

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
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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.

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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.

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- 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.

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- 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.

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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.

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