans, with annual premiums of \$40,000, not everyone with high-cost coverage is wealthy or even especially well-off. Some union workers and employees of businesses with a preponderance of older or sicker workers may also have premiums in the Cadillac range.

In the Democrats' reconciliation bill - actually an amendment to the Senate-passed health bill - a high-cost health plan is defined as costing more than \$10,200 for an individual or \$27,500 for a family, including worker and employer contributions to flexible spending or health savings accounts. The cost does not include stand-alone vision or dental benefits. The tax would not be imposed until 2018, giving health plans more time to benefit from possible cost savings from other reform measures. Employers with a preponderance of older or female workers who have higher-than-average health costs would receive a break in the form of higher thresholds.

The "Cadillac" tax has been reduced significantly since it first appeared in the Senate-passed health bill, which defined a high-cost health plan as costing more than \$8,500 for an individual or \$23,000 for a family, including vision and dental benefits. The tax was set to go into effect in 2013. In an analysis released Nov. 30, the Congressional Budget Office predicted that in 2016, 19 percent of workers who have insurance through the workplace would have fallen under that category. The number of people affected under the latest bill is significantly lower, although exact figures are not yet available.

In 2009, the total cost of the average family policy offered by employers was \$13,375, according to the Kaiser Family Foundation. (KHN is a program of the foundation.)

What effect would the Cadillac provisions in the health overhaul

More on "Gold-plated" Insurance

Getting Health Insurance That Pays For It All

Video Profile: The Stabbe Family

Video Profile: Rusty and Deb Lovell

Stream Audio: Morning Edition



proposals have?

The health bill would tax insurers 40 percent on the amount of premiums above the thresholds. The goal is twofold: to generate revenue to help pay for covering the uninsured; and to make the most expensive plans — which some argue encourage overuse of medical care — less attractive.

In their analysis of the new bill, the House Rules Committee estimates that the amount of revenue that the tax would collect is 80 percent less than the under the Senate-passed bill. The Congressional Budget Office estimates the tax would raise about \$12 billion in 2018, the first year of implementation, and \$20 billion in 2019. (Under the Senate-passed health bill, the CBO estimated that the tax would have raised about \$149 billion over the first 10 years.)

The thresholds would increase as the nation's overall rate of inflation goes up.

Although the tax is to be imposed on insurers, the effects are likely to trickle down to consumers. Insurers or employers might tinker with benefits, for example, by increasing deductibles to reduce premium costs to below the threshold. In addition, more than half of employees with insurance work for companies that "self-insure," meaning the firms pay for their workers' health bills on their own. These employers would be required to pay the excise tax themselves and most analysts, including the CBO, estimate that businesses will respond by changing their benefits to have lower premiums, higher deductibles and copayments and terminating employer contributions to health and flexible spending accounts. Economists say employers may pass the savings to workers in the form of higher wages.

For retirees and workers in high-risk professions, such as firefighters and longshoremen, the bill would set higher thresholds -- \$11,850 for an individual plan and \$30,950 for a family plan.

Some employers whose coverage is expensive because they have a sicker workforce may see their premiums decrease if other proposed reforms take effect because other features of the bill would prohibit insurers from charging higher rates based on health status.

We want to hear from you: Contact Kaiser Health News

USE OUR MATERIAL

All original KHN material – articles, graphics and videos – can be used for free, if you credit us and link to us. Learn more

MOST POPULAR

VIEWED **EMAILED** **SEARCHED**

1. State Spending On Consumer Assistance Could Have 'Huge Impact' On Marketplace Enrollment »
2. Advocates Head To Court To Overturn Medicare Rules For Observation Care »
3. Medicare Seeks To Limit Number Of Seniors Placed In Hospital Observation Care »
4. Doctors' Diagnostic Errors Are Often Not Mentioned But Can Take A Serious Toll »
5. Florida Legislative Session Ends Without Deal On Medicaid Expansion »

More From KHN



State Efforts Vary To Enroll Consumers In Marketplaces



Legal Challenge To Medicare Rules For Observation Care



The Arkansas 'Private Option' Medicaid Model



Consumer's Guide To Health Law

PRESIDENT	Supervisor Mark Luce, County of Napa
VICE PRESIDENT	Councilmember Julie Pierce, City of Clayton
IMMEDIATE PAST PRESIDENT	Mayor Mark Green, City of Union City
SECRETARY-TREASURER	Ezra Rapport
LEGAL COUNSEL	Kenneth K. Moy

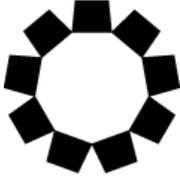
County of	Representative	Alternate
ALAMEDA	** Supervisor Richard Valle	Supervisor Keith Carson
ALAMEDA	** Supervisor Scott Haggerty	Supervisor Nathan Miley
CONTRA COSTA	* Supervisor Karen Mitchoff	Supervisor Candace Andersen
CONTRA COSTA	* Supervisor John Gioia	Supervisor Mary Piepho
MARIN	** Supervisor Katie Rice	Supervisor Susan L. Adams
NAPA	** Supervisor Mark Luce	Supervisor Bill Dodd
SAN FRANCISCO	** Supervisor Eric Mar	To Be Appointed
SAN FRANCISCO	** Supervisor Malia Cohen	To Be Appointed
SAN MATEO	* Supervisor Warren Slocum	To Be Appointed
SAN MATEO	* Supervisor Dave Pine	To Be Appointed
SANTA CLARA	** Supervisor Mike Wasserman	To Be Appointed
SANTA CLARA	** Supervisor David Cortese	Supervisor Joe Simitian
SOLANO	* Supervisor Linda Seifert	Supervisor Erin Hannigan
SONOMA	* Supervisor David Rabbitt	Supervisor Susan Gorin

