

# A G E N D A

## **ABAG EXECUTIVE BOARD MEETING NO. 380**

**Thursday, May 19, 2011, 7:00 PM**

**METROCENTER AUDITORIUM**

**101 8<sup>th</sup> Street (at Oak Street)**

**Oakland, California**

For additional information, please call:  
Fred Castro, (510) 464 7913

Agenda and attachments available at:  
<http://www.abag.ca.gov/meetings/>

**1. CALL TO ORDER**

**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. 379 held on March 17, 2011.

**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.

Please Note: The Board may act on any item on this agenda. \*\*Attachment included.

**C. Appointments to Committees**

President Mark Green requests Executive Board approval of appointments to the following committees:

San Francisco Bay Restoration Authority Governing Board

To Be Announced

Regional Planning Committee

To Be Announced

**D. 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.

**E. Approval of Resolution No. 07-11 in Appreciation of Service to the Joint Policy Committee and ABAG\*\***

The Executive Board will act on a request to approve Resolution No. 07-11.

**F. Approval of Resolution No. 08-11 and Authorization to Apply and Accept Grant from State Water Resources Control Board for Clean Water State Revolving Fund for the San Pablo Avenue Green Stormwater Spine\*\***

Authorization is requested to apply for a grant and if funded to accept funding from the State Water Resources Control Board State Revolving Fund for the San Pablo Avenue Green Stormwater Spine.

**G. Approval of Resolution No. 09-11 and Authorization to Apply for and Accept Grant from State Water Resources Control Board for Clean Water State revolving Fund for Disadvantaged Communities (DAC) Trash Demonstration Project\*\***

Authorization is requested to apply for a grant and if funded to accept funding from the State Water Resources Control Board State Revolving Fund for the DAC Trash Demonstration Project.

**H. Authorization to Enter Into Agreement with U.S. Environmental Protection Agency\*\***

Authorization is requested to approve the SFEP application for funds under the National Estuary Program and authorize the Executive Director or designee to enter into a new cooperative agreement 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 is for \$598,800 for a period through September 30, 2012.

**I. Authorization to Enter Into Contract with Aquatic Science Center Under Comprehensive Strategy to Protect and Monitor California Wetlands Development Grant\*\***

Authorization is requested to enter into a contract with the Aquatic Science Center under the Comprehensive Strategy to Protect and Monitor California Wetlands Development Grant in the amount of \$100,000. The contract term will be through November 2012.

**J. Authorization to Enter into Agreement with California Energy Commission (CEC) and for the Executive Director or Designee to Sign Agreement and Any Amendments Thereto\*\***

Authorization is requested to accept a grant award of up to \$1,493,165 (One Million Four Hundred Ninety Three Thousand One Hundred and Sixty Five Dollars), and for the Executive Director, to execute all necessary contracts and agreements, and amendments to implement and carry out the purposes specified in the application.

**7. SUSTAINABLE COMMUNITIES STRATEGY UPDATE\*\***

**Information:** Kenneth Kirkey, ABAG Planning Director will brief the Board on the status of the Sustainable Communities Strategy and the Initial Vision Scenario.

**8. REGIONAL HOUSING NEED ALLOCATION (RHNA) HOUSING METHODOLOGY COMMITTEE UPDATE\*\***

**Information:** Kenneth Kirkey, ABAG Planning Director, will brief the Board on the Regional Housing Need Allocation Process and the work of the Housing Methodology Committee.

**9. ENERGY UPGRADE CALIFORNIA\*\***

**Information:** Brian Kirking, ABAG Director of Information Services, and Jerry Lahr, ABAG POWER Program Manager, will brief the Board on Energy Upgrade California and ABAG's role.

**10. PROPOSED PLANNED PRIORITY DEVELOPMENT AREA (PDA) IN CITY OF SANTA CLARA\*\***

**Information/ACTION:** Kenneth Kirkey, ABAG Planning Director, will present the recommendation for designation of planned and potential PDAs in the City of Santa Clara.

**11. OVERVIEW OF STRATEGIC FACILITIES PLANNING FOR JOINT REGIONAL AGENCY CO-LOCATION FACILITY\*\***

**Information:** Ezra Rapport, ABAG Executive Director, will provide an overview of the strategic Facilities planning for a joint regional agency co-location facility for ABAG, the Metropolitan Transportation Commission and the Bay Area Air Quality Management District. In Closed Session, CBRE will present their findings and short-list recommendations to each agency's governing board for consideration.

**12. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT\*\***

**Information/ACTION:** Committee Chair Mark Luce, Supervisor, County of Napa, will report on Committee activities and ask Board approval of Committee recommendations and pending legislation.

**13. FINANCE & PERSONNEL COMMITTEE REPORT\*\***

**Information/ACTION:** Committee Chair Rose Jacobs Gibson, Supervisor, County of San Mateo, will report on Committee activities and ask Board approval of Committee recommendations.

**14. CLOSED SESSION**

**Regional Co-location Facility**

ABAG will meet in closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss a potential acquisition and/or lease with option to purchase of real property as follows:

Negotiating Parties:

For ABAG: Association of Bay Area Governments and CB Richard Ellis

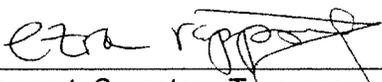
ABAG Negotiators: Ezra Rapport, ABAG Executive Director, and  
Darin R. Bosch, CBRE Senior Vice President

Potential Addresses; owned by the corresponding parties as listed:

- 1945 Broadway Street, Oakland CA: Sears Development Company, to be developed with Phelps Development and SUDA (Owner)
- 1221 Broadway Street, Oakland CA: The Clorox Company (Owner)
- 1100 Broadway Street, Oakland CA: SKS Investments, LLC (Owner)
- 875 Stevenson Street, San Francisco CA: Shorenstein Realty Services, LP (Owner)
- 390 Main Street, San Francisco, CA: Angelo, Gordon & Co., L.P. Amerimar Enterprises, Inc and Barnes RHPO Partners, LLC (Joint Venture)

Under Negotiation: Price and Terms

**15. ADJOURNMENT**

  
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Ezra Rapport, Secretary-Treasurer

Please Note: The Board may act on any item on this agenda. \*\*Attachment included.

# ABAG Calendar – May/June/July 2011

Association of Bay Area Governments

Joseph Bort MetroCenter, 101 8<sup>th</sup> Street, Oakland, California 94607

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<b>Regional Advisory Working Group Meeting</b>	Tuesday, May 17, 9:00 a.m.	MetroCenter, Auditorium
<b>Urban Pesticides Committee</b>	Tuesday, May 17, 9 a.m. – 3 p.m.	MetroCenter, Room 171
<b>Buy Green, Buy Smart Part III, Sustainable Purchasing Initiatives that Save Money</b>	Thursday, May 19, 9:30 a.m. – 3:00 p.m.	Alameda County Training Center, 125 Twelfth Street, 400, Oakland
<b>Legislation &amp; Governmental Organization</b>	Thursday, May 19, 3:30 p.m. – 5:00 p.m.	MetroCenter, ABAG Offices
<b>Finance &amp; Personnel Committee</b>	Thursday, May 19, 5:00 p.m. – 6:30 p.m.	MetroCenter, ABAG Offices
<b>ABAG Executive Board</b>	Thursday, May 19, 7 p.m. – 9 p.m.	MetroCenter, Auditorium
<b>ABAG / BAAQMD / MTC Joint Policy Committee</b>	Friday, May 20, 10 a.m. – 12 p.m.	MetroCenter, Auditorium
<b>San Francisco Restoration Authority Governing Board</b>	Tuesday, May 26, 9:00 a.m.	State Coastal Conservancy, 1330 Broadway, Oakland
<b>Bay Trail Steering Committee</b>	Thursday, May 26, 1:30 p.m. – 3:30 p.m.	MetroCenter, ABAG Offices
<b>Regional Planning Committee</b>	Wednesday, June 1, 1 p.m. – 3 p.m.	MetroCenter Auditorium
<b>Regional Advisory Working Group Meeting</b>	Tuesday, June 7, 9:00 a.m. – 11:30 a.m.	MetroCenter, Auditorium
<b>ABAG POWER Executive Committee</b>	Wednesday, June 15, 12 p.m. – 2 p.m.	MetroCenter, ABAG Offices, Conference Room B
<b>Regional Advisory Working Group Meeting</b>	Tuesday, July 5, 9:00 a.m. – 11:30 a.m.	MetroCenter, Auditorium
<b>ABAG / BAAQMD / MTC Joint Policy Committee</b>	Friday, July 15, 10 a.m. – 12 p.m.	MetroCenter, Auditorium
<b>Urban Pesticides Committee</b>	Tuesday, July 19, 9 a.m. – 3 p.m.	MetroCenter, Room 171

# ASSOCIATION OF BAY AREA GOVERNMENTS

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Representing City and County Governments of the San Francisco Bay Area



ABAG

## M E M O

May 11, 2011

**TO:** Executive Board

**FROM:** Ezra Rapport  
Executive Director

**SUBJECT:** Executive Director's Report

The Executive Director's report will be presented orally at the Board Meeting on May 19, 2011.



# SUMMARY MINUTES

ABAG Executive Board Meeting  
No. 379, March 17, 2011  
MetroCenter Auditorium  
101 8th Street, Oakland, California

## 1. CALL TO ORDER

President Green called the meeting to order at approximately 7:05 p.m. He recognized new member Desley Brooks, Councilmember, City of Oakland, who replaced Councilmember Nancy Nadel, and Linda Seifert, Supervisor, County of Solano, who is the alternate for Supervisor Barbara Kondylis. He welcomed Tiffany Renee, Councilmember, City of Petaluma, who is a prospective alternate from the cities in Sonoma County.

### Representatives and Alternates Present

Supervisor Susan L. Adams  
Supervisor John Avalos  
Councilmember Desley Brooks  
Councilmember Jane Brunner  
Councilmember Ronit Bryant  
Councilmember Kansen Chu  
Supervisor David Cortese  
Councilmember Carole Dillon-Knutson  
Vice Mayor Richard Garbarino  
Mayor Jack Gingles  
Mayor Mark Green  
Supervisor Scott Haggerty  
Supervisor Don Horsley  
Supervisor Rose Jacobs Gibson  
Councilmember Beverly Johnson  
Councilmember Ash Kalra  
Councilmember Rebecca Kaplan  
Director Nancy Kirshner Rodriguez  
Supervisor Mark Luce  
Supervisor Ross Mirkarimi  
Councilmember Julie Pierce  
Mayor Joe Pirzynski  
Councilmember A. Sepi Richardson  
Supervisor Linda Seifert  
Supervisor Gayle B. Uilkema  
Councilmember Joanne Ward  
Supervisor Ken Yeager

### Representatives Absent

Supervisor John Gioia  
Mayor Susan Gorin  
Supervisor Barbara Kondylis  
Mayor Edwin Lee  
Councilmember Sam Liccardo  
Supervisor Nadia Lockyer  
Mayor Harry Price  
Supervisor David Rabbitt  
Vice Chair Terry Young

### Jurisdiction

County of Marin  
County of San Francisco  
City of Oakland  
City of Oakland  
City of Mountain View  
City of San Jose  
County of Santa Clara  
City of Novato  
City of South San Francisco  
City of Calistoga  
City of Union City  
County of Alameda  
County of San Mateo  
County of San Mateo  
City of Alameda  
City of San Jose  
City of Oakland  
City of San Francisco  
County of Napa  
County of San Francisco  
City of Clayton  
Town of Los Gatos  
City of Brisbane  
County of Solano  
County of Contra Costa  
City of Hercules  
County of Santa Clara

### Jurisdiction

County of Contra Costa  
City of Santa Rosa  
County of Solano  
City of San Francisco  
City of San Jose  
County of Alameda  
City of Fairfield  
County of Sonoma  
RWQCB

**2. PUBLIC COMMENT**

There was no public comment.

**3. ANNOUNCEMENTS**

Valerie Knepper, MTC, announced that MTC Parking Fundamentals Workshops are scheduled for March 24<sup>th</sup> in San Rafael and March 25<sup>th</sup> in San Jose.

There were no other announcements.

**4. PRESIDENT'S REPORT**

President Green reported on the following:

ABAG and MTC held a joint anniversary celebration at the Claremont Hotel. ABAG celebrated its 50th Anniversary and MTC celebrated its 40 years of service. The reception, dinner and program were enjoyed by the sold-out crowd. ABAG received Congressional acknowledgment and recognition from Representatives Barbara Lee and Mike Honda. Presenting State proclamations in person on behalf of the Bay Area were Senator Loni Hancock, Assemblymembers Nancy Skinner, Mary Hayashi, and Richard Gordon.

The Spring General Assembly and Business Meeting will be held on April 14<sup>th</sup> at the Marriott Hotel in Oakland. President Green asked members to ensure that their respective voting delegates attend. The program includes a keynote speech by former state librarian Kevin Starr and a panel discussion by San Jose Mayor Chuck Reed, Oakland Mayor Jean Quan, and San Francisco Mayor Edwin Lee, a still to be determined representative from another city, and moderated by Board Member Dave Cortese, Supervisor, County of Santa Clara.

The Administrative Committee held its annual meeting February 17<sup>th</sup> and 18<sup>th</sup> to discuss the agency's work plan and set priorities for the 2011-2012 fiscal year.

The L&GO Committee hosted its annual Legislative Reception on February 16<sup>th</sup> at Chops Steakhouse, Sacramento. The reception attendees included nine legislators—Senator Simifian, Assemblymembers Sandre Swanson, Luis Alejo, Michael Allen, Jim Beall, Mary Hayashi, Jerry Hill, Chris Norby, and Bob Wieckowski. Board members in attendance included Rose Jacobs Gibson, Supervisor, County of San Mateo; Scott Haggerty, Supervisor, County of Alameda; and Ash Kalra, Councilmember, City of San Jose.

Mark Addiego, Councilmember, City of South San Francisco, and ABAG's West Bay Representative to the San Francisco Bay Conservation and Development Commission, selected Malia Cohen, Supervisor, City and County of San Francisco, as his Alternate. Ana Apodaca, Councilmember, City of Newark, selected Kelly Fergusson, Councilmember, City of Menlo Park, as her Alternate for the South Bay seat.

**5. EXECUTIVE DIRECTOR'S REPORT**

Ezra Rapport, Executive Director, reported on the following:

Since the last report the Governor and the legislature continue to work on a solution to the State's budget issues, including redevelopment agencies and affordable housing subsidies. The Governor has asked the legislature to give him a budget by March 10<sup>th</sup> so that there can be an election on June 7<sup>th</sup> at which the voters will be asked to extend the tax increases put in place in 2009 (sales tax, income tax, and vehicle license fee) for an additional five years. The legislature plans to take a final vote on the budget by March 10<sup>th</sup>; however, calling a special election to extend the tax increases requires a two-thirds vote of the legislature, which has not been reached in either the Senate or Assembly. There has been discussion about a deal that would include some items desired by the Republicans in exchange for the needed votes, which include public employee retirement reform and expenditure caps. The Governor has indicated that if the tax increases are not extended, he will ask the legislature to re-address the fiscal crisis throughout an "all cuts" budget. The current budget proposal is based on approximately \$12 billion in cuts and \$12 billion in tax extensions.

ABAG staff continues to work on a variety of programs and services. Chief among them is the Initial Vision Scenario for the Sustainable Communities Strategy, which was issued on March 11<sup>th</sup>.

Senator Dianne Feinstein re-introduced the San Francisco Bay Restoration Act (S.97) which would authorize 10 years of funding for the Environmental Protection Agency to continue wetlands restoration projects and improve water quality in the San Francisco Bay and its watershed. The San Francisco Estuary Partnership is named in the bill as part of the committee that prioritizes projects for funding.

The San Francisco Bay Restoration Authority will conduct a second round of research designed to develop an overall strategy and timeline for potentially moving forward with a parcel tax ballot measure that might meet with voter approval at the two-thirds level. The study will be completed in summer 2011.

Sixty-six municipalities from around the Bay have signaled their intent to participate in the Bay Area-wide Trash Capture Demonstration Project sponsored by SFEP. More than 30 have completed the contracting process with ABAG and are now ready to order trash capture devices from the vendor list SFEP developed through a RFP process in 2010. SFEP allocated more than \$4.7 million among the participating entities for purchase of devices. Part of the funding is going to subcontractor San Francisco Estuary Institute to build a website that municipalities will use to track the efficiency, practicality, and cost of maintaining the devices they acquire through the program.

The SFEP held a Green Streets/Cleaner Stormwater workshop on February 16<sup>th</sup>, at El Cerrito City Hall with almost 100 people attending. Landscape architects and engineers discussed their perspectives on green streets, the challenges of retrofitting urban areas, design innovations, and how to move these projects forward in the Bay Area.

ABAG's Energy Upgrade California regional call center has been operational for approximately one month. Call volume has been very low, but is expected to change during March with the kickoff of statewide and regional marketing efforts.

The ABAG nonprofit Balance Foundation signed an agreement with the Reformulated Gasoline (RFG) Settlement Fund in the amount of \$615,800 to develop and deploy building codes and public works guidelines to reduce the cost of installing electric vehicle connections in residences and publicly-accessible settings under the EV Streamlining project. Also, ABAG, in collaboration with other agencies and stakeholders, received \$1.5 million for Electric Vehicle charging stations.

ABAG hosted a Census workshop on March 1<sup>st</sup> to instruct planners and demographers on the use of the Census Bureau's *New American FactFinder* website. The class of 16 students was led by two Census Bureau staff members.

President Green thanked Mr. Rapport for his report.

**6. CONSENT CALENDAR**

President Green recognized a motion by Susan Adams, Supervisor, County of Marin, and seconded by Linda Seifert, Supervisor, County of Solano, to approve the Consent Calendar. The motion passed unanimously.

**A. Approval of Executive Board Summary Minutes\*\***

Approved Summary Minutes of Meeting No. 378 held on January 20, 2011.

**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. Appointments to Committees**

Approved appointments to the following committees:

Regional Planning Committee

Anu Natarajan, Councilmember, City of Fremont (replaces Councilmember Kasie Hildenbrand, City of Dublin);

Mark Landman, Councilmember, City of Cotati (replaces Councilmember Veronica Jacobi, Santa Rosa);

Gayle B. Uilkema, Supervisor and Chair, Board of Supervisors, County of Contra Costa;

Paul Campos, Senior Vice President, Governmental Affairs, Building Industry Association (replaces Cheryl O'Connor).

**D. Authorization to Enter into Agreement with Amit Ghosh for Consultant Services Related to SCS and RHNA\*\***

Authorized entering into consultant service agreement with Amit Ghosh in an amount not to exceed \$50,000 to provide consultant services for refinement of the Initial Vision Scenario and RHNA. Contract is for an initial period of March 2011 through June 2011 with the ability to extend the term by monthly increments at an amount not to exceed \$12,000 per month.

**E. Approval of Resolution No. 04-11 Authorizing ABAG to Enter Into \$1 million Contract with the California Coastal Conservancy to Implement the San Francisco Bay Area Water Trail**

Approved Resolution No. 04-11 authorizing ABAG to enter into contract with the California Coastal Conservancy for a grant in the amount of \$1 million to implement the San Francisco Bay Area Water Trail.

**F. Authorization to Apply for and Accept Grant from U.S. Environmental Protection Agency (USEPA) Pesticide Registration Improvement Renewal Act (PRIA 2) for an Urban Pesticide Reduction Project**

Authorized submittal of an application for up to \$250,000 to USEPA for Pesticide Registration Improvement Renewal Act (PRIA 2) funding and for the Executive Director or designee to enter into agreement if funded. The project assists with implementation of the Comprehensive Conservation and Management Plan for the San Francisco Estuary.

**G. Approval of Computer Software Purchase, Installation and Maintenance\*\***

Approved purchase of Proofpoint Spam Detection and Virus Scanning, associated Proofpoint Enterprise Privacy service, Platinum Support for Enterprise Security, and Installation and Configuration Services for Enterprise Security, in the amount of \$60,967.

**7. ADOPTION OF ABAG ANNEX TO LOCAL HAZARD MITIGATION PLAN\*\***

Danielle Hutchings, ABAG Earthquake and Hazards Program Coordinator, presented an overview of the Local Hazard Mitigation Plan (LMHP) Adoption and the ABAG Annex. She provided background on the LMHP, its benefits, the planning process, the plan organization, key functional areas, plan highlights, and its approved status and the annexes that are pending adoption. She described the ABAG Annex mitigation priorities, next steps, and developing a plan for the next update.

Members discussed cities with approvable plans; compounding disasters stemming from an earthquake; funds needed for mitigation for jurisdictions generally and ABAG specifically; ABAG's working relationship with FEMA; process and timeline for approving annexes; a regional approach for the next update.

President Green recognized a motion by Rose Jacobs Gibson, Supervisor, County of San Mateo, which was seconded by Gayle B. Uilkema, Supervisor, County of Contra Costa, to adopt the ABAG Annex to the Local Hazard Mitigation Plan. The motion passed unanimously.

President Green thanked Ms. Hutchings for her report.

**8. INITIAL VISION SCENARIO\*\***

Ken Kirkey, ABAG Planning Director, provided an overview of the Initial Vision Scenario for the Sustainable Communities Strategy. He described the SB 375 requirements and the approach to building on existing framework of sustainable growth and protecting natural resources. He described the Initial Vision Scenario and its development, and reviewed regional totals for households, population, employed residents, and jobs. He reviewed housing distribution, growth patterns, and employment distribution.

Members discussed job growth and job loss in balancing housing numbers; adjustments to housing numbers considering realities related to the economy, redevelopment, the building industry, and funding needed for housing; and placing more housing in PDAs.

Kirkey commented on the challenges in developing the first Sustainable Communities Strategy and on the unconstrained growth allocation and housing distribution.

Rapport commented on recent Projections forecasts and the targets under the Initial Vision Scenario, the purpose of showing where growth can be accommodated, and considering economic constraints in coming up with realistic housing numbers, and projecting what the Bay Area could become if it captures its fair share of employment.