Cities in the County of	Representative	Alternate
ALAMEDA	* Mayor Bill Harrison (Fremont)	Mayor Michael Sweeney (Hayward)
ALAMEDA	* Mayor Tim Sbranti (Dublin)	Mayor Marie Gilmore (Alameda)
CONTRA COSTA	** Mayor Julie Pierce (Clayton)	Councilmember Brandt Andersson (Lafayette)
CONTRA COSTA	** Councilmember Dave Hudson (San Ramon)	Councilmember Ben Johnson (Pittsburg)
MARIN	* Mayor Pat Eklund (Novato)	Vice Mayor Daniel Hillmer (Larkspur)
NAPA	* Mayor Leon Garcia (American Canyon)	Vice Mayor Ann Nevero (St. Helena)
CITY OF SAN FRANCISCO	* Mayor Edwin Lee	Jeff Buckley, Office of the Mayor
CITY OF SAN FRANCISCO	* Jason Elliott, Dir, Legislative/Government Affairs	Kelly Pretzer Office of the Mayor
CITY OF SAN FRANCISCO	* Joaquin Torres, Office of the Mayor	Gillian Gillett, Office of the Mayor
SAN MATEO	** Mayor Pedro Gonzalez (S San Francisco)	To Be Appointed
SAN MATEO	** Vice Mayor Richard Garbarino (S San Francisco)	Councilmember Nadia Holober (Millbrae)
SANTA CLARA	* Councilmember Joe Pirzynski (Los Gatos)	Councilmember Gilbert Wong (Cupertino)
SANTA CLARA	* Councilmember Ronit Bryant (Mountain View)	Mayor Greg Scharff (Palo Alto)
SOLANO	** Mayor Harry Price (Fairfield)	Mayor Jack Batchelor (Dixon)
SONOMA	** Councilmember Jake Mackenzie (Rohnert Park)	To Be Appointed
CITY OF OAKLAND	* Mayor Jean Quan	Councilmember Lynnette Gibson McElhaney
CITY OF OAKLAND	* Councilmember Libby Schaaf	Councilmember Dan Kalb
CITY OF OAKLAND	* Councilmember Desley Brooks	To Be Appointed
CITY OF SAN JOSE	* Councilmember Sam Liccardo	Councilmember Rose Herrera
CITY OF SAN JOSE	* Councilmember Kansen Chu	Councilmember Donald Rocha
CITY OF SAN JOSE	* Councilmember Ash Kalra	Mayor Chuck Reed

Advisory Members	Representative	Alternate
RWQCB	William Kissinger	Terry Young

* Term of Appointment: July 1, 2012 - June 30, 2014

** Term of Appointment: July 1, 2011 - June 30, 2013



ABAG

Meeting Schedule 2013

Executive Board Meetings

January 17

March 21

May 16

June 20 – Special Meeting with MTC

July 18

September 19

November 21

START TIME

7:00 PM

LOCATION

Joseph P. Bort MetroCenter Auditorium

101 8th Street

Oakland, California 94607

Across from the Lake Merritt BART Station

Spring General Assembly

April 18

98 Broadway—Pavilion

(Old Barnes and Noble Site)

Jack London Square

Oakland

Fall General Assembly

October 24

San Francisco

ABAG CALENDAR – May & June 2013

ASSOCIATION OF BAY AREA GOVERNMENTS [ABAG]

Joseph P. Bort MetroCenter, 101 Eighth Street, Oakland, CA 94607-4756

ABAG Receptionist: 510/464-7900

ABAG FAX: 510/464-7985

E-mail: info@abag.ca.gov

URL: <http://www.abag.ca.gov>

MAY

[Agency Directors Meeting](#)

5/6 @ 3:00 pm, MetroCenter, MTC Offices

[Bay Area Regional Prosperity Plan Steering Committee](#)

5/10 @ 12 pm, MetroCenter, Auditorium

[ABAG PLAN Finance Committee](#)

5/16 @ 10:30 a.m., MetroCenter, ABAG Conference Room B

[Legislation & Governmental Organization](#)

5/16 @ 3:30 pm, MetroCenter, ABAG Conference Room B

[Finance & Personnel Committee](#)

5/16 @ 5:00 pm, MetroCenter, ABAG Conference Room B

[EXECUTIVE BOARD](#)

5/16 @ 7:00 pm, MetroCenter, Auditorium

[SFEP Implementation Committee](#)

5/22 @ 9:30 am., Elihu M. Harris State Building, Room 10

[ABAG PLAN Executive Committee](#)

5/29 @ 10:30 a.m., MetroCenter, ABAG Conference Room B

JUNE

[Agency Directors Meeting](#)

6/3 @ 3:00 pm, MetroCenter, MTC Offices

[Regional Planning Committee \(RPC\)](#)

6/5 @ 1:00 p.m., MetroCenter, Auditorium.

[Bay Trail Steering Committee](#)

6/13 @ 1:30 pm, MetroCenter, ABAG Conference Room B

[ABAG PLAN Board of Directors](#)

6/19 @ 9:30 a.m., TBD

[ABAG Power Executive Committee](#)

6/19 @ 12 Noon, MetroCenter, ABAG Conference Room B

** ABAG programs for which a fee is charged and pre-registration is required. To register or for further information, contact **ABAG Receptionist** at 510/464-7900.

For ABAG Training Center information contact **Chanell Gumbs** at 510/464-7964.