Members discussed growth in surrounding areas; impacts of 2010 census; and housing choices.

Rapport commented on housing and jobs in the Central Valley; projecting in-commuting from outside the Bay Area; housing the population and reducing greenhouse gases for those who live in the Bay Area; and rules that allow for splitting numbers for those commuting in from outside the area.

Members discussed determining what constitutes households, including senior and multi-family housing; the need for historical analysis of growth, jobs and housing; and greenhouse gas reductions targets.

Kirkey commented that earlier Projections show housing and jobs were approximate to what occurred, with disparity in employment beginning around 1990. Rapport commented on past and current job growth.

Members discussed figuring the financial need to support development, including those for infrastructure.

Kirkey commented on information that will be included in the detailed scenarios, and on the new models being used by ABAG and MTC. Rapport commented that the order of magnitude for affordable housing is in the range of \$50 to \$60 billion.

Members discussed the consistency required between the SCS and the Regional Transportation Plan and sources of funds needed to support this program.

Kirkey commented on discussions about funding for committed projects and block grants.

Members discussed particulate matter from trucks; contradictions between the IVS and the Air Board and the need for CEQA guidance; redevelopment and housing markets; and responses to Sacramento County's action to open up new areas for growth.

Kirkey commented on the Bay Area's constrained green-fill areas and agricultural areas.

Members discussed Oakland, San Jose, and San Francisco's taking on more housing and the need for funding for infrastructure; impact of high speed rail on housing development, particularly affordable housing; housing availability in the Central Valley; and housing development along the Caltrain corridor.

Kirkey commented on the effect of high speed rail on housing and commuting from out of the region, and housing development along the Caltrain corridor.

Members discussed the state's role in development.

Rapport commented on the state's role in accommodating growth with capital investment in cities and on redevelopment tools.

Members discussed state population growth.

Rapport commented in in-commuting and Bay Area economic assets.

Members discussed deed restricted affordable housing, and the need for job growth analysis.

Kirkey continued his report on the transportation network and transportation growth capacity, greenhouse gas estimates and targets under the Initial Vision Scenario and its results, key priorities, potential strategies, and summarized conclusions. He listed next steps, including public involvement, detailed SCS scenarios definitions, additional analysis, transportation investment strategy, and the Regional Housing Need Allocation.

Members discussed community outreach.

President Green thanked Mr. Kirkey for his report.

**9. APPROVAL OF NEW PRIORITY DEVELOPMENT AREA IN THE CITY OF FREMONT\*\***

Justin Fried, ABAG Regional Planner, presented for approval the designation of Warm Springs in the City of Fremont as a potential Priority Development Area. The recommendation was endorsed by the Regional Planning Committee for consideration by the Executive Board.

President Green recognized a motion by Julie Pierce, Councilmember, City of Clayton, which was seconded by Sepi Richardson, Councilmember, City of Brisbane, to approve the designation of Warm Springs in the City of Fremont as a potential Priority Development Area. The motion passed unanimously.

President Green thanked Mr. Fried for his report.

**10. APPROVAL OF RESOLUTION NO. 03-11 RECOGNIZING RHNA SUBREGIONS\*\***

Hing Wong, ABAG Senior Regional Planner, reported on the formation of subregions for the next Regional Housing Need Allocation and requested Executive Board approval of Resolution No. 03-11 acknowledging identified subregions and authorizing entering into delegation agreements with them. He reported that the county and cities and town in the Counties of Napa, Solano and San Mateo have decided to form themselves into their respective subregions.

President Green recognized a motion by Jack Gingles, Mayor, City of Calistoga, which was seconded by Gayle B. Uilkema, Supervisor, County of Contra Costa, to adopt Resolution No. 03-11 acknowledging identified subregions and authorizing entering into delegation agreements. The motion passed unanimously.

President Green thanked Mr. Wong for his report.

#### **11. ADMINISTRATIVE COMMITTEE REPORT**

Committee Chair Mark Green reported on the Administrative Retreat held February 17<sup>th</sup> and 18<sup>th</sup> in the County of Sonoma.

The Committee discussed the policy implications of the regional agencies' Sustainable Communities Strategy work, including involving the business community, having a plan in place that provides a framework for action when funding is available, and ensuring planning dollars are available for less dense areas of the region as well as major urban areas.

The Committee heard a report on the Housing methodology Committee. The methodology is expected to be completed by July with a final report out by October. The RHNA methodology will need to be consistent with the policies of the Sustainable Communities Strategy. The Committee discussed HCD requirements for what can be counted toward affordable housing.

Regarding the Growing Smarter Together Awards, the Committee decided to retain the Leadership Award for City and County elected officials and to add two additional members to the Awards Selection Jury. The Committee discussed creating a special award to recognize others who may not fit into any of the categories.

The Committee discussed the proposed restructuring of the Joint Policy Committee, including the need to zero in on the goal and purpose the JPC before restructuring, to clarify its role and authority, and whether the JPC members should have responsibility for hiring the Program Planning staff. A meeting with the Presidents and Executive Directors of the four regional agencies was held on March 11<sup>th</sup> to discuss the future of the JPC. It will be proposed that the JPC will concentrate on regional resilience and economic development, and that the chair be elected for a two-year term rather than rotating from agency to agency annually.

Bill Higgins, CALCOG Executive Director, and former lobbyist with the League of California Cities, met with the Committee to discuss his ideas for transforming CALCOG and to receive ideas on the role of CALCOG in the area of advocacy, information exchange, education, and resources to COGS.

The Administrative Committee discussed ABAG budget issues and concerns, and adopted the Regional Hazard Mitigation Plan so that local governments would be eligible for FEMA funding should an emergency occur before the Executive Board meeting.

President Green recognized a motion by Ronit Bryant, Vice Mayor, City of Mountain View, which was seconded by Jack Gingles, Mayor, City of Calistoga, to approve the committee report. The motion passed unanimously.

**12. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT\*\***

President Green recognized Committee Chair Mark Luce, Supervisor, County of Napa, who reported on committee activities, including approval of minutes of November 18, 2010; election of himself as Chair, and Carole Dillon Knutson, Councilmember City of Novato, as Vice Chair; review of 2011 state legislative session, including AB 56 (Hill), Public Utilities: Intrastate Pipeline Safety, pulled from agenda; AB 57 (Beall), Metropolitan Transportation Commission, support; AB 184 (Swanson), Contractual Assessment Programs: Seismic Safety Improvements, support; AB 913 (Feuer), Certified Green Business Program, support; SB 186 (Kehoe and DeSaulnier), The Controller, oppose; SB 200 (Wolk), State Water Facilities: Sacramento-San Joaquin Delta-Delta Conveyance Facility, watch; SB 201 (DeSaulnier), Flexible Purpose Corporations: Corporate Mergers, no position; SB 209 (Corbett), Common Interest Developments: Electric Vehicle Charging Stations, watch; SB 214 (Wolk), Infrastructure Financing Districts: Voter Approval – Repeal, watch; SB 301 (DeSaulnier), Housing and Community Development: Redevelopment – Seismic Retrofits, watch; SCA 4 (DeSaulnier and Wolk), Initiative Measures: Funding Source, support; discussion on naming of Bay Trail; review of the legislative reception; review of proposed legislative priorities for the 2011 legislative cycle; and, review of legislation under open agenda, including support of AB 5116 (Corbett), Battery Stewardship.

President Green recognized a motion by Chair Luce, which was seconded by Jack Gingles, Mayor, City of Calistoga, to approve the committee report. The motion passed unanimously.

President Green thanked Chair Luce for his report.

**13. FINANCE & PERSONNEL COMMITTEE REPORT\*\***

President Green recognized Chair Rose Jacobs Gibson, Supervisor, County of San Mateo, who reported on committee activities, including directing staff to report on the development of a budget reserve plan; approval of minutes of meeting held January 20, 2011; report on the financial reports for December 2010 and January 2011; update on proposed regional facility; discussion of payment of per diem to invited board members; and review of delinquent membership dues.

President Green recognized a motion by Chair Jacobs Gibson, which was seconded by Mark Luce, Supervisor, County of Napa, to approve the committee report. The motion passed unanimously.

President Green thanked Chair Jacobs Gibson for her report.

**14. ADJOURNMENT**

The meeting was adjourned at approximately 8:50 p.m.

  
Ezra Rapport, Secretary-Treasurer

*\*\* Indicates attachments.*

*\*\*\* 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 these tapes, please contact Fred Castro, Clerk of the Board, at (510) 464-7913 or FredC@abag.ca.gov.*



**Sonoma**

Applicant: County of Sonoma Health Services

Program: USDA

Project: Rural Business Enterprise

Description: Healthy Food Outlet Project

Cost:	Total	\$143,500.00	Federal	\$90,500.00	State:	
			Applicant	\$23,500.00	Local	
					Other	\$29,500.00

Contact: Lynn Walton (707) 565-6682  
ABAG Clearinghouse Numbe 15268

# ASSOCIATION OF BAY AREA GOVERNMENTS

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Representing City and County Governments of the San Francisco Bay Area



## M E M O

May 6, 2011

**TO:** Executive Board

**FROM:** Ezra Rapport, Executive Director

**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, 2011. 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.



# ASSOCIATION OF BAY AREA GOVERNMENTS

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Representing City and County Governments of the San Francisco Bay Area



ABAG

May 10, 2011

## M E M O

**TO:** Executive Board

**FROM:** Ezra Rapport

**SUBJECT:** Resolution of Appreciation to Ted Droettboom

ABAG President Mark Green will present a resolution of appreciation to Ted Droettboom, Joint Policy Committee Planning Program Director, on the occasion of his retirement effective July 1, 2011, after seven years of service to the region.

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Item 6.E.



MEMO

**Submitted by:** Judy Kelly  
Director, San Francisco Estuary Partnership

**Subject:** Authorization to Apply for and Accept a Grant from the State Water Resources Control Board Clean Water State Revolving Fund for the San Pablo Avenue Green Stormwater Spine

**Date:** April 27, 2011

**Executive Summary**

In this project, the Estuary Partnership (SFEP) will collaborate with Caltrans and seven cities in Alameda and Contra Costa Counties in a ground-breaking effort to design and build a stormwater spine on San Pablo Avenue, helping to achieve the beneficial uses outlined in the San Francisco Bay Basin Water Quality Control Plan and to meet the requirements of the San Francisco Bay Regional Municipal Regional Stormwater NPDES Permit. The seven projects will green disadvantaged communities along San Pablo, while helping create resilience to climate change, mitigate urban heat island effects, and remove heavy metals and other serious pollutants from local creeks and San Francisco Bay.

The total amount of state funding requested under this grant application is \$1,391,537. An additional \$1,800,000 in project match will be met by project partner CalTrans.

**Recommended Action**

The Board is requested to authorize the application to the State Board by approving a resolution to accompany the application. Should ABAG receive the grant, approval for the Executive Director or designee to sign the agreement is requested. The project assists with implementation of the CCMP for the San Francisco Estuary.

Item 6.F.

**ASSOCIATION OF BAY AREA GOVERNMENTS  
EXECUTIVE BOARD**

**RESOLUTION NO. 08-11**

**WHEREAS**, the United States of America, pursuant to Title VI of the federal Water Pollution Control Act (as such has been and may be amended from time to time, the "Clean Water Act") requires each State to establish a water pollution control revolving fund to be administered by an instrumentality of the State as a condition to receipt of capitalization grants under the Clean Water Act; and

**WHEREAS**, the State of California (the "State") has established a Clean Water State Revolving Fund ("CWSRF") pursuant to Chapter 6.5 of Division 7 of the California Water Code (the "State Act") to be used for purposes of the Clean Water Act; and

**WHEREAS**, the San Francisco Estuary Partnership (SFEP), a program administered by the Association of Bay Area Governments (ABAG), is eligible to funding through the CWSRF and ARRA; and

**WHEREAS**, SFEP has developed the San Pablo Avenue Green Stormwater Spine consisting of seven San Pablo Avenue stormwater retrofit facilities each of which will treat runoff from approximately one acre of impervious surface (Project) and determined that the Project will aide the region and local jurisdictions in which the retrofit facilities are located to meet the requirements of the San Francisco Bay Region Municipal Regional Stormwater NPDES Permit.

**NOW THEREFORE BE IT RESOLVED** by the Executive Board of the Association of Bay Area Governments that:

- (a) the Executive Director, or his/her designee, is hereby authorized and directed to sign and file, for and on behalf of the San Francisco Estuary Partnership, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the San Pablo Avenue Green Stormwater Spine; and
- (b) the Association of Bay Area Governments hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the Agency has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and
- (c) the Executive Director of the Association of Bay Area Governments/San Francisco Estuary Partnership, or his/her designee is hereby authorized to negotiate and execute a financial assistance agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of the Association of Bay Area Governments/San Francisco Estuary Partnership.

The foregoing was adopted by the Executive Board this 19<sup>th</sup> day of May, 2011.

---

Mark Green

President

**Certification of Executive Board Approval**

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 19<sup>th</sup> day of May, 2011.

---

Ezra Rapport  
Secretary-Treasurer

**Approval as To Legal Form**

---

Kenneth K. Moy  
Legal Counsel



MEMO

**Submitted by:** Judy Kelly  
Director, San Francisco Estuary Partnership

**Subject:** Authorization to Apply for and Accept a Grant from the State Water Resources Control Board Clean Water State Revolving Fund for the Disadvantaged Communities (DAC) Trash Demonstration Project

**Date:** May 9, 2011

**Executive Summary**

The Estuary Partnership (SFEP) seeks approval to submit an application to the State Water Resources Control Board's State Revolving fund to apply for funds for purchase and installation of trash capture devices in designated "Disadvantaged Communities" ("DACs") The State Water Board interprets DACs as Census Blocks where the median household income is below 80 percent of the statewide median. We intend to apply for funding as an extension of the current Bay Area-wide Trash Capture Demonstration Project.

The maximum amount of state funding that may be requested under proposed rules for the Clean Water State Revolving Fund is \$3,000,000. The required 50 percent project match will be met by municipal project partners and ABAG staff costs.

**Recommended Action**

The Board is requested to authorize the application to the State Board and approve a resolution to accompany the application. Should ABAG receive the grant, approval for the Executive Director or designee to sign the agreement is requested. The project assists with implementation of the CCMP for the San Francisco Estuary.

**ASSOCIATION OF BAY AREA GOVERNMENTS  
EXECUTIVE BOARD**

**RESOLUTION NO. 09-11**

**BAY AREA-WIDE TRASH CAPTURE DEMONSTRATION PROJECT PHASE II  
(DISADVANTAGED COMMUNITIES)**

**NOW BE IT RESOLVED** by the Executive Board of the Association of Bay Area Governments that the Executive Director is hereby authorized and directed to sign and file, for and on behalf of the Association of Bay Area Governments, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Bay Area-wide Trash Capture Demonstration Project Phase II (Disadvantaged Communities); and

**BE IT FUTHER RESOLVED** that the Association of Bay Area Governments hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the Agency has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and

**BE IT FURTHER RESOLVED** that the Executive Director or his/her designee of the Association of Bay Area Governments is hereby authorized to negotiate and execute a financial assistance agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of the Association of Bay Area Governments.

The foregoing adopted by the Executive Board this 19<sup>th</sup> day of May, 2011.

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Mark Green  
President

**Certification of Executive Board Approval**

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 19<sup>th</sup> day of May, 2011.

---

Ezra Rapport  
Secretary-Treasurer

**Approved as To Legal Form**

---

Kenneth K. Moy  
Legal Counsel

## MEMO

**Submitted by: Judy Kelly**  
**Director, San Francisco Estuary Partnership**

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

**Date: May 9, 2011**

### **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, 2011 each program will receive \$ 598,800.

SFEP provides a project match of 1:1. ABAG will provide \$15,000 in-kind services and the State Water Resources Control Board will provide \$550,000 in in-kind match for office space, computers, telephones, printing, mailing and other overhead expenses for 16 Estuary Partnership staff. The remaining match amount of \$33,800 comes from local agency and state contracts for CCMP implementation. SFEP on behalf of ABAG will submit our application and 2011 Work Plan by the June 3, 2011 deadline.

### **Recommended Action**

The Executive Board is requested to approve the SFEP application for funds under the National Estuary Program and authorize the Executive Director or designee to enter into a new cooperative agreement 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, 2012.

### **Next Steps**

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

Item 6.H.



MEMO

**Submitted by:** Judy Kelly  
Director, San Francisco Estuary Partnership

**Subject:** Authorization to Enter into a Contract with the Aquatic Science Center under the Comprehensive Strategy to Protect and Monitor California Wetlands Development Grant

**Date:** May 9, 2011

**Executive Summary**

This contract continues work to develop a comprehensive statewide wetlands and riparian area protection policy. Work by SFEP staff includes synthesizing existing beneficial uses for the statewide policy; summarizing relevant water law and policy which affect the ability of management agencies to design and review wetland projects and monitoring plans; participating on wetland beneficial uses and water quality objective Technical Advisory Team (TAT) and facilitating review of TAT products with the State Water Board's Wetland Area Protection Policy (WAPP) Policy Development Team, and providing technical review of draft and final Wetland Area Protection Policy (WAPP). The project assists with implementation of the CCMP for the San Francisco Estuary.

**Recommended Action**

Approval is requested for the Executive Director, or designee, to sign a contract with the Aquatic Science Center in the amount of \$100,000 to cover the services described above. Estimated time frame is through November 2012.

**Attachments**

Item 6.I.

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

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DT: April 27, 2011

TO: ABAG Executive Board

FM: Gerald Lahr, Energy Programs Manager

RE: California Energy Commission (CEC) Grant  
- EV Corridor Project

---

**Background.** AB118 (Nunez- 2007) directed the California Energy Commission (CEC) to develop and implement the “Alternative and Renewable Fuel and Vehicle Technology Program,” and in October 2009 the CEC released an RFP to fund public and private entities to install charging infrastructure.

As a result of the RFP, the ad hoc group of Bay Area governments that had previously formed to advance electric vehicles in the region, came together to provide a joint response. The EV Corridor Project submitted a grant application in January 2010 with ABAG as the lead applicant. In May 2010 the CEC initially announced an award of \$504,000, however the CEC subsequently stated that they would allocate additional funding to the infrastructure project.

On March 9, 2011 the CEC approved a \$1.49 million grant to ABAG to install charging stations throughout the region.

**EV Corridor Project.** ABAG, as part of the Bay Area Electric Vehicle (EV) Corridor Project, plans to establish the greater SF Bay Area as an electric vehicle leader by accelerating the deployment of EV-ready infrastructure and EV-friendly policies and incentives. ABAG will deploy charging infrastructure throughout the Bay Area with an emphasis on 1) addressing the needs of the “garageless” EV driver, especially in densely populated cities, and 2) providing battery-electric vehicle (BEV) drivers with the ability to travel across and within the region without “range anxiety”.

This project will install up to 423 charge points for the region including 19 DC Fast Chargers, 176 Level 1 and 228 Level 2 charge points. The charging installations will service neighborhood electric vehicles, legacy EVs that take 110 volt connections, and new EVs that require 240 volt connectors. The DC fast charges, installed in centrally located, high use locations, will be able to serve up to eight vehicles at a time.

The CEC will provide \$1,493,165 in Alternative and Renewable Fuel and Vehicle Program funds, and participating agencies will provide match funding of \$2,745,843.

### Project Management Partners

- ABAG – project lead and fiscal agent

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

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- EV Communities Alliance – EV Corridor Project coordination and grant program management
- CFCI – provide turnkey EV charging installation on behalf of Alameda, Contra Costa, Santa Clara, Marin and Monterey Bay partners
- Ecology Action – EV Corridor coordination in the Monterey region

Project Milestones. ABAG plans to initiate the project in June 2011 with a final report expected by June 15, 2012. ABAG will begin installation of the charge points in Summer 2011.

ABAG will coordinate this project with EV efforts being undertaken by the other regional agencies.

**Action:** Authorize ABAG to execute all necessary agreements to implement and carry out the purposes of any funds awarded as a result of the CEC Grant.

cc: Ezra Rapport, Executive Director

**ASSOCIATION OF BAY AREA GOVERNMENTS  
EXECUTIVE BOARD**

**RESOLUTION NO. 06-11**

**AUTHORIZING ENTERING INTO AN AGREEMENT WITH THE CALIFORNIA  
ENERGY COMMISSION (CEC), AND DESIGNATING A REPRESENTATIVE TO SIGN  
THE AGREEMENT, AND ANY AMENDMENTS THERETO, AND TO ACT ON BEHALF  
OF PARTICIPATING PARTNERS FOR GRANT FUNDING**

**WHEREAS**, the California Energy Commission (CEC) issued a Request for Proposals (RFP) for projects to be funded through the “Alternative and Renewable Fuel and Vehicle Technology Program” that fund public and private entities to install electric vehicle (EV) charging infrastructure; and

**WHEREAS**, the Association of Bay Area Governments (ABAG) as lead applicant submitted a grant application in January 2010 with the coordination and support of EV Communities Alliance; and

**WHEREAS**, in March 2011 the CEC approved an award of \$1.49 million to ABAG to install charging stations throughout the region.

**ASSOCIATION OF BAY AREA GOVERNMENTS  
RESOLUTION NO. 06-11**

**NOW, THEREFORE, BE IT RESOLVED**, by the Executive Board of the Association of Bay Area Governments that the Executive Board authorizes the Association of Bay Area Governments (ABAG) to accept a grant award up to the amount of the award of One Million Four Hundred Ninety Three Thousand One Hundred and Sixty Five Dollars, and that the Executive Director of ABAG acting for ABAG is hereby authorized and empowered to execute, in the name of ABAG, all necessary contracts and agreements, and amendments hereto, to implement and carry out the purposes specified in the application.

The foregoing adopted by the Executive Board this 19<sup>th</sup> day of May, 2011.

---

Mark Green  
President

**Certification of Executive Board Approval**

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 19<sup>th</sup> day of May, 2011.

---

Ezra Rapport  
Secretary-Treasurer

**Approved as To Legal Form**

---

Kenneth K. Moy  
Legal Counsel

## Exhibit A

### Description of Project

**EV Corridor Project.** ABAG, as part of the Bay Area Electric Vehicle (EV) Corridor Project, plans to establish the greater SF Bay Area as an electric vehicle leader by accelerating the deployment of EV-ready infrastructure and EV-friendly policies and incentives. ABAG will deploy charging infrastructure throughout the Bay Area with an emphasis on 1) addressing the needs of the “garageless” EV driver, especially in densely populated cities, and 2) providing battery-electric vehicle (BEV) drivers with the ability to travel across and within the region without “range anxiety”.

This project will install up to 423 charge points for the region including 19 DC Fast Chargers, 176 Level 1 and 228 Level 2 charge points. The charging installations will service neighborhood electric vehicles, legacy EVs that take 110 volt connections, and new EVs that require 240 volt connectors. The DC fast charges, installed in centrally located, high use locations, will be able to serve up to eight vehicles at a time.

The CEC will provide \$1,493,165 in Alternative and Renewable Fuel and Vehicle Program funds, and participating agencies will provide match funding of \$2,745,843.

#### Project Management Partners

- ABAG – project lead and fiscal agent
- EV Communities Alliance – EV Corridor Project coordination and grant program management
- CFCI – provide turnkey EV charging installation on behalf of Alameda, Contra Costa, Santa Clara, Marin and Monterey Bay partners
- Ecology Action – EV Corridor coordination in the Monterey region

**Project Milestones.** ABAG plans to initiate the project on April 15, 2011 with a final report expected by June 15, 2012. ABAG will begin installation of the charge points in Summer 2011.



# M E M O

Date: May 6, 2011

To: ABAG Executive Board

From: Ken Kirkey  
ABAG Planning Director

Subject: **Sustainable Communities Strategy – Scenarios Development and Historical Trends**

## Overview

After the release of the Initial Vision Scenario of the Sustainable Communities Strategy (SCS) in March, MTC and ABAG staff are focused on the development of Alternative Scenarios to inform the selection of the Preferred Scenario. The final Preferred Scenario will be adopted by February 2012. Three essential tasks are linked to the development of this Preferred Scenario.

- **Household and job forecast:** ABAG and MTC are addressing the economic and land use constraints that will inform the Bay Area's long term housing supply, job creation, and population growth. This forecast will address the recent release of the 2010 Census, specific demographic issues and current economic restructuring trends, as well as coordination with federal and state agencies to identify the most appropriate forecast approach.
- **Regional Housing Needs Allocation (RHNA):** The RHNA methodology will use the Preferred Scenario of the SCS as one of the components. The RHNA schedule has been recently adjusted to allow this coordination. The draft RHNA methodology will be released at same time as the draft Preferred Scenario in November 2011. The final methodology will be adopted in January 2012.
- **Sustainability Block Grant Proposal:** Regional agencies are working on a funding program that will support the implementation of the SCS. Funding availability will be commensurate with the scale and quality of the local SCS effort. Regional agencies will release a proposal by July 2011. A proposed "block grant" will pull together different transportation funding streams to support sustainable development.

The sections below and the upcoming presentation at the Executive Board provide an update on the Initial Vision Scenario feedback from local jurisdictions and preliminary discussions on the Alternative Scenario Concepts. They also provide an overview of past

growth patterns in the Bay Area and surrounding counties as background to the discussions on the SCS scenarios.

### ***Feedback on Initial Vision Scenario***

On March 11, 2011 MTC and ABAG released the Initial Vision Scenario to open the dialogue on the Sustainable Communities Strategy. This was an unconstrained scenario that assumed strong economic growth and resources for housing production. This scenario proposed a future land use pattern driven by Priority Development Areas and Growth Opportunity Areas and their locally designated place types. This land use pattern allowed some accomplishments on our adopted performance targets but additional work on employment distribution, transportation strategies and funding remains to be done.

This Initial Vision Scenario was presented by regional agencies before local elected officials, planning directors, and Congestions Management Agencies (CMAs). Similarly, local jurisdictions have presented this Scenario to their respective councils. We have been gathering input through those presentations, meetings with the Regional Advisory Working Group and stakeholders groups as well as our Basecamp sites, letters, additional meetings, and phone calls.

In our presentations and later in Basecamp, we posted a set of questions to frame the input from local jurisdictions. These questions focused on the appropriateness of the selected place type for PDAs and Growth Opportunity Areas and the related housing and employment growth; the potential relocation of growth somewhere else in the city, the county or the region; and the priority of resources to implement this sustainable strategy. At the Executive Board meeting staff will present a summary of the multiple responses and additional questions we receive to inform the development of the Alternative Scenarios.

### ***Preliminary Alternative Scenarios Concepts***

Phase 2 of the Plan Bay Area process focuses largely on the development and analysis of alternative scenarios to demonstrate how the Bay Area can achieve its 15 percent per-capita greenhouse gas emission reduction target, stipulated by CARB, and other ABAG/MTC adopted performance targets. While both the Current Regional Plans and Initial Vision Scenario get us closer to the greenhouse gas targets, they still fall short. We must now find alternative ways to achieve this target as required by SB 375. This means identifying and testing a range of alternative scenarios that feature different combinations of land use, transportation investments, and policy strategies.

MTC/ABAG staff has conducted initial brainstorming on alternative scenario concepts with the Regional Advisory Working Group and Partnership Technical Advisory Committee in April and May 2011. We are also receiving feedback through the Plan Bay

Area/You Choose Bay Area workshops that are now underway. The following points have been raised thus far:

- Create distinct scenarios, including a historical land use “trend” option for comparative purposes.
- Focus more growth in the urbanized areas of the region to preserve agricultural lands and open space.
- Consider refocusing development along transportation corridors (not just transit lines).
- Increase growth in Priority Development Areas (PDAs) but realize that they have limits on their carrying capacities.
- Increase existing transit service and improve pedestrian access to transit
- Create a strategy that places importance on supporting growth in rural/suburban communities, but recognize that the growth will not be at the same density and intensity as growth in the more urbanized areas of the region.
- Emphasize the importance of the “fix-it first” policy (i.e., maintain existing system)
- Consider policy initiatives such as Transportation Demand Management and road and parking pricing

The Alternative Scenarios will address economic and policy constraints. Each scenario will present distinct land use growth patterns, transportation investments, and supportive policies. They will provide different combinations of housing and employment growth distribution and the corresponding transportation strategies and investments.

These scenarios are informed by input we are receiving from local jurisdictions on scale of growth and place type and their related policies and investment needs. While no one scenario will work for all communities, we would like to accommodate within the range of alternatives most of the local jurisdictions perspectives on future development. For example, understanding how much additional growth could go into the regional centers, city centers and urban neighborhoods in the inner Bay Area would inform one of the alternatives; or understanding where job growth could shift closer to housing into the outer region could inform another alternative.

The regional agencies have received a wide range of input from local jurisdictions on specific policies and investments. MTC/ABAG also received much input through the *Initial Vision Scenario Place Type and Policies Information Form* at the beginning of 2011. However, we welcome any additional input on high priority policies and investments for the range of development options your local jurisdiction might be considering in the SCS.

The following Alternative Scenario Concepts are currently under consideration:

*PDA and Growth Opportunity Area Pattern with Focused Employment*

- Focuses housing and employment growth among all Priority Development Areas and Growth Opportunity Areas
- This scenario is the Initial Vision Scenario with consideration for job location/intensity, financial constraints and local input
- Assumes most efficient use of existing transportation system with limited transit and road expansion

*Maximizing growth in Transit Corridors around the Bay*

- Focuses housing and employment growth inward in communities close to the Bay with existing transit and road infrastructure
- Focuses on existing and emerging major employment centers within established communities
- Accommodates growth in areas with effective transit services but assumes increased funding for increased transit service levels and expansion in strategic locations

*Increase growth in the Urban Periphery with Shorter Vehicle Trips*

- Focuses housing and employment growth into Priority Development Areas and other areas with some transit access and existing roadway infrastructure to shorten employment-related trip lengths
- Focuses job growth in communities with significant housing supply
- Identifies constraints and subsidies needed to locate employment in the outer Bay Area.

For illustrative and comparative purposes, the scenario analysis will also include a historical pattern “scenario” that depicts the regional growth trends of the past 10-20 years as projected forward.

Each Alternative Scenario will be analyzed relative to adopted performance targets. This analysis will be discussed among local and regional agencies to inform the selection of the draft Preferred Scenario.

**Past growth patterns in the Bay Area and surrounding counties**

The Initial Vision Scenario of the Sustainable Communities Strategy proposes a concentrated growth pattern that focuses on Priority Development Areas, as well as new infill Growth Opportunity Areas. The level and pattern of growth proposed in the Initial Vision Scenario is a significant departure from current and past trends and will be difficult to achieve, particularly in light of current economic conditions. While there is now arguably a broad regional consensus on pursuing a more sustainable development pattern in the future than existed in the Bay Area in the past, there have been many questions about exactly how the growth proposed in the Initial Vision Scenario compares to past development patterns in the region. In order to inform this discussion as well as

the development of the Alternative Scenarios, staff will present a historical overview of regional job, population, and housing growth over the past three to four decades. Staff will present data that documents the previous land use growth patterns in the region and the relationship between past growth in the region and the surrounding counties. Staff will also present past regional growth in relation to state and national growth rates. The purpose of this review is to further understand our past and current development trends to inform our choices for future development.



## MEMO

**Submitted by:** Ken Kirkey, ABAG Planning Director

**Subject:** Update on Regional Housing Needs Allocation (RHNA)

**Date:** May 9, 2011

### Executive Summary

The Regional Housing Needs Allocation (RHNA) is a state mandate that requires each community to plan for its share of the state's housing need, for people at all income levels. It is ABAG's responsibility to distribute this need to local governments. With the passage of SB 375, ABAG and MTC must identify areas within the region sufficient to house an eight-year projection of the regional housing need for all income groups. Additionally, the housing allocation plan must allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS). ABAG and MTC have convened an SCS Housing Methodology Committee to assist in the development of an allocation methodology that meets state, regional, and local objectives. The committee's discussions to date have focused primarily on determining how best to promote consistency between RHNA and the development pattern of the SCS, while ensuring that the allocation of housing need also meets the specific objectives of Housing Element law, including that every jurisdiction accommodate its fair share of the region's housing need. Three subregions have formed to conduct their own RHNA process in parallel to the region's process: Napa County, San Mateo County, and Solano County. Each subregion consists of the county and all of its cities.

### Recommended Action

None.

### Next Steps

None.

### Attachments:

## MEMO

Date: May 9, 2011

To: ABAG Executive Board

From: Ken Kirkey, ABAG Planning Director

Subject: Update on Regional Housing Needs Allocation (RHNA)

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### **Overview**

The Regional Housing Needs Allocation (RHNA) is a state mandate that requires each community to plan for its share of the state's housing need, for people at all income levels. The California Department of Housing and Community Development (HCD) determines the total housing need for each region in the state and, as the Council of Governments for the San Francisco Bay Area, it is ABAG's responsibility to distribute this need to local governments.

With the passage of SB 375, ABAG and MTC must identify areas within the region sufficient to house an eight-year projection of the regional housing need for all income groups. Additionally, the housing allocation plan must allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS).

### **SCS Housing Methodology Committee**

Similar to the process used for the prior RHNA period, ABAG and MTC have convened the SCS Housing Methodology Committee (HMC) to assist in the development of an allocation methodology that meets state, regional, and local objectives. With members from all nine counties, the HMC is made up of local elected officials, staff and various interest groups.

The HMC has been meeting monthly since January, and will continue to meet for the next two months in order to refine the principles and overall concept for the RHNA methodology. The committee's discussions to date have focused primarily on determining how best to promote consistency between RHNA and the development pattern of the SCS, while ensuring that the allocation of housing need also meets the specific objectives of Housing Element law, including that every jurisdiction accommodate its fair share of the region's housing need. The committee has also begun to address some of the more technical aspects of the RHNA methodology, including how to address Spheres of Influence and the guidelines for jurisdictions that wish to enter into agreements to trade a portion of their allocation to another jurisdiction.

### **Subregions**

The statutes governing the RHNA process allow cities and counties the option to join together to conduct their own "subregional" RHNA process. In the Bay Area, subregions have formed in Napa, San Mateo, and Solano counties. Each of the three subregions consists of the county and all of its cities. These subregions will receive an allocation of a portion of the region's total housing need, and will then have the opportunity to create their own methodology for distributing the housing need among the jurisdictions in the subregion. The subregional process for developing a methodology and allocating units to its members will occur in parallel to the regional process, and will be

governed by the same requirements and timeline, including that the final allocation must be consistent with the land use pattern of the SCS.

### **Next Steps**

The HMC will continue to meet to assist MTC and ABAG in finalizing the RHNA methodology, including identifying the overall principles that will guide allocations to each jurisdiction in the region, as well as establishing the rules to guide technical aspects of the allocation process, including how to treat Spheres of Influence, trades of allocations among jurisdictions, and the statutorily required appeals process.





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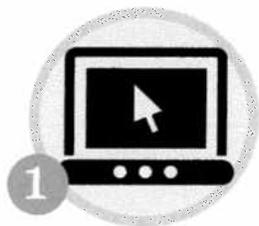
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Energy Upgrade California in the Bay Area is a one stop shop for homeowners to find everything they need to make home improvements that save energy, water and other natural resources. The program connects you with Participating Contractors who can help you plan and complete your project—and get you **rebates** to help pay for it.

### Take a “whole house” approach The sum is greater than its parts

Increasing your home's efficiency isn't just switching out light bulbs or adding low-flow showerheads—it's approaching your home as a complete system, with heating, air-conditioning, water and other systems working together more effectively to help lower your energy use. Energy Upgrade California in the Bay Area connects you to the experts and resources you need to take a “whole House” approach.



1 Visit the website to plan your upgrade



2 Find a contractor



3 Complete your project



4 Get your rebate!

Start your Upgrade today: [www.EnergyUpgradeCA.org](http://www.EnergyUpgradeCA.org)

Bay Area Call Center: (855) 464-8484

## 3 Upgrade Packages to choose from:



**1 The Basic Upgrade** includes a number of required measures such as sealing and insulating your home for greater efficiency. The PG&E incentive is fixed at \$1,000.



**2 The Advanced Upgrade** is customized for your home to achieve maximum efficiency. Your project will incorporate a variety of measures and might include a high-efficiency furnace, new windows or wall insulation. The amount of the PG&E incentive varies—from \$1,500 to \$4,000.



**3 The Green Upgrade** is a comprehensive solution that combines energy, indoor air quality, water and resource conservation measures to create a comfortable home with reduced impact on the environment. The Green Upgrade can be combined with either the Basic or the Advanced Upgrade.

**Ask your contractor** about additional rebates and incentives.

## Upgrade Packages

Are you already planning a remodel? Need to replace an old heating system? Want your renovation to achieve green building certification? Or are your utility bills just too high? No matter what your situation, Energy Upgrade California can connect you with the right professionals to help you select the best package for your project.

## Participating Contractors

All Energy Upgrade California contractors are trained to provide the highest quality of service. Contractors qualified to provide Advanced and Green Upgrades receive additional training and certification from nationally recognized home performance and green building organizations. A rigorous quality assurance system ensures that Energy Upgrade projects meet program standards.

## Rebates and Incentives

There are many ways to help pay for your Upgrade Package, including utility incentives, Cash for Appliances rebates, Federal Tax Credits and local government rebates.

## PG&E Incentive

PG&E is offering the following incentives for Energy Upgrade Packages.

Basic Upgrade		Advanced Upgrade	
Required Measures	Incentive	Efficiency Improvement	Incentive
<ul style="list-style-type: none"> <li>• Air sealing</li> <li>• Attic insulation</li> <li>• Duct sealing</li> <li>• Low-flow showerheads (with thermostatic control)</li> <li>• Water pipe insulation</li> <li>• Combustion safety test</li> <li>• Carbon monoxide and smoke alarms</li> </ul>	\$1,000	15%	\$1,500
		20%	\$2,000
		25%	\$2,500
		30%	\$3,000
		35%	\$3,500
		40%	\$4,000

Upgrade your home. Conserve. Save money.  
[www.EnergyUpgradeCA.org](http://www.EnergyUpgradeCA.org)



## MEMO

**Submitted by:** Ken Kirkey, Planning Director

**Subject:** Proposed Planned Priority Development Areas in the City of Santa Clara

**Date:** May 12, 2011

### Executive Summary

FOCUS is a voluntary, incentive-based, multi-agency development and conservation strategy for the San Francisco Bay Area. As part of FOCUS, over 60 local government entities have stepped forward and proposed over 120 Priority Development Areas, which have been adopted by the ABAG Executive Board.

The proposed Priority Development Areas submitted by the City of Santa Clara are for the El Camino Real corridor segment within the City of Santa Clara, and the Santa Clara Station area, surrounding a rail station served by Caltrain and Amtrak Capitol Corridor, and the future terminus of the BART extension to Silicon Valley.

### Recommended Action

Staff is seeking Executive Board adoption of two new Priority Development Areas (PDAs) submitted by the City of Santa Clara as part of FOCUS, the San Francisco Bay Area's Regional Blueprint Plan. Staff is further recommending 'Planned' status for these areas. The recommendation was endorsed by the ABAG Regional Planning Committee on April 6, 2011 for consideration by the Executive Board.

### Next Steps

This area, if adopted as a 'Planned' Priority Development Area, will receive corresponding eligibility and/or scoring for FOCUS planning, capital, and technical assistance programs.

### Attachments:

Location Maps

## MEMO

**DATE:** May 12, 2011  
**TO:** ABAG Executive Board  
**FROM:** Ken Kirkey, ABAG Planning Director  
**SUBJECT:** Proposed Planned Priority Development Areas in the City of Santa Clara

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### **Recommended Action**

At the May 19, 2011 ABAG Executive Board meeting, staff will seek approval for designating the El Camino Real Focus Area and the Santa Clara Station Focus Area as proposed by the City of Santa Clara as Priority Development Areas. The recommendation was endorsed by the ABAG Regional Planning Committee on April 6, 2011 for consideration by the Executive Board.

### **Background**

FOCUS is a voluntary, incentive-based, multi-agency development and conservation strategy for the San Francisco Bay Area. As part of FOCUS, over 60 local government entities have stepped forward and proposed over 120 Priority Development Areas (PDAs), which have been adopted by the ABAG Executive Board. Working in partnership with local jurisdictions and partner regional agencies, ABAG and the Metropolitan Transportation Commission (MTC) seek to support the development of the PDAs as complete communities. Complete communities are mixed-use neighborhoods served by transit with shops, parks and other amenities to provide for the day-to-day needs of residents. PDAs are within an existing community, near transit, and are either planned for more housing or there is a vision to create such a plan.

PDAs are designated as either “Planned” or “Potential.” The primary difference between these two designations is that a Planned PDA has both an adopted land use plan and a resolution of support from the city council or county board, while Potential PDAs may be lacking either of these. In general, these categories relate to readiness for funding: Planned PDAs are eligible for capital infrastructure funds, planning grants, and technical assistance, while Potential PDAs are eligible for planning grants and technical assistance, but not capital infrastructure funds. The first set of PDAs was adopted by the Executive Board in November 2007 followed by the adoption of additional PDAs in November 2008 and in September 2009. Priority Development Areas encompass the vast majority of transit-served neighborhoods in the nine-county Bay Area.

The Regional Planning Committee at its meeting on April 6, 2011 discussed the amount of existing and new housing proposed for these areas in light of their potential, as well as the provision of affordable housing.

***Proposed City of Santa Clara Priority Development Areas***

The City of Santa Clara has proposed two new areas that would be designated as “Planned” PDAs.

El Camino Real Focus Area

The area consists of a series of automobile-oriented strip-malls largely developed in the 1950’s and 1960’s.

The area is currently served by Santa Clara Valley Transportation Authority (VTA) bus routes 10, 22, 43, 57, 58, 60, 81, 328, and 522, four of which have headways under 20 minutes. The 22 and express line 522 serve the length of the El Camino Corridor in Santa Clara County, and there are plans for countywide bus rapid transit and streetscape improvements for the corridor.

The City of Santa Clara’s recently updated 2010-2035 General Plan establishes a vision to transform El Camino Real into a tree-lined, pedestrian- and transit-oriented corridor with a mix of residential and retail uses. The General Plan designates larger properties at key intersections as Regional Mixed Use, with an emphasis on pedestrian-oriented retail and higher-density residential at appropriate locations. Between these nodes, properties are designated for lower-intensity Community Mixed Use. Overall growth in the El Camino Real Focus Area is expected to go from 466 housing units and 3,172 jobs in 2011 to 4,666 housing units and 4,328 jobs in 2035.

The City anticipates the need for additional planning efforts to realize the vision for El Camino Real, including a future Streetscape Plan for the corridor.

Santa Clara Station Focus Area

The area consists of 244 acres within Santa Clara of the larger, multi-jurisdictional (with the City of San Jose) planning area of the ‘Santa Clara Station Area Plan’.

At the center of this area is the existing Santa Clara Transit Station, served by Caltrain, Amtrak Capitol Corridor, and VTA bus service. The station is also planned to include the terminus of the BART extension to Silicon Valley and a future Automated People Mover to the Norman Y. Mineta San José International Airport.

The vision of the Santa Clara Station Focus Area includes the replacement of existing low-intensity retail, office, residential, and light industrial uses with larger-scale, mixed-use development. The City views the area as an opportunity to establish a new gateway into the city, as well as to expand the City’s economic base with new office, hotel, and retail uses, and add high-density residential development to maximize the use of existing and future transit. Approximately 1,650 residential units and 2,000,000 square feet of non-residential uses are expected, providing 4,300 jobs. There are 507 housing units and an estimated 2,466 jobs in the area today.

The City anticipates the need for additional planning efforts to realize the vision for the Santa Clara Station Focus Area, including a future Streetscape and Public Facilities Plan for the area.

***Next Steps***

As Planned Priority Development Areas, El Camino Real Focus Area and Santa Clara Station Focus Area would be eligible for planning, technical assistance, and infrastructure funding through the FOCUS Program.

**RECOMMENDATION**

Staff recommends that the Executive Board:

- Designate El Camino Real Focus Area and Santa Clara Station Focus Area as proposed by the City of Santa Clara as Planned Priority Development Areas.

**ATTACHMENT:**

Maps of the proposed El Camino Real Focus Area and Santa Clara Station Focus Area Priority Development Areas

Chapter Five: GOALS AND POLICIES

Figure 5-42  
 El Cantino Real Focus Area

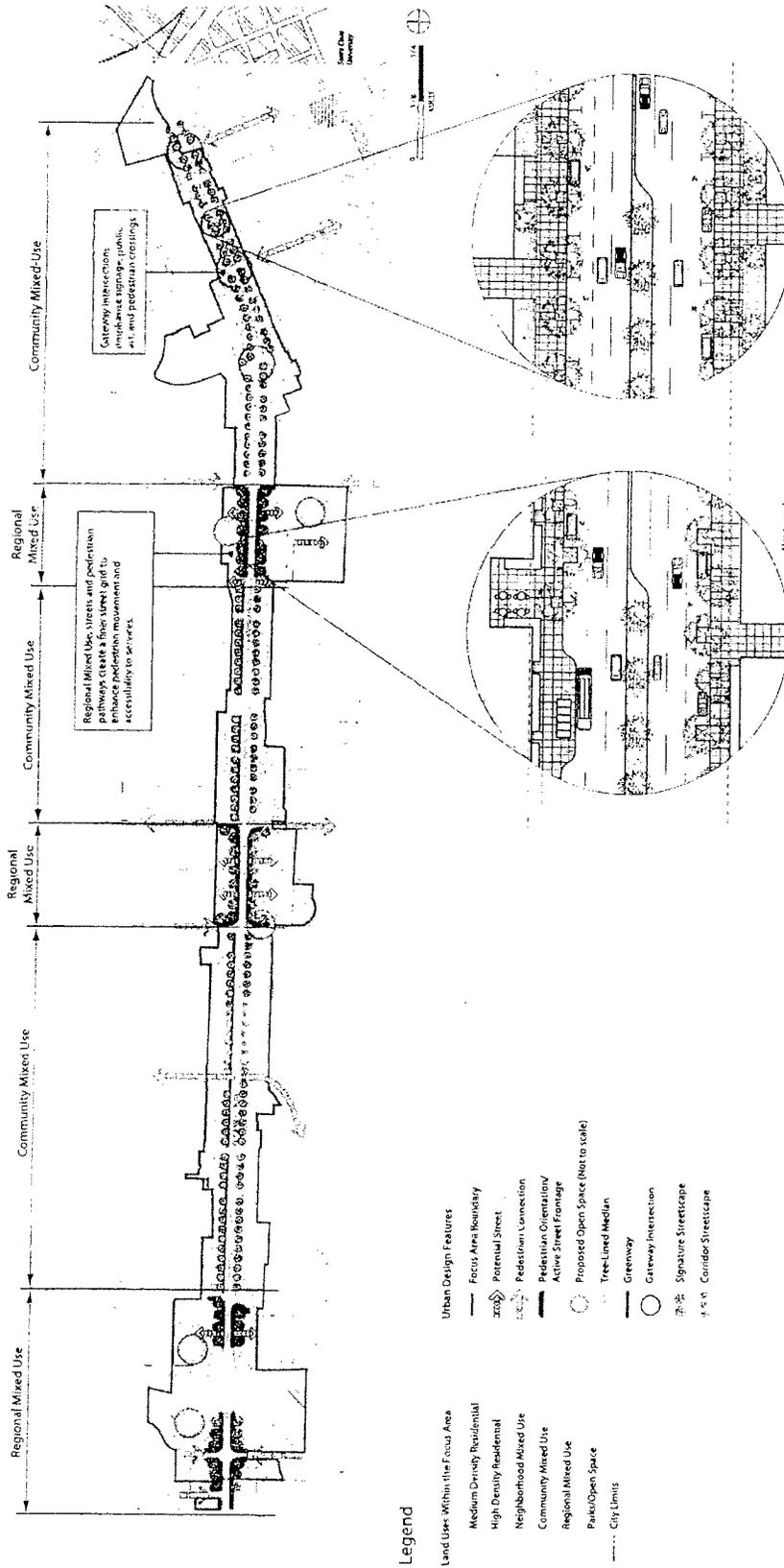
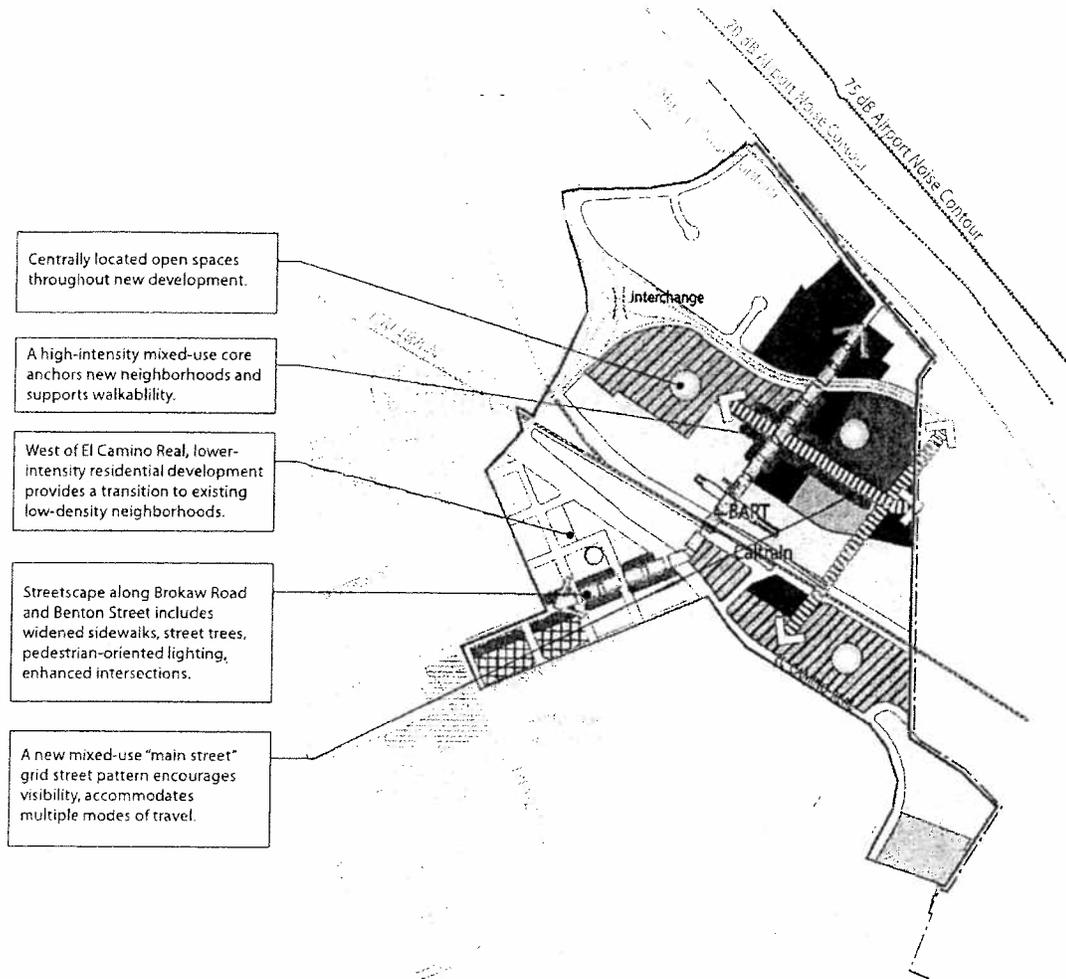




Figure 5.4-4  
**Santa Clara Station Focus Area**



Centrally located open spaces throughout new development.

A high-intensity mixed-use core anchors new neighborhoods and supports walkability.

West of El Camino Real, lower-intensity residential development provides a transition to existing low-density neighborhoods.

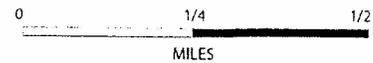
Streetscape along Brokaw Road and Benton Street includes widened sidewalks, street trees, pedestrian-oriented lighting, enhanced intersections.

A new mixed-use "main street" grid street pattern encourages visibility, accommodates multiple modes of travel.

**Legend**

Land Uses Within the Focus Area

- Santa Clara Station Low Density Residential (8-18 du/ac)
- Santa Clara Station Medium Density Residential (19-36 du/ac)
- Santa Clara Station High Density Residential (37-50 du/ac)
- Santa Clara Station Very High Density Residential (51-90 du/ac)
- Santa Clara Station Regional Commercial (up to 3.0 FAR) (with an emphasis on office and hotel uses)
- Santa Clara Station Regional Mixed Use (Santa Clara Station Regional Commercial + Santa Clara Station High Density Residential) (with an emphasis on residential and commercial uses)
- Santa Clara Station Community Mixed Use Commercial (up to 0.45 FAR + Santa Clara Station Medium Density Residential)
- Santa Clara Station Public/Quasi Public (Intensity based on policies 5.3.1, 5.5.1 and 5.9.2)
- Santa Clara Station Light Industrial (up to 0.6 FAR)
- City Limits



Urban Design Features

- Focus Area Boundary
- Potential Street
- Pedestrian Connection
- Pedestrian Orientation/Active Street Frontage
- Proposed Open Space (Not to scale)

## OPEN SESSION STAFF REPORT

May 5, 2011.

TO: Executive Board Via Finance and Personnel Committee

FROM: Ezra Rapport, Executive Director

SUBJECT: Strategic Facility Planning Project

In May 2010, the Executive Board authorized staff to explore alternatives for a joint regional facility to house the Metropolitan Transportation Commission (MTC), the Association of Bay Area Government (ABAG) and the Bay Area Air Quality Management District (Air District). After a competitive selection process, a contract was awarded by the Air District in June 2010 to CB Richard Ellis (CBRE) to provide real estate advisory services and to develop a strategy to improve inter-agency cooperation through co-location in a joint regional facility.

CBRE conducted an analysis of the each agency's existing facilities, operational requirements, sustainability and environmental objectives, and financial objectives. CBRE also developed real estate scenarios and conducted preliminary research of the Oakland and San Francisco markets. The results of their findings and recommendations were presented to each agency's governing board in November/December 2010. At that time, the boards authorized staff to proceed with selecting a broker through a competitive procurement process to represent the agencies and to identify viable options in Oakland and San Francisco markets, with MTC as the lead agency for this phase.

On January 26, 2011, the MTC Commission authorized staff to enter into a contract with CBRE to provide commercial real estate services, with compensation in the form of a commission paid by the seller and fully contingent upon the close of escrow services. The contract will include optional services to be separately paid for by each agency if such agency elects in its sole discretion to use services for: 1) project management, and 2) disposition of existing assets, should a real estate transaction be approved.

On March 14, 2011, CBRE distributed, via email and a dedicated webpage ([www.cbre.com/regionalfacility](http://www.cbre.com/regionalfacility)) a Request for Proposal (RFP) to owners, developers, brokerage firms and other interested parties seeking proposals that met criteria as listed in Attachment A. The closing date for submittal of proposals was April 1, 2011. CBRE received 11 proposals containing 12 options. CBRE has completed initial due diligence assessments to confirm the merits of each proposal.

## OPEN SESSION STAFF REPORT

CBRE will present their findings and short-list recommendations in closed session to ABAG on May 19<sup>th</sup> , the MTC Commission (May 25<sup>th</sup>) and the Air District (June 1<sup>st</sup>) for approval. Upon authorization to proceed, CBRE will commence real estate negotiations with one or more of the proposed properties resulting in a non-binding Letter of Intent:

Potential Addresses; Owned by the Corresponding Parties as listed:

- 1945 Broadway Street, Oakland CA: Sears Development Company, to be developed with Phelps Development and SUDA (Owner)
- 1221 Broadway Street, Oakland CA: The Clorox Company (Owner)
- 1100 Broadway Street, Oakland CA: SKS Investments, LLC (Owner)
- 875 Stevenson Street, San Francisco CA: Shorenstein Realty Services, LP (Owner)
- 390 Main Street, San Francisco, CA: Angelo, Gordon & Co., L.P. Amerimar Enterprises, Inc and Barnes RHPO Partners, LLC (Joint Venture)

CBRE will present the proposed terms and conditions for the recommended final option in closed session for review and approval by all three governing boards at a future board meeting.

# OPEN SESSION STAFF REPORT

Attachment

Attachment A

## Property Criteria

### **A. Project Size**

- The building must be 350,000 rentable sq. ft. or greater

### **B. Contiguous Availability**

- There must be 150,000 – 200,000 usable sq. ft. of contiguous space available for near-term occupancy with the balance of the building available for development of long-term future government purposes

### **C. Occupancy Timelines**

- The contiguous space should be available for occupancy within 24 months
  - Longer occupancy timelines may be considered

### **D. Location**

- The property is located within the city of Oakland or San Francisco
- The property is located within ½ mile of BART and other major forms of mass public transit

### **E. Public Meeting Space**

- The property must allow for Public Assembly
- The property must accommodate one or more boardrooms for public meetings (minimum 3,500 square feet) of up to 38 public officials

### **F. Code Compliance**

- The property must meet or be able to meet current Seismic, ADA and other code compliance without extraordinary cost

### **G. LEED**

- The property must have the ability to achieve LEED qualifications/certification

### **H. Purchase Option**

- The preference is for an immediate purchase
  - Short-term leases with a fixed purchase option may be considered



# LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE

Committee Chair: Supervisor Mark Luce—Napa County

Committee Vice Chair: Councilmember Carole Dillon-Knutson—City of Novato

Staff: Patricia Jones – Assistant Executive Director 510/ 464-7933; FAX 510/464-7970; [PatJ@abag.ca.gov](mailto:PatJ@abag.ca.gov)

Kathleen Cha – Senior Communications Officer 510/ 464-7922; [KathleenC@abag.ca.gov](mailto:KathleenC@abag.ca.gov)

**Thursday, May 19, 2011 – 3:30 p.m. to 5:00 p.m.**

ABAG Large Conference Room B, MetroCenter, 101 Eighth Street, Oakland

## AGENDA\*

1.	<b>OPEN AGENDA</b> Committee members may raise issues for consideration; members of the public may speak.	Information/ Action
2.	<b>APPROVAL OF MINUTES</b> Committee will review and approve the minutes of the March 17, 2011, L&GO meeting.	Information/ Action
3.	<b>2011 STATE LEGISLATIVE SESSION: NEW BILLS FOR CONSIDERATION</b> —Committee review of the following new bills: <b>AB 392 (Alejo) Ralph M. Brown Act</b> <b>AB 485 (Ma) Local Planning: Transit Village Development Districts</b> <b>AB 506 (Wieckowski) Local Government: Bankruptcy—Mediation</b> <b>AB 710 (Skinner) Local planning: Infill and Transit-oriented Development</b> <b>AB 880 (Perez) Environmental Quality: CEQA—Expedited Environmental Review</b> <b>AB 1103 (Huffman) Land Use: Housing Element</b> <b>AB 1112 (Huffman) Oil Spill Prevention and Administration Fee (Oil Spill Preparedness Act)</b> <b>AB 1220 (Alejo) Land Use and Planning: Cause of Actions—Time Limitations</b> <b>AB 1430 (Com. on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Omnibus Bill</b> <b>SB 184 (Leno) Land Use: Zoning Regulations (Inclusionary Housing Requirements)</b> <b>SB 286 (Wright) Redevelopment</b> <b>SB 419 (Simitian) Solid Waste: Home Generated Sharps</b> <b>SB 515 (Corbett) Recycling: Product Stewardship—Batteries</b> <b>SB 555 (Hancock) Local Government: Community Facilities Districts</b> <b>SB 582 (Emmerson) Regional Commute Benefit Policies</b> <b>SB 653 (Steinberg) Local Taxation: Counties—School Districts—General Authorization</b> <b>SB 790 (Leno) Electricity: Community Choice Aggregation</b>  <b>Bills Previously Considered will be Updated and Amendments reviewed:</b> <b>AB 913 (Feuer) Certified Green Business Program</b> <b>SB 186 (Kehoe &amp; DeSaulnier) The Controller</b>	Information/ Action
4.	<b>FOLLOW-UP DISCUSSION REGARDING NAMING OF THE BAY TRAIL</b>	Information/ Action
	<b>ADJOURNMENT</b> Next meeting is scheduled for <b>July 21, 2011.</b>	Action
	<b>Agenda and other written materials are available at ABAG/Front Desk, 101 8<sup>th</sup> Street, Oakland, or at <a href="http://www.abag.ca.gov/meetings">http://www.abag.ca.gov/meetings</a> --</b>	

\* 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](http://www.leginfo.ca.gov).





**LEGISLATION**  
**2011 State Legislative Session**  
**Legislation & Governmental Organization Committee**  
**May 6, 2011**

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
<b>*NEW BILLS</b>					<b>Bold Face/Shading in Legislation Summary indicates change/ amendments.</b>
<i>Bills to be reviewed are listed in numeric order with Assembly bills listed first, followed by Senate bills</i>					
<b>New Bills</b>					
*AB 392 Alejo	Ralph M. Brown Act	ASM Appropriations Com.	Oppose CSAC Oppose LCC—Notice of Concern		Amended 4/14: This bill would require the legislative body of a local agency to post the agenda and specified staff generated reports that relate to items on the agenda on its Internet Web site, if any, as specified. ---The bill would prohibit the legislative body from acting on or discussing an item on the agenda for which a related staff generated report was not properly disclosed at least 72 hours prior to the meeting, except as provided. -The bill would require the legislative body of the local agency, if it does not have an Internet Web site, to disclose on the posted agenda a public location where the agency would make an applicable staff generated report available for copying and inspection by a member of the public for at least 72 hours prior to the meeting. --By expanding the duties of local agencies, this bill would impose a state-mandated local program. <i>Existing law authorizes the legislative body of the city or county to adopt an infrastructure financing plan, create an infrastructure financing district, and issue bonds for which only the district is liable, to finance specified public facilities, upon voter approval.</i> This bill would eliminate the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit village development district. The bill would require a city or county that uses infrastructure
*AB 485 Ma	Local Planning: Transit Village Development Districts	ASM Ordered to Third Reading	Watch LCC Watch		

<p>AB 506 Wleckowski</p>	<p>Local Government: Bankruptcy— Mediation</p>	<p>ASM Appropriations Com.</p>	<p>Oppose</p>		<p>financing district bonds to finance its transit village development district to use at least 20% of the revenue from those bonds for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing; to require that those housing units remain available and occupied by moderate-, low-, very low, and extremely low income households for at least 55 years for rental units and 45 years for owner-occupied units; and to rehabilitate, develop, or construct for rental or sale to persons and families of low or moderate income an equal number of replacement dwellings to those removed or destroyed from the low- and moderate-income segment of the housing market as a result of the development of the district, as specified. The bill would set forth the findings and declarations of the Legislature, and the intent of the Legislature that the development of transit village development districts be environmentally conscious and sustainable, and that related construction meet or exceed the requirements of the California Green Building Standards Code. <i>Under existing law, any taxing agency or instrumentality of the state may file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States.</i> <b>This bill would provide that a local public entity shall not file under federal bankruptcy law unless the local public entity has participated in mediation with interested parties, as defined, has received a certificate of good faith participation, and if the mediation results in either an agreement for debt readjustment, or if the mediator certifies in writing that continued mediation will not contribute to a resolution of the parties' dispute, under certain circumstances. The bill would also require the California Debt and Investment Advisory Commission to adopt mediation guidelines, as specified.</b> <b>This bill would state the findings and declarations of the Legislature with respect to parking requirements and infill and transit-oriented development, and would state the intent of the Legislature to reduce unnecessary government regulation and to reduce the cost of development by eliminating excessive minimum parking requirements for infill and transit-oriented development. This bill would also prohibit a city or county from requiring a minimum parking standard greater than one parking space per 1,000 square feet of nonresidential improvements and one parking space per unit of residential improvements for any new development project in transit intensive areas, as defined.</b> <b>(2) Existing law sets forth the duties of the Strategic Growth Council, including the duty to recommend policies and</b></p>
<p>*AB 710 (Skinner)</p>	<p>Local planning: Infill and Transit-oriented Development</p>	<p>ASM Local Government Com.</p>	<p>Support  LCC Watch  CSAC Watch</p>		

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
*AB 880 V. Manuel Perez	Environmental Quality: CEQA— Expedited Environmental Review	ASM re-referred to Appropriations Com.	Watch LCC Watch		<p><i>investment strategies and priorities to the Governor, the Legislature, and to appropriate agencies to encourage the development of sustainable communities, as described. This bill would modify the description of sustainable communities to additionally include communities that incentivize infill development.</i></p> <p><i>Existing law requires specified state and local government agencies to perform a specified environmental analysis at the time of the adoption of a rule or regulation requiring the installation of pollution control equipment, or a performance standard or treatment requirement, including a rule or regulation that requires the installation of pollution control equipment or a performance standard or treatment requirement pursuant to the California Global Warming Solutions Act of 2006.</i></p> <p><b>This bill would instead require that those agencies perform that environmental analysis at the time of the adoption of a rule or regulation requiring the compliance with an energy efficiency standard or compliance mechanism including that rule or regulation adopted pursuant to the California Global Warming Solutions Act of 2006 (AB 32).</b></p> <p><b>Amends CEQA to expand the authorized use of a "focused" environmental impact report (EIR) for installation of required pollution control equipment to also include projects that consist of new or modified equipment, implementation of other facility process changes, or both, necessary or used to achieve compliance with a rule or regulation adopted pursuant to the AB 32.</b></p>
*AB 1103 Huffman	Land Use: Housing Element	ASM Re-referred to Local Government Committee	Support LCC Watch CSAC Pending		<p><b>Would allow "flexibility for local governments to find creative and innovative ways of providing affordable housing and incentives for smart growth development, while ensuring local governments meet their regional housing needs:"</b></p> <p><b>-- Would provide that a city or county may request its council of governments to adjust the city's or county's densities for their share of regional housing need for lower income households based on a demonstration by the jurisdiction that the density is consistent with their designation as non-metropolitan, suburban, or metropolitan</b></p> <p><b>--Would specify that the city/county may meet the appropriate RHNA without using land use controls to set aside the appropriate densities.</b></p> <p><b>--Would authorize a local government to county each housing unit that meets the requirements of the jurisdiction's SCS as 1½ units for purposes of meeting the RHNA assessment.</b></p> <p><b>-- Conversion of units: Would allow local governments to</b></p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 4
*AB 1112 Huffman	Oil Spill Prevention and Administration Fee: State Lands Commission (Oil Spill Preparedness Act)	ASM Appropriations Com.	Support  Support SF Bay Area Estuary Partnership		<p>county converted housing, including foreclosed housing converted with long-term affordability covenants, toward their planning goals. Would add that criterion to the list of potential criteria, until January 1, 2017.</p> <p>Sustainable communities: would give local governments' extra credit for creating new housing that meets the sustainable community model (close to places of work or regional transportation hubs).</p> <p>Amended 4/13: This bill adjusts the Oil Spill Prevention Administration Fund revenues to current inflation levels and requires the state's oil spill prevention agency to increase its oversight of vessels conducting oil transfers; requires a financial report on the state's oil spill prevention program; and require the State Lands Commission to submit safety recommendations to the Legislature</p> <p>--Would require the Administrator for oil spill response to develop a screening mechanism and conduct a risk assessment of vessels engaged in bunkering and lightering operations and determine the highest risk transfers. Would specify requirements regarding monitoring and inspections of oil transfer operations.</p>	
*AB 1220 Alejo	Land Use and Planning: Cause of Actions—Time Limitations	ASM Local Government Committee	Oppose  LCC Oppose CSAC Oppose APA Oppose		<p>Revises the statute of limitations and remedies for specified housing-related challenges:</p> <p>Requires a specified notice to be filed with the local government within five years after an action to adopt, amend, or revise a housing element, actions relating to housing development approval, annual limits on housing permits, and the adequacy of a density bonus ordinance.</p> <p>2) Excludes from the types of challenges that may be brought during this time period any action related to the Housing Accountability Act, the Subdivision Map Act, or the application of a Density Bonus ordinance to a particular project, all of which are project-specific actions.</p> <p>3) Requires a challenging party to first serve the legislative body of the city, county, or city and county with a notice identifying the deficiencies in the housing element, and allows the city or county 60 days to correct the deficiency, following which a dissatisfied party may file an action in court.</p> <p>4) Provides that in any action or proceeding brought to challenge the items listed in #1 no remedy, and no injunction pursuant to those prescribed by a court during a challenge regarding the validity of a general plan, shall abrogate, impair, or otherwise interfere with the full exercise of the rights and protections granted to: a) A completed tentative map application; or, b) A developer under a vested tentative map or</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
*AB 1430 Com. on Local Government	The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Omnibus Bill	ASM Local Government Committee  Hearing 5/11/11	Watch		<p>a development agreement.</p> <p>5) Provides that if a third party challenges the adequacy of a housing element in court and the court finds that the housing element substantially complies with all of the requirements of housing element law, the element shall be deemed to be in compliance for purposes of state housing grant programs.</p> <p>6) Provide that a housing element from a prior planning period may not be challenged if the city or county has adopted a revised housing element for the new planning period.</p> <p>7) States that it is the intent of the Legislature in enacting Section 2 of the bill to modify the court's opinion in <i>Urban Habitat Program v. City of Pleasanton</i> (2008) 164 Cal.App.4th 1561, with respect to the interpretation of Section 65009 of the Government Code.</p>
*SB 184 Leno	Land Use: Zoning Regulations (Inclusionary Housing Requirements)	SEN Transportation & Housing Com.	Support  LCC Support CSAC Support		<p>Existing law defines various terms for purpose of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise some of the definitions within this Local Government Reorganization act; terms being revised include the following: "affected city, affected county, affected district, affected local agency, certificate of termination, change of organization, conducting authority, contiguous, district, independent special district, landowner, and legal representative." Other related conforming and technical changes will also be proposed.</p> <p>Would additionally authorize the legislative body of any city or county to adopt ordinances to establish, as a condition of development, inclusionary housing requirements and would declare the intent of the Legislature in adding this provision.</p>
*SB 286 Wright	Redevelopment	SEN Governance and Finance  Testimony taken with further hearing to be set.	Support  LCC Support CSAC Concerns		<p>Comprehensive Redevelopment Reform: Would impose tough new reforms to increase accountability and limit the size and scope of redevelopment in California to improve the operations, transparency and accountability of redevelopment agencies statewide.</p> <p><i>Specifically</i>, would tighten the definition of blight; prohibit agencies from collecting the school share of local property tax or tax increment in new project areas starting in 2010; limit the percentage of total land area of a jurisdiction which may be included in redevelopment project areas; and prohibit use of tax increment for specific purposes such as golf courses and race tracks. Would strengthen agency reporting and accountability requirements; and focus redevelopment activities on priorities such as job creation, cleaning up contaminated property, basic infrastructure needs, and affordable housing.</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Page 6
*SB 419 Simitian	Solid Waste: Home-generated Sharps	ASM Environmental Safety and Toxic Materials	Support LCC Watch CSAC Support	This bill requires pharmaceutical manufacturers to provide their annual reports on disposal of sharps waste to the Department of Resources Recycling and Recovery (DRRR) electronically and make them readily available on their website. Addresses implementation challenges learned after first round of reports required pursuant to SB 486.	Page 6
*SB 515 Corbett	Recycling: Product Stewardship—Batteries—Universal Waste Management Facilities	SEN Appropriations Com Hearing 5/9	Support Support LCC Support CSAC	SB 515 will require battery manufacturers to design, fund and operate a stewardship program to properly manage household batteries in order to sell their products in California. SB 515 will also require battery manufacturers to meet collection goals each year (25% by 1/1/15; 45% by 1/1/17; by 1/1/18 meaningful improvement annually thereafter in collection rate). Require report data to Dept. of Resources Recycling and Recovery DRRR who will oversee the implementation of each manufacturer's stewardship plan. This bill is similar to the author's SB 1100 of 2010. Sponsor: Stopwaste.org (Alameda County)	Page 6
SB 555 Hancock	Local Government: Community Facilities District	SEN Third Reading	Support	Would authorize Mello-Roos community facilities districts to finance and refinance the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements to or on real property and in buildings. Would include in the provisions that a bond secured by a special tax on property levied by specified community facilities districts be included in what is defined as PACE bonds.	Page 6
*SB 582 Emmerson	Commute Benefit Policies	SEN Environmental Quality Committee	Support LCC Watch	This bill would authorize, until January 1, 2017, a metropolitan planning organization and an air district to adopt jointly a regional commute benefit ordinance that requires certain employers located within their common area of jurisdiction to offer their employees specified commute benefits with the goal of reducing single-occupant vehicle trips. Sponsored by MTC and BAAQMD	Page 6
*SB 653 Steinberg	Local Taxation: Counties—School Districts—General Authorization	SEN Re-referred to Appropriations Com	Watch Support CSAC LCC Watch	The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them. This bill would authorize the governing board of any county or city and county and any school district, subject to specified constitutional and voter approval requirements, to levy, increase, or extend a local personal income tax, transactions and use tax, vehicle license fee, and excise tax, including, but not limited to, an alcoholic beverages tax, a cigarette and tobacco products tax, a sweetened beverage tax, and an oil severance tax, as provided. This bill would require the State Board of Equalization, the Franchise Tax Board, or the Department of Motor Vehicles to	Page 6

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 7
*SB 790 Leno	Electricity: Community Choice Aggregation	SEN Energy, Utilities and Communications Committee Hearing 5/3	Support LCC support CSAC support		<p>perform various functions incident to the administration and operation of a local tax if the county or city and county or the school district contracts with the state agency to perform those functions.</p> <p>This bill for each fiscal year would also require a county or city and county and a school district to reimburse the state for any losses incurred by the state General Fund due to any deductions allowed under the Personal Income Tax Law and the Corporation Tax Law for any local taxes levied, increased, or extended pursuant to this authorization by that county or city and county or school district, as specified. This bill would, for each fiscal year, require the Franchise Tax Board, with the assistance of the State Board of Equalization, to estimate the losses incurred by the state General Fund attributable to each county or city and county or a school district due to any local taxes levied, increased, or extended by that county or city and county or school district.</p> <p>Strengthens existing law by clarifying, amending and adding key provisions that enable Community Choice Aggregation (CCA) to function as originally intended, foster fair market competition, and allow jurisdictions to pursue CCA without undue barriers and excessive burdens.</p>	
	Bills Previously Considered					
AB 56 Hill	<p>Changed to Public Utilities: <u>Rate Recovery</u> and <u>Expenditure—Intrastate</u> Pipeline Safety  (was <i>Fines and Penalties</i>)</p>	ASM Appropriations	Watch, pending further information  LCC Watch  CSAC Watch	No Position	<p>Implements a number of public safety measures with regard to natural gas pipeline facilities, including requiring the owner or operator of a gas pipeline to develop a public safety program and a facilities modernization program, and requiring the California Public Utilities Commission (CPUC) to track proposed repairs to gas facilities to determine if the repairs were made.</p> <p><b>AMENDED: 3/17 ADDED FOLLOWING PROVISIONS</b>  <i>--The commission shall develop protocol to ensure that pipelines that are located in seismic active areas and in populated areas, including those pipelines located within a Class 3 or Class 4 high consequence area, receive the highest priority and are designed with the highest level of safety. In adopting and enforcing compatible safety standards pursuant to this paragraph, the commission shall consult with seismic experts and shall publish maps of known and active seismic faults on which owners and operators will rely to address risks.</i></p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 8
AB 57 Beall	Metropolitan Transportation Commission	ASM Appropriations	Watch LCC Watch	SUPPORT	<p><i>—Require the owner or operator of commission-regulated gas pipeline facilities to maintain a record of tests on all pipelines to substantiate their current maximum allowable operating pressure. If complete records are not available, the owner or operator shall reduce the maximum operating pressure and report the condition to the commission. Before restoring the pipeline pressure to its maximum operating pressure the facility shall be inspected using the most effective and appropriate inspection technology.</i></p> <p>This bill would, instead, require the Metropolitan Transportation Commission to consist of 21 members, including one member appointed by the Mayor of the City of Oakland and one member appointed by the Mayor of the City of San Jose. The bill would require the initial term of those 2 members to end in February 2015. The bill would, effective with the commission term commencing February 2015, prohibit more than 3 members of the commission from being residents of the same county, as specified. By imposing new requirements on a local agency, this bill would impose a state-mandated local program.</p>	
AB 184 Swanson	Contractual Assessment Programs: Seismic Safety Improvements	SEN Read first time; to Com. on Rules for assignment	Support LCC Watch CSAC Pending	SUPPORT	<p>This bill would enact the Seismic Safety Finance Act, which would expand these provisions to also authorize contractual assessments to finance the installation of seismic strengthening improvements that are permanently fixed to real property, as specified. The bill would define “public agency,” for purposes of financing the installation of seismic strengthening improvements, to mean a city, county, or city and county.</p>	
AB 913 Feuer	Environment: Certified Green Business Program	ASM Appropriations	Support LCC Watch	SUPPORT	<p>This bill would establish a California certified green business program that would provide for the voluntary certification of businesses that adopt environmentally preferable business practices including, but not limited to, increased energy efficiency, reduced greenhouse gas emissions, and reduced waste generation. The bill is not a state-mandated local program.</p> <p><b>Requires the Department of Toxic Substances Control (DTSC) to develop a California Green Business Program. Specifically,</b></p> <p>1) Requires, as part of implementing the source reduction program, DTSC to develop a California Green Business Program that provides for the voluntary certification of businesses that adopt environmentally preferable business practices, including, but not limited to, increased energy efficiency, reduced greenhouse gas emissions, promotion of water conservation, and reduced waste generation.</p>	

<p>SB 186 Kehoe &amp; DeSaulnier</p>	<p>The Controller</p>	<p>SEN Governance and Finance  Hearing 3/16/11</p>	<p>Watch, pending further information  LCC Watch  CSAC Concerns</p>	<p>OPPOSE</p>	<p>2) Requires the California Green Business Program to do all of the following:                  a) Assist the network of statewide local government programs in implementing guidelines and structures that establish and promote a level of consistency among green business programs across the state;                  b) Support, through staffing and contracts, the development and maintenance of a statewide database to register businesses and track measurable pollution reductions and cost savings;                  c) Solicit participation of additional local programs and facilitate the startup of new local programs; and,                  d) Develop technical guidance on pollution prevention measures, conduct industry studies and pilot projects, and provide policy coordination for participating local programs.                  Amended 3/22 and 4/6: <i>If the Controller has reason to believe that any county, city, special district, joint powers authority, or redevelopment agency is not complying with the financial requirements in state law, local charters, or local ordinances, he or she may perform an audit or investigation of the issue. The basis for the decision to conduct an audit or investigation shall be supported by credible documentation, including input from the local agency. The Controller shall prepare a report of the results of the audit or investigation that shall include documentation used as the basis for the decision to perform the audit or investigation. A copy of the report shall be filed with the legislative body of the county, city, special district, joint powers authority, or redevelopment agency, subject to the audit or investigation. Any finding of illegal acts or fraud shall be communicated to the appropriate authorities, including the county grand jury.</i>                  (2) <i>For purposes of this subdivision, documentation means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.</i>                  Amended 3/10/11 (added language in italics and underlined) This bill would authorize the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, <u>joint powers authority</u>, or redevelopment agency, if necessary, to ensure compliance with <u>the financial requirements in state law</u>, grant agreements, local ordinances, <u>and to determine fiscal viability</u>. This bill would require the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body. This bill would also</p>
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Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SB 200 Wolk	<p><b>Sacramento-San Joaquin Delta: Bay Delta Conservation Plan</b></p> <p>(was: <i>State Water Facilities: Sacramento-San Joaquin Delta—Delta Conveyance Facility</i>)</p>	<p>SEN Natural Resources &amp; Water Set Second Hearing (hearing on 4/26 cancelled at request of author)</p>	<p>Watch LCC no position CSAC no position</p>	<p><b>WATCH</b></p>	<p>provide that specified costs incurred by the Controller shall be borne by the county, city, <i>special district, joint powers authority</i>, or redevelopment agency and state that reimbursements collected, upon appropriation to the Controller, be available to offset costs of enforcing this provision.</p> <p><b>Amended 3/24: Existing law imposes requirements on the Department of Water Resources in connection with the preparation of a Bay Delta Conservation Plan (BDCP). The Delta Reform Act of 2009 requires the Delta Stewardship Council to consider the BDCP for inclusion in a specified Delta Plan, and authorizes the incorporation of the BDCP into the Delta Plan if the BDCP meets certain requirements. This bill would require any state agency that is responsible for authorizing or implementing any action in implementation of the BDCP to ensure that the action is consistent with specified requirements prescribed by the bill. The bill would make related legislative findings and declarations.</b></p> <p><b>(Originally)</b> This bill would prohibit the construction of a new Delta conveyance facility, as defined, unless specified conditions are met, including (A) the adoption of an agreement by the Department of Water Resources and the Department of Fish and Game that specifies the stages of construction of the new Delta conveyance facility and (B) the establishment plans and agreements for the construction of specified water facilities and implementation of specified water programs meeting prescribed conditions as part of the state Central Valley Project.</p> <p>The bill would prohibit the transportation of water for the federal Central Valley Project through state project facilities, with specified exceptions, unless certain conditions are met. The bill would require the Department of Water Resources to enter into contracts with specified Delta agencies for purposes of recognizing the right of users to make use of the waters of the Delta and establishing criteria for minimum water quality in the Delta. The bill would require differences between the state and the Delta agencies to be resolved by arbitration if contracts have not been executed by January 1, 2012.</p>
SB 201 DeSaulnier	<p><b>Flexible purpose corporations: Corporate Mergers</b></p>	<p>SEN Appropriations Suspense File</p>	<p>Watch LCC no position CSAC no position</p>	<p><b>NO POSITION</b></p>	<p>This bill would enact the Corporate Flexibility Act of 2011 and would authorize and regulate the formation and operation of a new form of corporate entity known as a flexible purpose corporation. The bill would authorize existing corporations and other forms of business entities to merge into or convert into a flexible purpose corporation upon completion of specified requirements, including approval of the transaction by a supermajority 2/3 vote of shareholders, or a greater vote if required in the articles, as specified. The bill would also authorize a flexible purpose</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 11
SB 209 Corbett	Common Interest Developments: Electric Vehicle Charging Stations	ASM Read first time; held at Desk	Watch, pending further information  LCC Watch  CSAC no position	WATCH	<p>corporation to convert into a nonprofit corporation, a corporation, or a domestic other business entity, upon satisfaction of equivalent conditions. <i>Under current law, companies can be sued by shareholders or investors for taking environmental or social measures that negatively affect shareholders' financial returns. This legislation would enable a new form of for-profit corporation, expressly allowing companies to pursue other things besides simply making money. Maryland and Vermont recently enacted measures to allow "for-benefit" companies to exist.</i></p> <p>Amended 3/22 and 4/5: <i>This bill would provide that any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest development, or any provision of the governing documents of a common interest development, that effectively prohibits or restricts the installation or use of an electrical vehicle charging station is void and unenforceable. The bill would authorize an association, as defined, to impose reasonable restrictions on those stations, as specified, and would impose requirements with respect to an association's approval process for those stations. If the station is to be placed in a common interest area or an exclusive use common area, the homeowner would be responsible for various costs associated with maintaining and repairing the station, as well as costs for damage to common areas and adjacent units resulting from installation and maintenance of the station.</i></p> <p><i>The bill would also require the homeowner to maintain a homeowner's insurance policy that names the common interest development as an additional insured. An association that violates the bill's provisions would be liable for damages and a civil penalty, as specified.</i></p> <p><i>(originally)</i> This bill would provide that any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest development, or any provision of the governing documents of a common interest development, that effectively prohibits or restricts the installation or use of an electrical vehicle charging station is void and unenforceable. The bill would authorize an association, as defined, to impose reasonable restrictions on those stations, as specified, and would impose requirements with respect to an association's approval process for those stations. An association that violates the bill's provisions would be liable for damages and a civil penalty, as specified.</p>	
SB 214 Wolk	Infrastructure Financing Districts: Voter Approval— Repeal	SEN Read Third time	Watch  LCC Watch  CSAC Support	WATCH	<p><i>Amended 4/25 to include provisions below (bold faced and underlined)</i> <i>Existing law authorizes a legislative body, as defined, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval.</i></p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 12
					<p>This bill would eliminate the requirement of voter approval and authorize the legislative body to create the district, adopt the plan, and issue the bonds by resolutions. <u>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.</u></p> <p><u>(2) Existing law also requires that an infrastructure financing plan created by a legislative body to include a date on which the district will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted. This bill instead 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 legislative body adopted the resolution adopting the infrastructure financing plan. The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.</u></p>	
SB 301 DeSaulnier	Housing and Community Development: Redevelopment— Seismic Retrofits	ASM Housing and Community Development Com.	Watch, pending further information LCC Watch	WATCH	<p>This bill updates the requirements dealing with seismic safety retrofit rehabilitation or alterations to refer to building codes currently in use in California.</p> <p>-- Would revise building code references regarding seismic retrofits relating to unreinforced masonry building, buildings that qualify as "historical property," and others in relation to a redevelopment agency projects' building rehabilitation or alteration in construction. <b>This bill does not change building standards requirements; it only changes how building codes are referenced in statute.</b></p>	
SCA 4 DeSaulnier and Volk	Initiative Measures: Funding Source	SEN Elections & Constitutional Amendment Committee  Hearing 5/3	Support CSAC Support	SUPPORT	<p>This measure would prohibit an initiative measure that would result in a net increase in state or local government costs, (other than costs attributable to the issuance, sale, or repayment of bonds), from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.</p>	
<b>Federal Legislation</b>						

## ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, May 19, 2011, 5:00 p.m.  
ABAG Conference Room  
MetroCenter—8<sup>th</sup> and Oak Streets  
Oakland, CA

### Recommendation\*\*

- |     |  |                    |
|-----|--|--------------------|
| 1.  | <b>Public Comments</b>   | <b>Information</b> |
| *2. | <b>Minutes of March 17, 2011 Meeting</b>   | <b>Action</b>      |
| *3. | <b>Financial Reports – ABAG</b><br><i>The February and March 2011 Financial reports are enclosed with the agenda packet.</i>   | <b>Action</b>      |
| *4. | <b>Payment of <i>Per Diems</i> to Invited Board Members</b><br><i>Committee to discuss possible changes to per diem policy; guidance from Legal Counsel provided in attached memorandum.</i>   | <b>Action</b>      |
| *5. | <b>ABAG Fund Balance and Proposed Reserve Policies</b><br><i>Staff will present information on ABAG Fund Balances and recommend a reserve policy. Staff will also present budget balancing initiatives in both the current and next fiscal year.</i> | <b>Information</b> |
| 6.  | <b>Update on Proposed Regional Facility</b>  | <b>Information</b> |

### **THE FOLLOWING ITEMS WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT.**

- |    |  |                                |
|----|--|--------------------------------|
| 7. | <b>Personnel Matter</b><br><i>Public Employee Performance Evaluation</i><br><i>Title: Executive Director</i> | <b>Information/<br/>Action</b> |
| 8. | <b>Adjournment</b>   | <b>Action</b>                  |

\* Attachments enclosed with packet.

\*\* 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 17, 2011

### Members Present

Supervisor Rose Jacobs Gibson, Chair  
Supervisor Susan Adams  
Supervisor David Cortese  
Mayor Mark Green  
Supervisor Scott Haggerty  
Vice Mayor Peter McHugh  
Councilmember A. Sepi Richardson

### Jurisdiction

County of San Mateo  
County of Marin  
County of Santa Clara  
City of Union City  
County of Alameda  
City of Milpitas  
City of Brisbane

<u>Members Not in Attendance</u>	
Supervisor John Gioia	County of Contra Costa
Supervisor Barbara Kondylis	County of Solano

### Officers and Staff Present

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

- 1) The meeting was called to order at 5:10 p.m.
- 2) Summary Minutes of the January 20, 2011 meeting were approved.  
/M/McHugh/S/Cortese/C/approved.
- 3) Pike provided an overview of the December 2010 and January 2011 Financial Reports.  
/M/Green/S/McHugh/C/approved.  
/M/Cortese/S/McHugh/C/approved request to have staff come back to the Committee at the next meeting with a Reserve policy proposal.
- 4) Jones updated the committee as to the selection of CBRE as the broker/dealer to solicit and review potential sites for the proposed Regional Facility. A solicitation for proposals has been distributed with proposals from possible site managers due by April 1.

(continued)

**F&PC AGENDA ITEM #2**

- 5) Pike presented the issue, with assistance from Jones and Moy, regarding the authorization to pay *per diem* to Board members specifically requested to participate in another Committee of which they are not a regular member.  
/M/McHugh/S/Cortese/C/approved directing staff to return with a formal resolution back at next meeting (May 19).
- 6) Jones presented the status of the cities with membership dues for FY 2010-11 not yet fully paid.
- 7) Meeting adjourned at 6:12 p.m.

TO: Finance and Personnel Committee

DT: April 28, 2011

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--February 2011

The following are highlights of the financial reports for February 2011.

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

At February 28th, the Agency's net financial position is only marginally off from the forecast with a deficit of roughly \$36 thousand, or about 0.27 percent of year-to-date revenues, a decrease of \$105 thousand from the deficit noted at the end of January. As certain new grant projects come on line, they should generate both more grant revenue, reduce overhead expense and contribute overhead recoveries, thereby reducing the projected deficit by year-end. Also, as noted previously, a greater proportion of labor costs become reimbursable as leaves diminish in the second half of the fiscal year. ABAG is working with MTC to obtain additional funding to cover Planning/Research funding shortfalls; some anticipated grant projects did not materialize and MTC has given preliminary assurances they will assist in maintaining staffing to move forward with the SCS process. With the trends already in place, gap funding from MTC and anticipated one-time transfers from FAN, ABAG is expected to finish the fiscal year with balanced revenues and expenditures.

Cash on Hand (Figure 1)

Cash on hand increased to \$1.27 million on February 28th from \$1.07 million on January 31st. The increase is attributed almost totally on the \$197 thousand reduction in receivables through collections. The February balance includes approximately \$0.65 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The February 28th cash balance is approximately \$540 thousand less than the prior year. This strongly, inversely relates to the increase in receivables of \$561 thousand over the same period.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.63 million on February 28th, a decrease of \$197 thousand from the month prior. During February, staff continues to process grants on both the monthly billing cycles and the grants billed quarterly for the second quarter ending on December 31st. Because of this cycle, unbilled receivables decreased by \$182 thousand during February. February receivables are \$561 thousand higher than the year prior. Causes for this significant increase include new grants (especially CEC) for which new billing guidelines are being implemented and, thereby, causing delays in recovery, and an increase in deferred subcontractor payments for which grant reimbursement is anticipated.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through February 28th amounted to about \$13.40 million, or 63.8 percent, of the projected annual expense of \$21.0 million for FY 10-11.

Actual vs. Budgeted Revenues (Figure 10)

As of February 28th, total revenues amounted to about \$13.36 million, or 63.6 percent, of the projected annual revenue of \$21.0 million for FY 10-11.

As of February 28th, both revenues and expenses are below pro rated (66.7 percent) “projected” annual totals. While revenues and expenditures might be expected to be 66.7 percent after the first eight months of the new fiscal year, they are less largely due to the lag between when contractors perform the work and when the contractor bills ABAG.

Fund Equity (Figure 5)

As of February 28th, general fund equity was approximately \$985 thousand, an increase of \$105 thousand from January 31st. The increase is primarily attributed to the decelerated use of leave associated with the vacations and holidays in December, a trend that should continue through the remainder of the year as holidays and vacations are fewer. The Agency’s restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

Indirect Cost (Figure 6)

The Agency’s actual indirect cost (overhead) rate was 43.45 percent of direct labor cost as of February 28th, or about 0.50% above the budgeted rate of 42.95 percent for FY 10-11. The decrease from the prior month is encouraging and reinforces the expectation that it will continue to decline to the budgeted amount by the end of the fiscal year. For the same month in the prior year, the rate was 44.88 percent but ended at 42.95 percent for the year. Some administrative staff is expected to be diverted to some new energy projects that should result in reduced overhead spending.

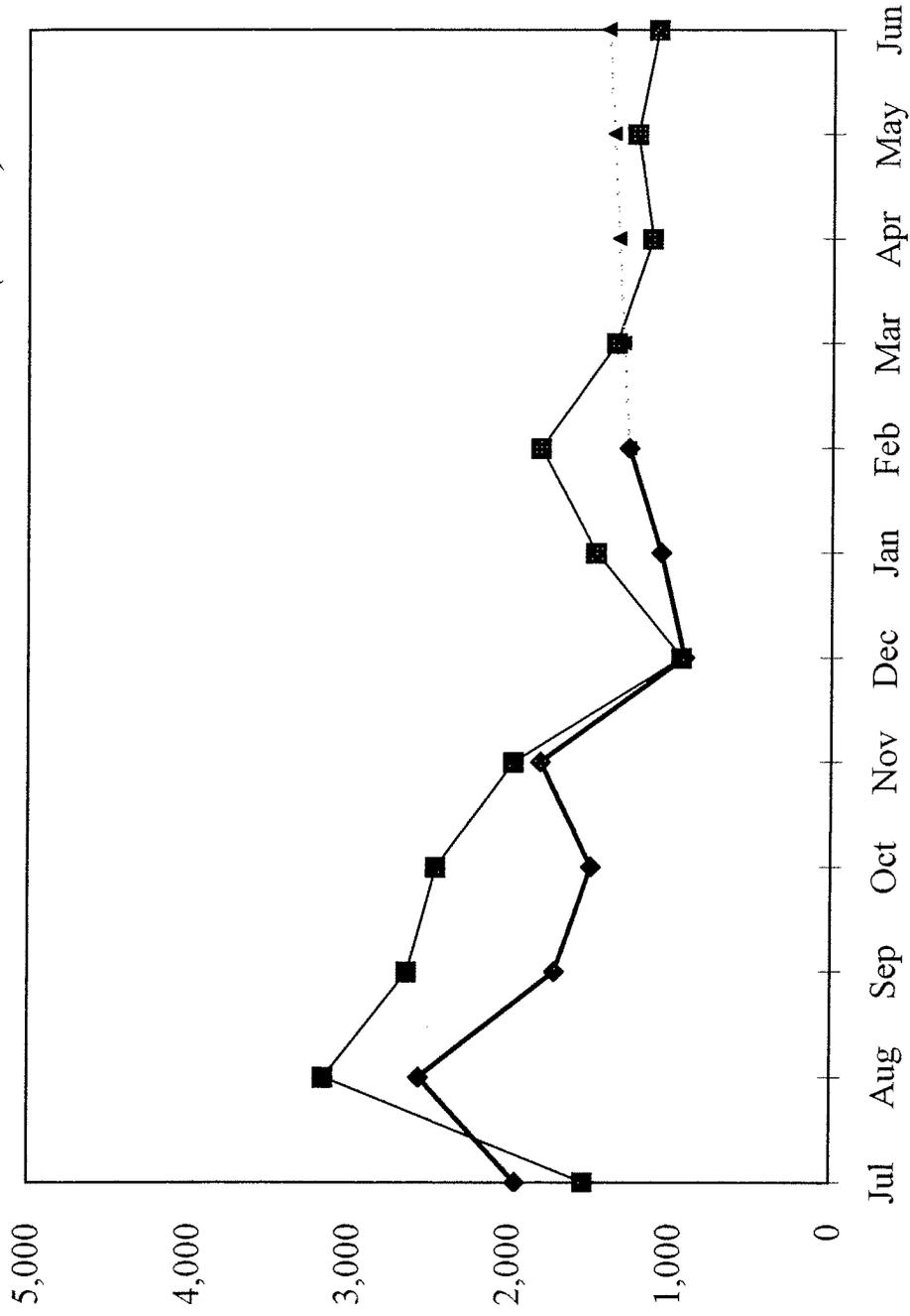
# ABAG FINANCIAL REPORTS

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* Description of Charts	

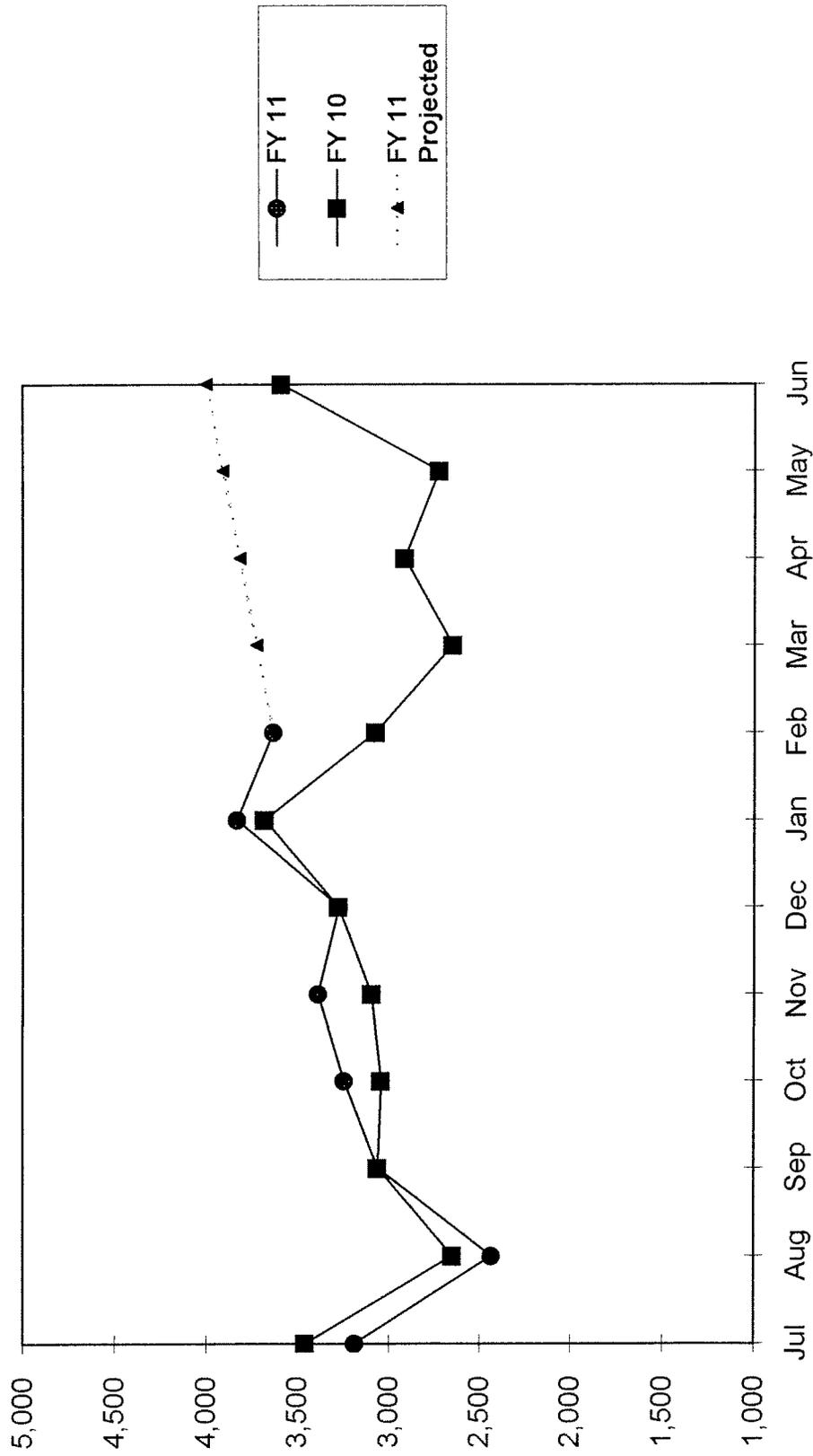
# ABAG Financial Indices

## Cash on Hand FY 10 and FY 11 (\$'000)



# ABAG Financial Indices

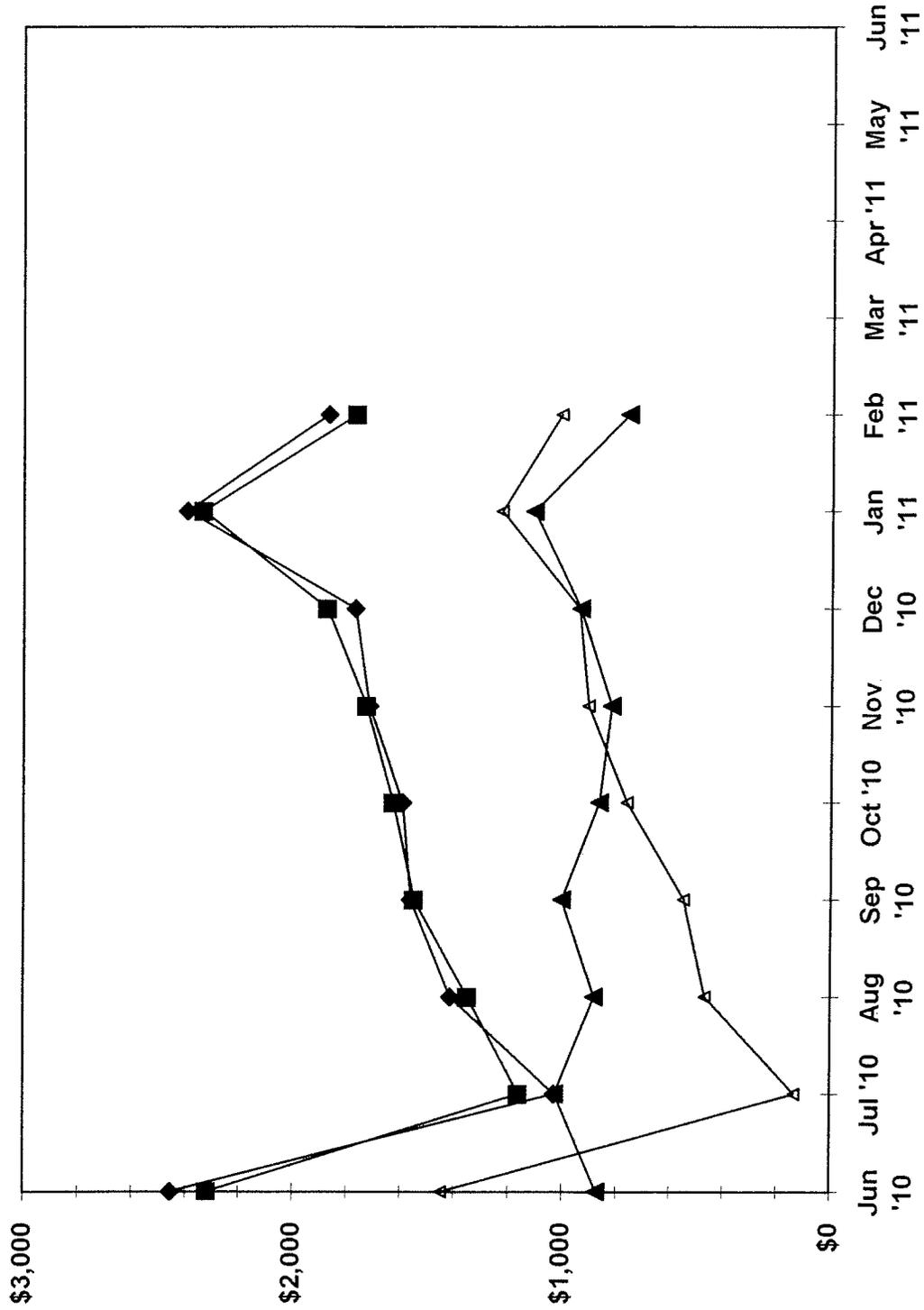
## Accounts Receivable FY 10 and FY 11 (\$'000)



# ABAG Financial Indices

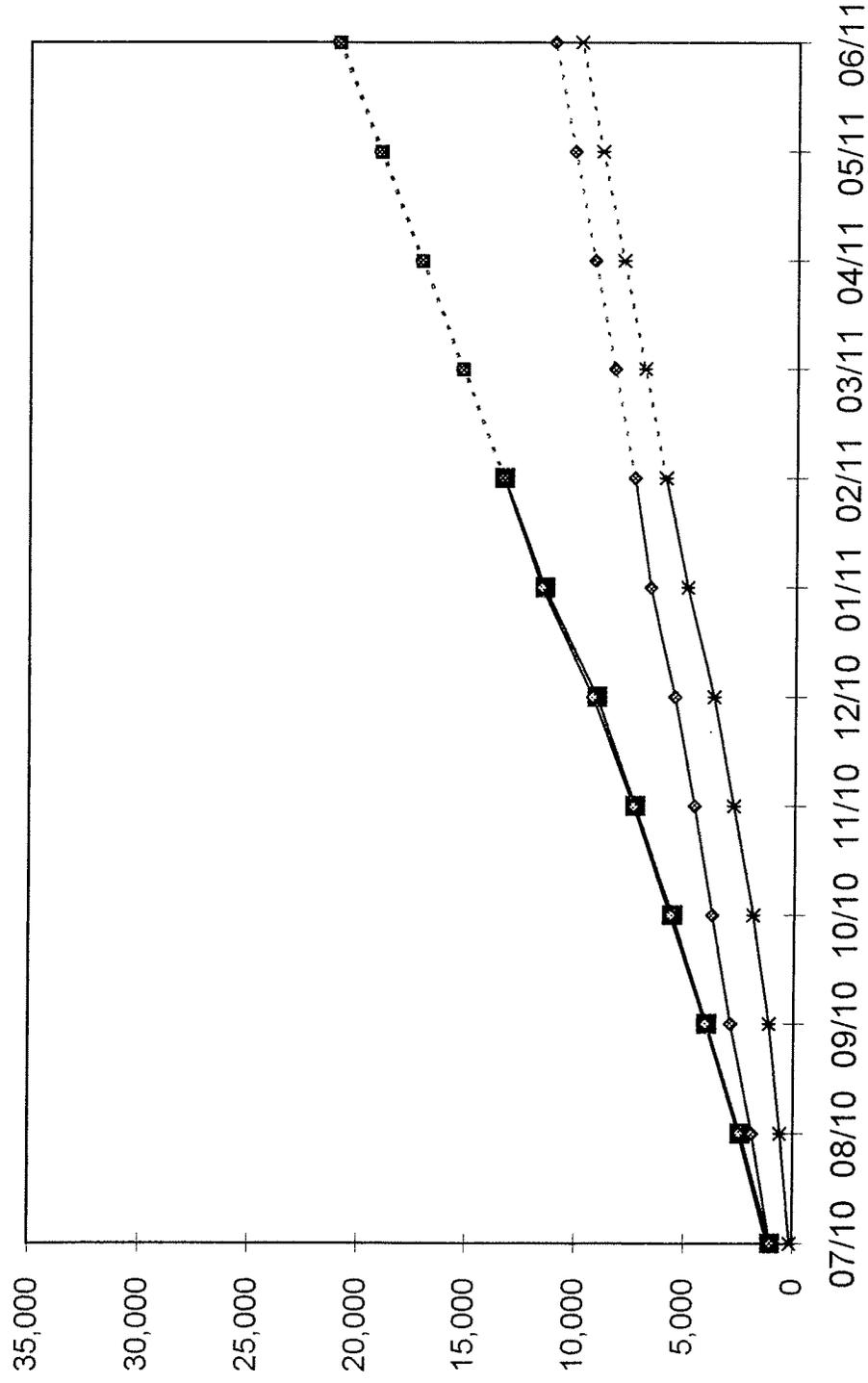
## Current Month Revenues & Expenses

### FY 10-11 (\$'000)



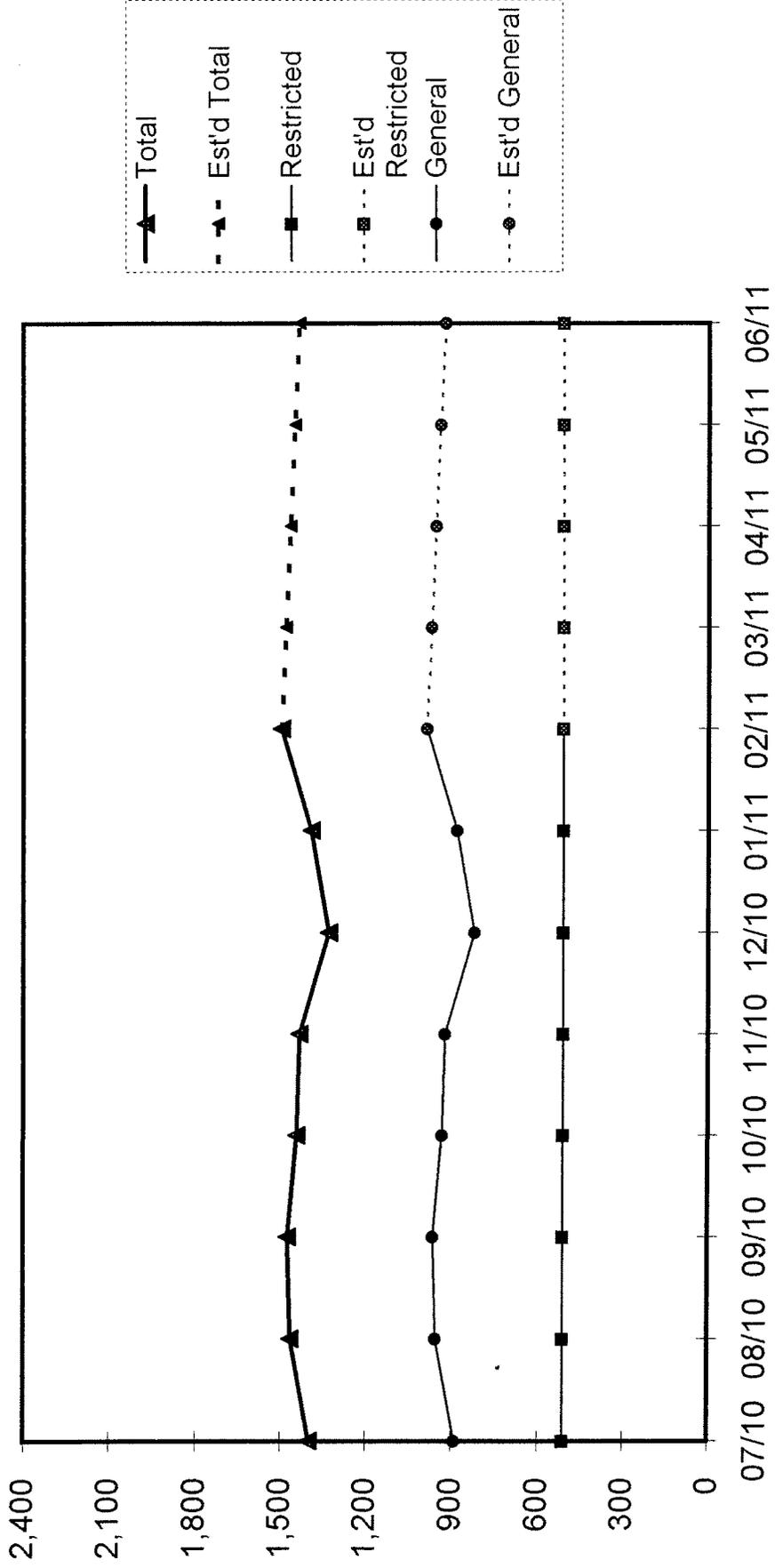
# ABAG Financial Indices

## Year-to-date Revenues & Expenses FY 10-11 (\$'000)



# ABAG Financial Indices

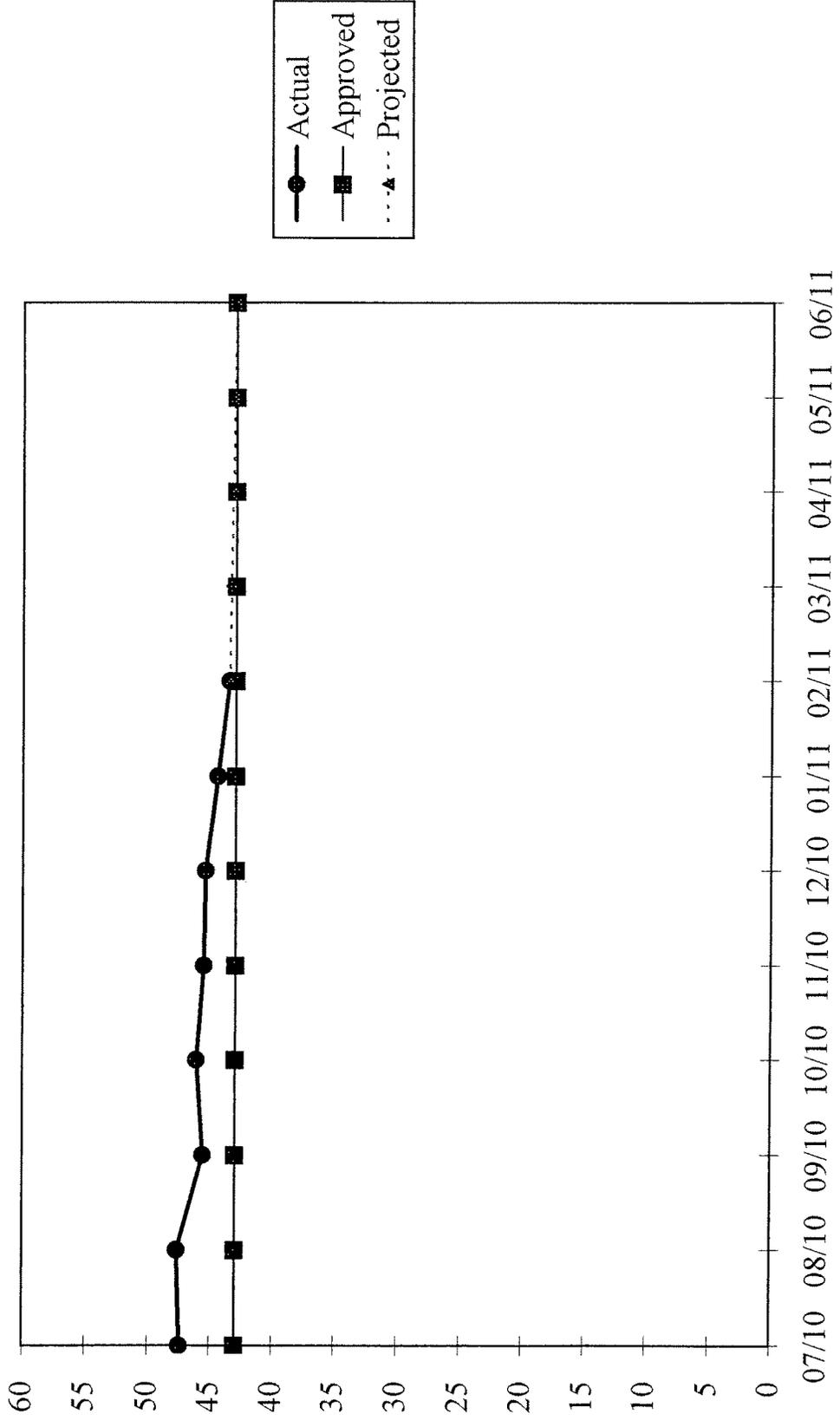
## Fund Equity FY 10-11 (\$'000)



# ABAG Financial Indices

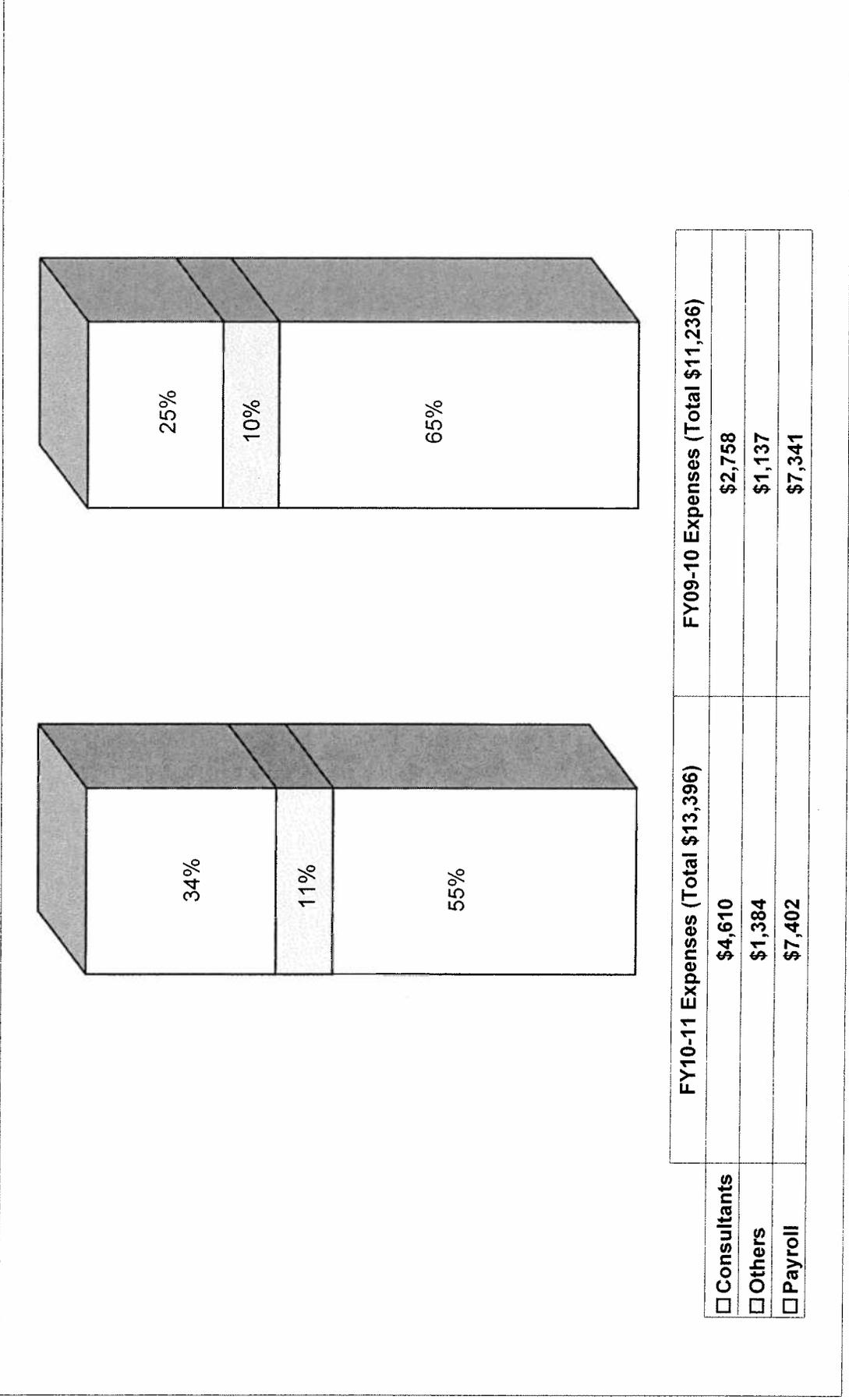
## *Indirect Cost Rate (% of Direct Labor Cost)*

### *FY 10-11*



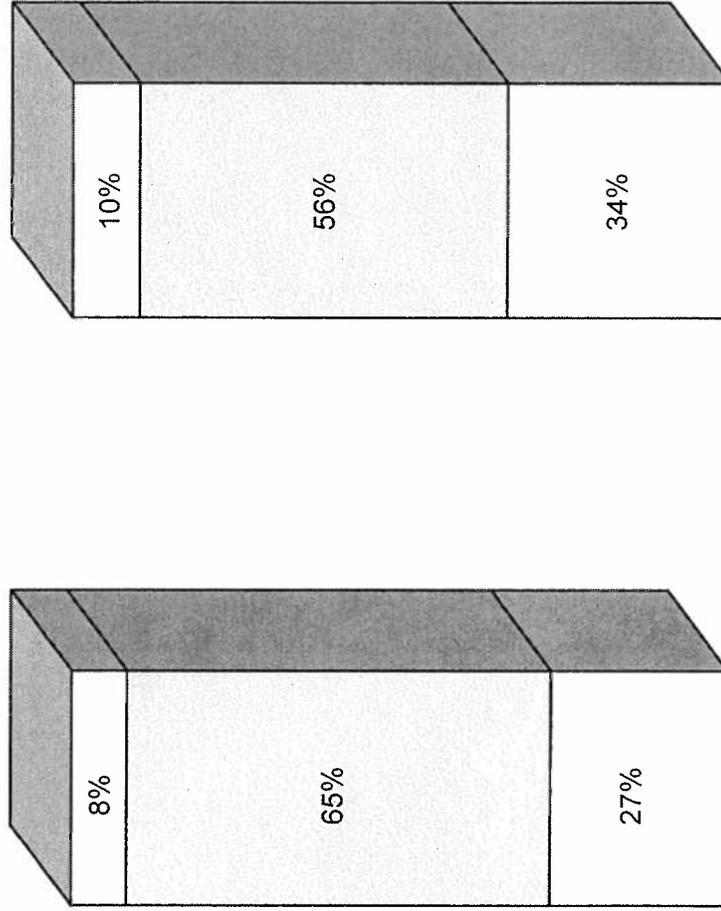
# ABAG Financial Indices

## Composition of Expenses FY 10--FY 11 Year to Date (\$'000)



# ABAG Financial Indices

## Composition of Revenues FY 10--FY 11 Year to Date (\$'000)

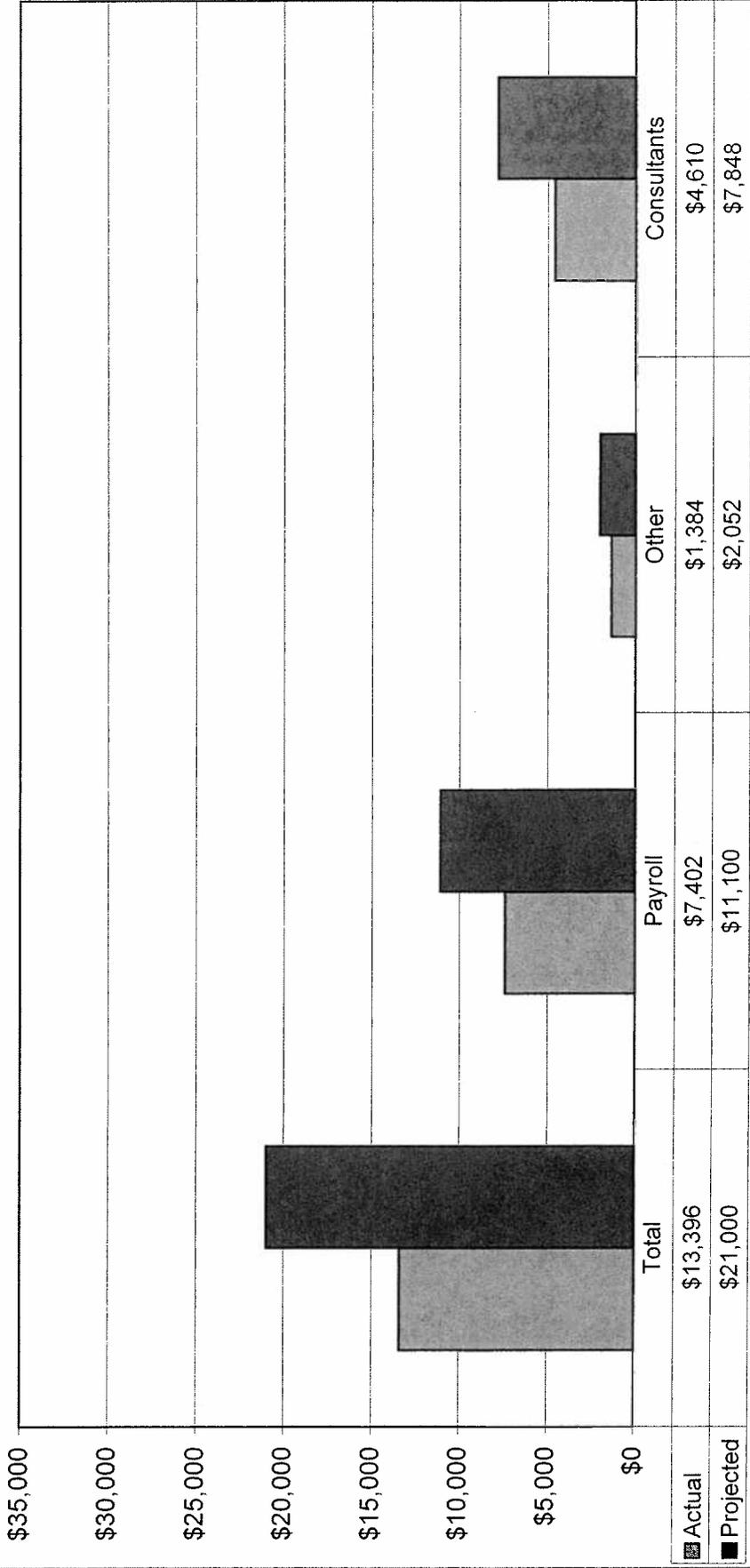


	FY 10-11 Revenue (Total \$13,360)	FY 09-10 Revenue (Total \$10,858)
Membership	\$1,127	\$1,109
Grants	\$8,625	\$6,070
Services & Others	\$3,608	\$3,679

# ABAG Financial Indices

## Actual vs Projected Expenses--FY 10-11

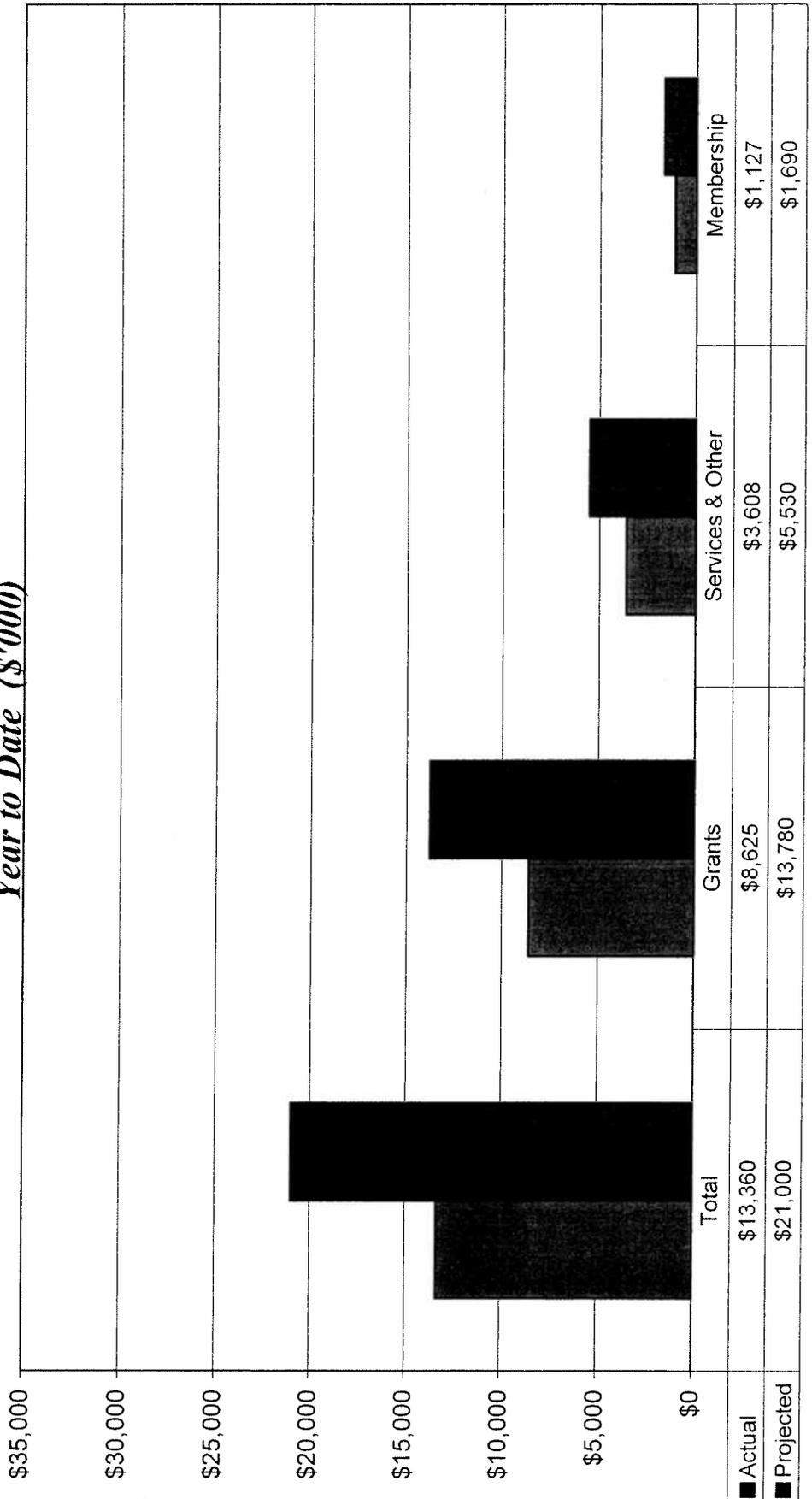
### Year to Date (\$'000)



## ABAG Financial Indices

### Actual vs Projected Revenues--FY 10-11

#### Year to Date (\$'000)



## **Description of Charts**

### Figure 1 -- Cash on Hand

Cash on hand represents the sum total of cash deposited at our bank and the Local Agency Investment Fund (LAIF). This chart shows fluctuation patterns of cash on hand for the current and last fiscal years.

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This chart 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 A-87.

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TO: Finance and Personnel Committee

DT: April 28, 2011

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--March 2011

The following are highlights of the financial reports for March 2011.

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

At March 31st, the Agency's net financial position is only marginally off from the forecast with a surplus of roughly \$135 thousand, or about 0.88 percent of year-to-date revenues, an improvement over the previous month of about \$171 thousand. The surplus derives from unexpected transfers from FAN for various services. Funding allocations for the continuation of Planning and Research services were nearly depleted, bringing into question the funding for the balance of the fiscal year ending on June 30. Assurances of funding for this mission-critical group was assured by MTC management; subsequently, the projected deficit was bridged in April through the re-allocation of a grant, an advance payment from next fiscal year MTC funding, and some additional funding from existing project balances. Cash balances have been extremely low, but should improve as the dues for FY 2011-2012 are approved, billed and receipts re-commence.

Cash on Hand (Figure 1)

Cash on hand decreased to \$0.93 million on March 31st from \$1.27 million on February 28th. The decrease of \$338 thousand is attributed primarily to a \$1 million pay down in ABAG's accounts payable from \$2.09 million as of February 28<sup>th</sup> to \$1.04 million on March 31 partially offset by a reduction in accounts receivable (heightened receipts from grantors). The March balance includes approximately \$0.65 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The March 31st cash balance is approximately \$415 thousand less than the prior year. This inversely relates to the increase in receivables of \$865 thousand over the same period moderated by an offsetting increase in accounts payable.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.52 million on March 31st, a decrease of \$118 thousand from the month prior. The month to month decrease is attributed to the impact of quarterly billing cycles. March receivables are \$865 thousand higher than the year prior. The increase over the prior year is attributed primarily to delayed recovery for energy grant receivables and increased accounts payable for outside contractors (primarily energy grants).

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through March 31st amounted to about \$15.19 million, or 72.3 percent, of the projected annual expense of \$21.0 million for FY 10-11.

#### Actual vs. Budgeted Revenues (Figure 10)

As of March 31st, total revenues amounted to about \$15.33 million, or 72.9 percent, of the projected annual revenue of \$21.0 million for FY 10-11.

As of March 31st, both revenues and expenses are below pro rated (75.0 percent) “projected” annual totals. While revenues and expenditures might be expected to be 75.0 percent after the first nine months of the new fiscal year, they are less largely due to the lag between when contractors perform the work and when the contractor bills ABAG.

#### Fund Equity (Figure 5)

As of March 31st, general fund equity was approximately \$1.16 million, an increase of \$171 thousand from February 28th. Although the cash balance went down, the fund equity improved because of the significant and greater reduction in accounts payable (primarily to subcontractors and pass-through entities). The Agency’s restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

#### Indirect Cost (Figure 6)

The Agency’s actual indirect cost (overhead) rate was 43.27 percent of direct labor cost as of March 31st, or about 0.32% above the budgeted rate of 42.95 percent for FY 10-11. The decrease from the prior month is encouraging and reinforces the expectation that it will continue to decline to the budgeted amount by the end of the fiscal year. For the same month in the prior year, the rate was 44.55 percent but ended at 42.95 percent for the year. Some administrative staff is expected to be diverted to some new energy projects that should result in further reduced overhead spending.

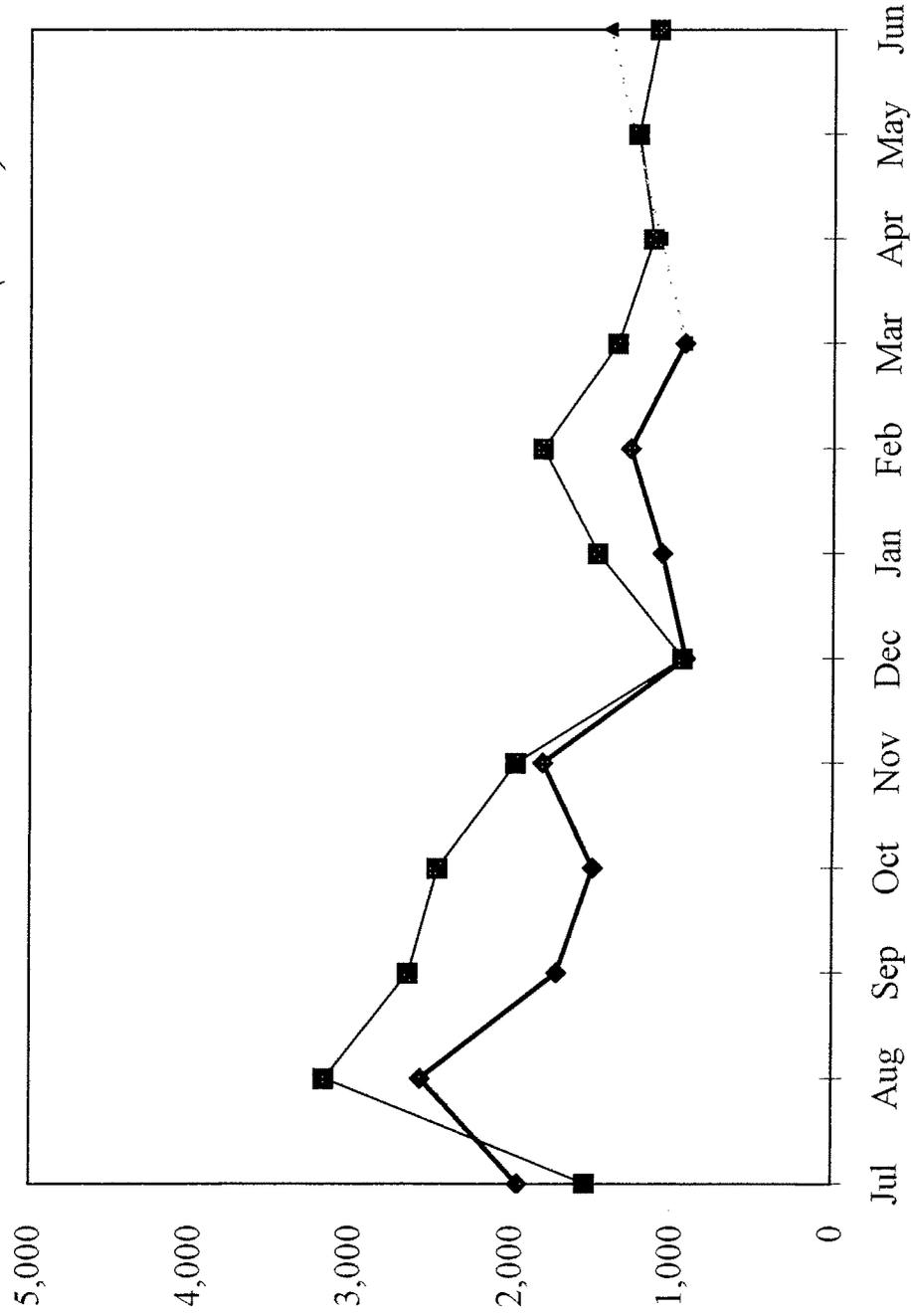
# ABAG FINANCIAL REPORTS

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* Cash on Hand .....	Figure 1
* Accounts Receivable .....	Figure 2
* Current Month Revenues and Expenses .....	Figure 3
* Year-to-date Revenues and Expenses .....	Figure 4
* Fund Equity .....	Figure 5
* Indirect Cost Rate (% of Direct Labor Cost) .....	Figure 6
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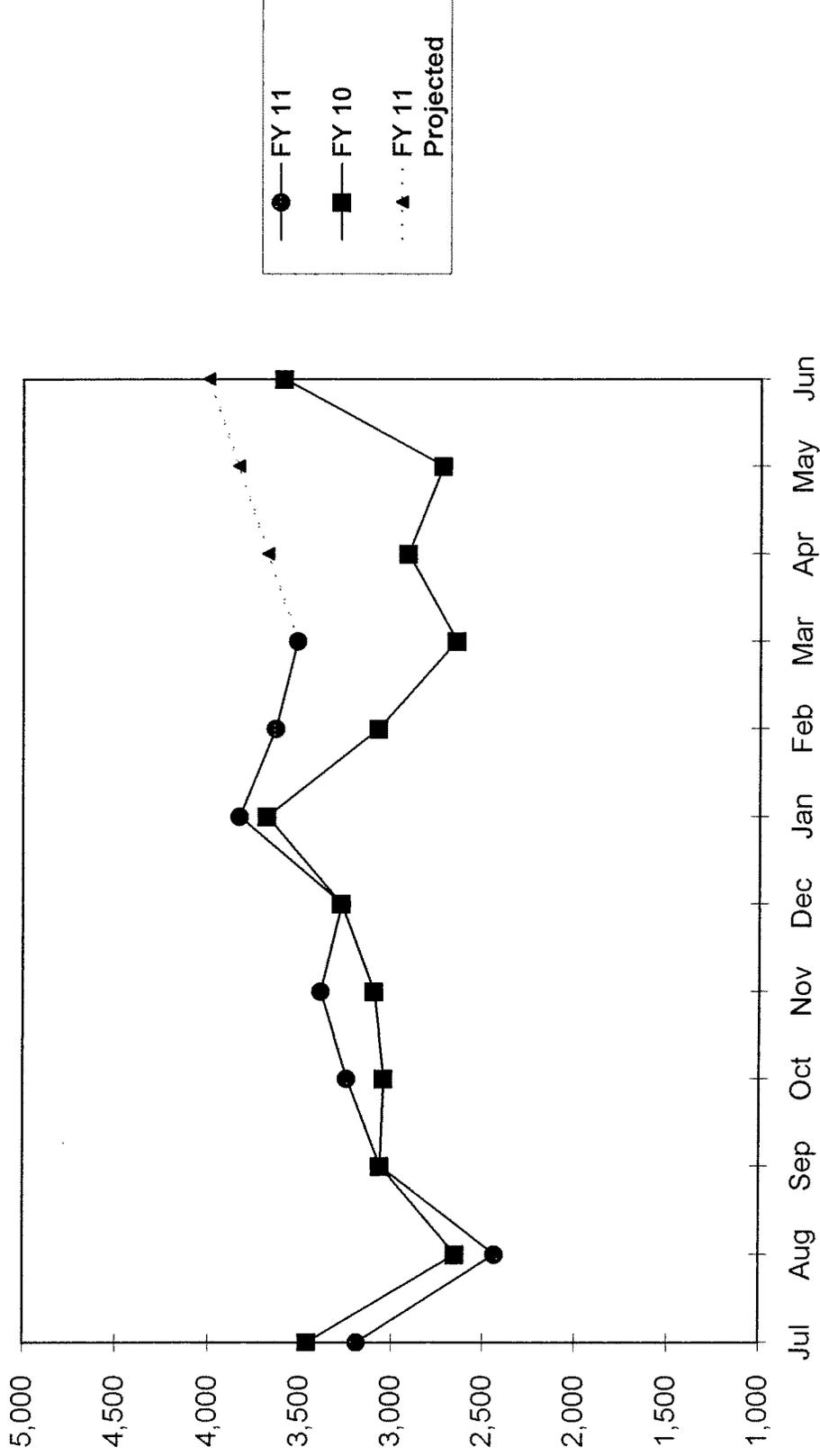
# ABAG Financial Indices

## Cash on Hand FY 10 and FY 11 (\$'000)



# ABAG Financial Indices

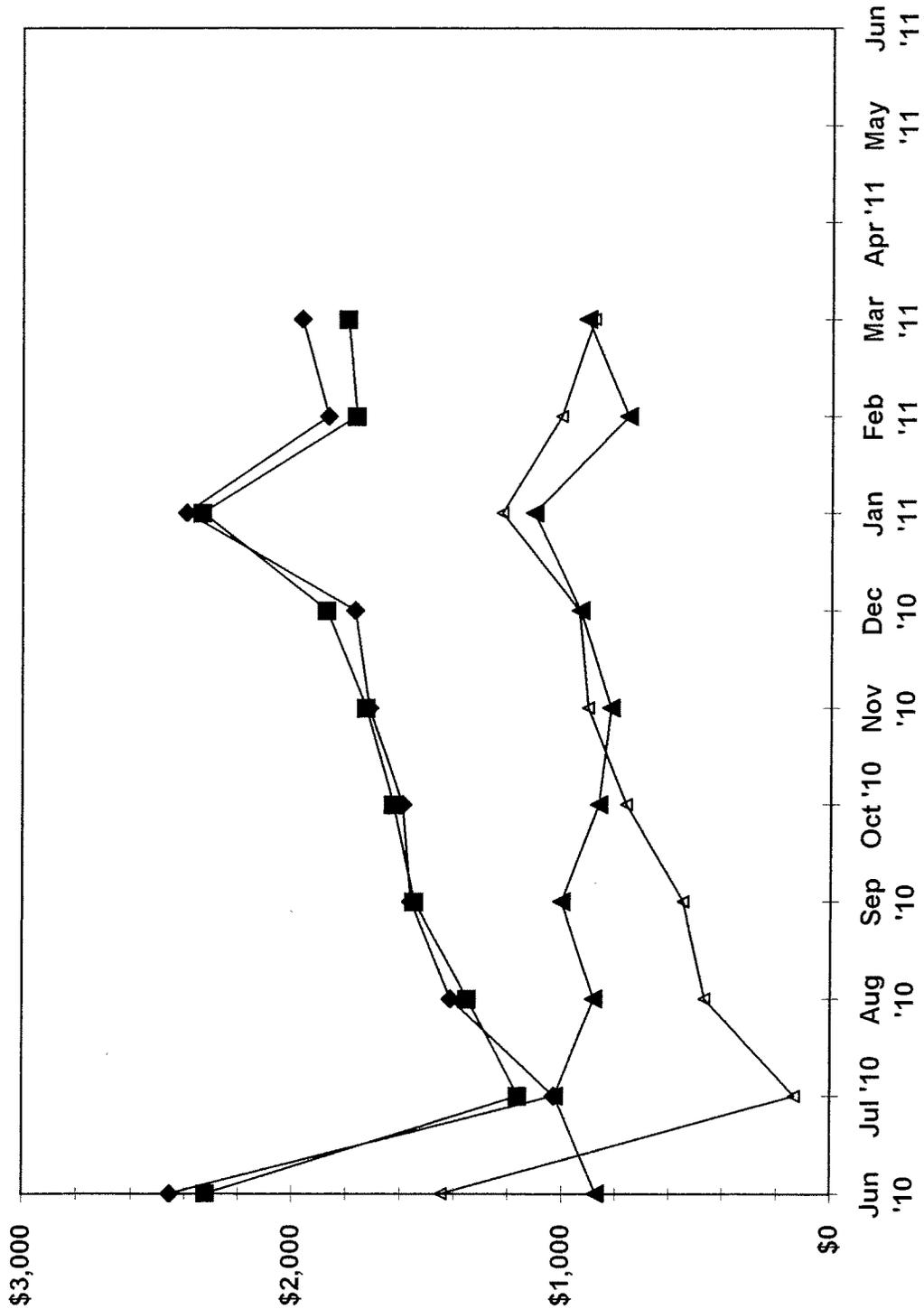
## Accounts Receivable FY 10 and FY 11 (\$'000)



# ABAG Financial Indices

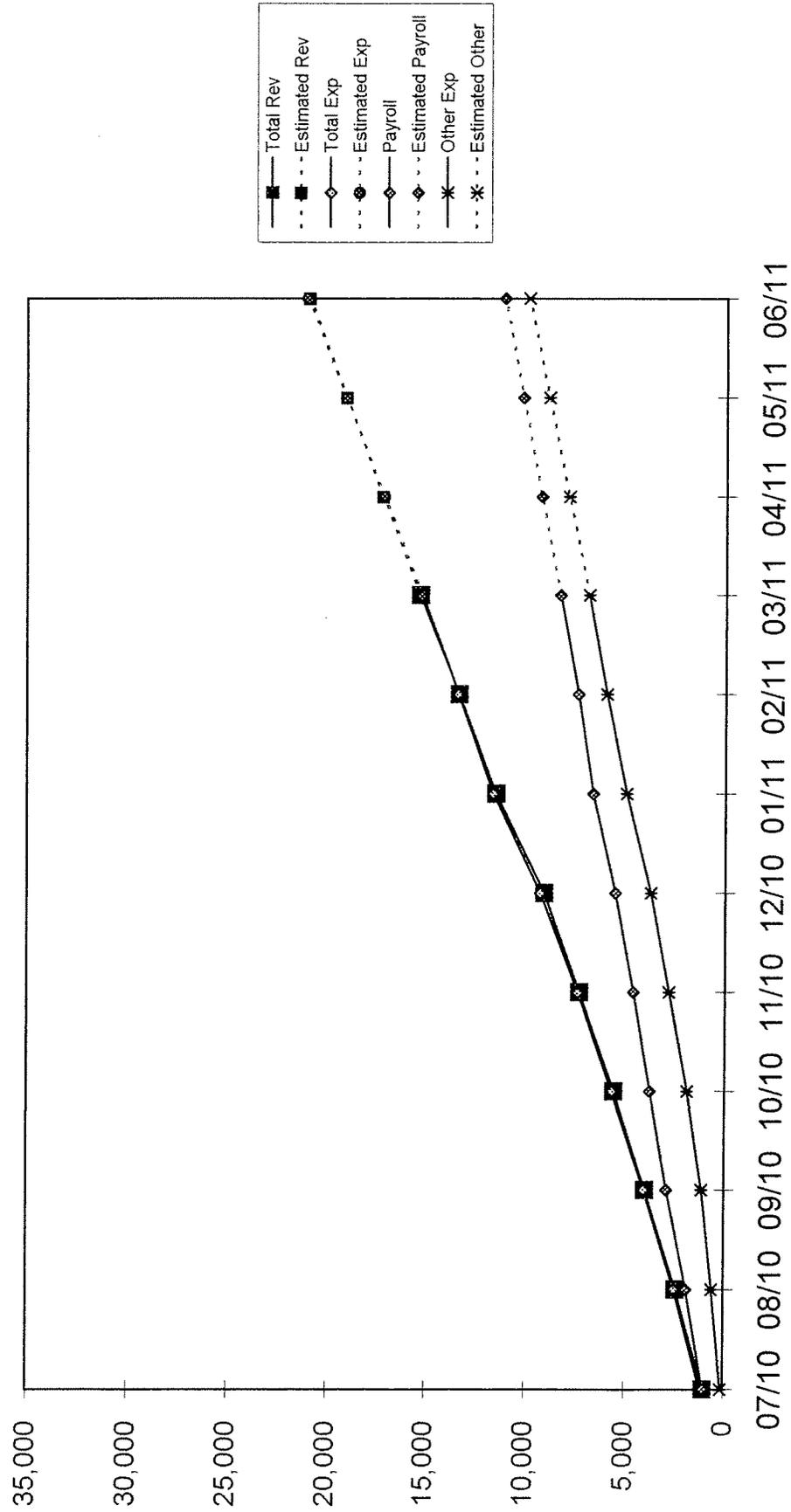
## Current Month Revenues & Expenses

### FY 10-11 (\$'000)



# ABAG Financial Indices

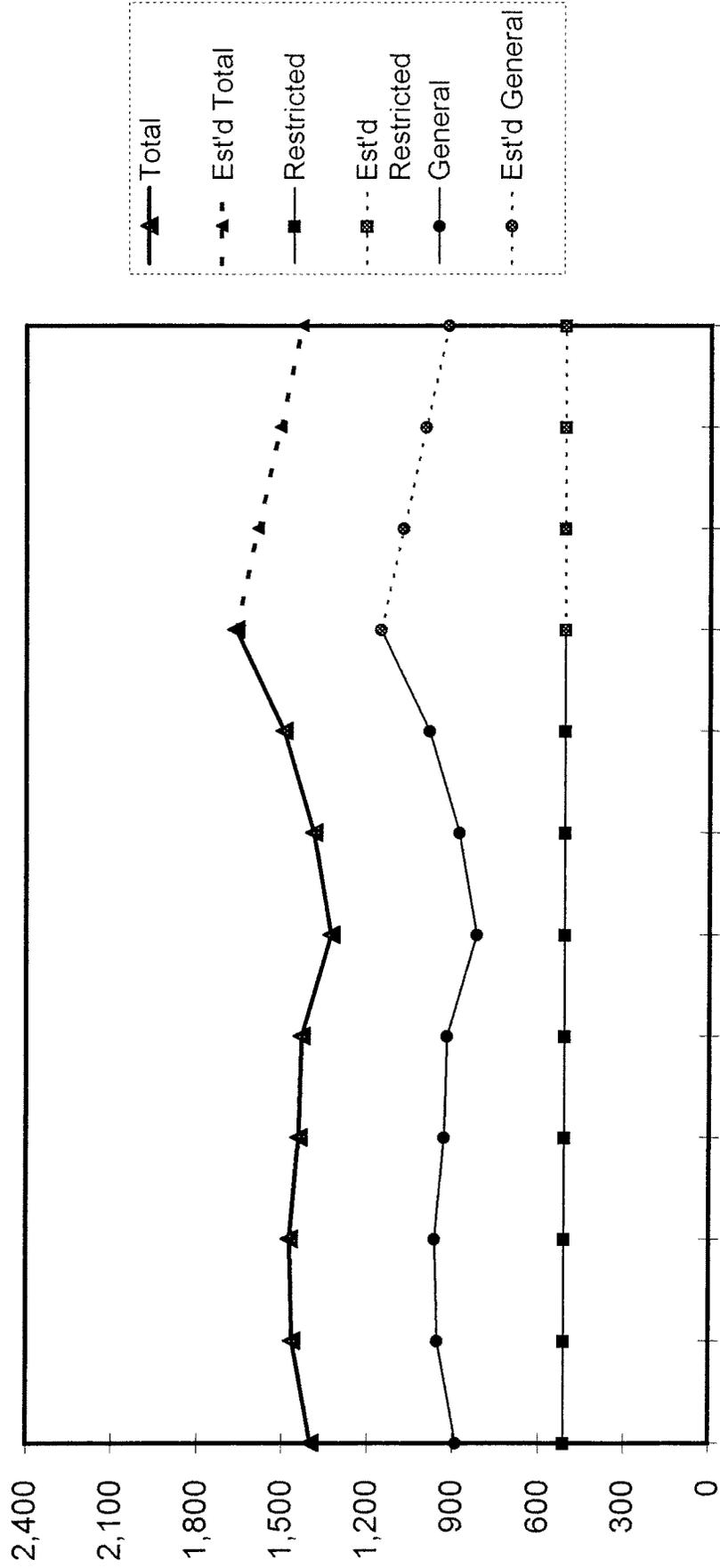
## Year-to-date Revenues & Expenses FY 10-11 (\$'000)



# ABAG Financial Indices

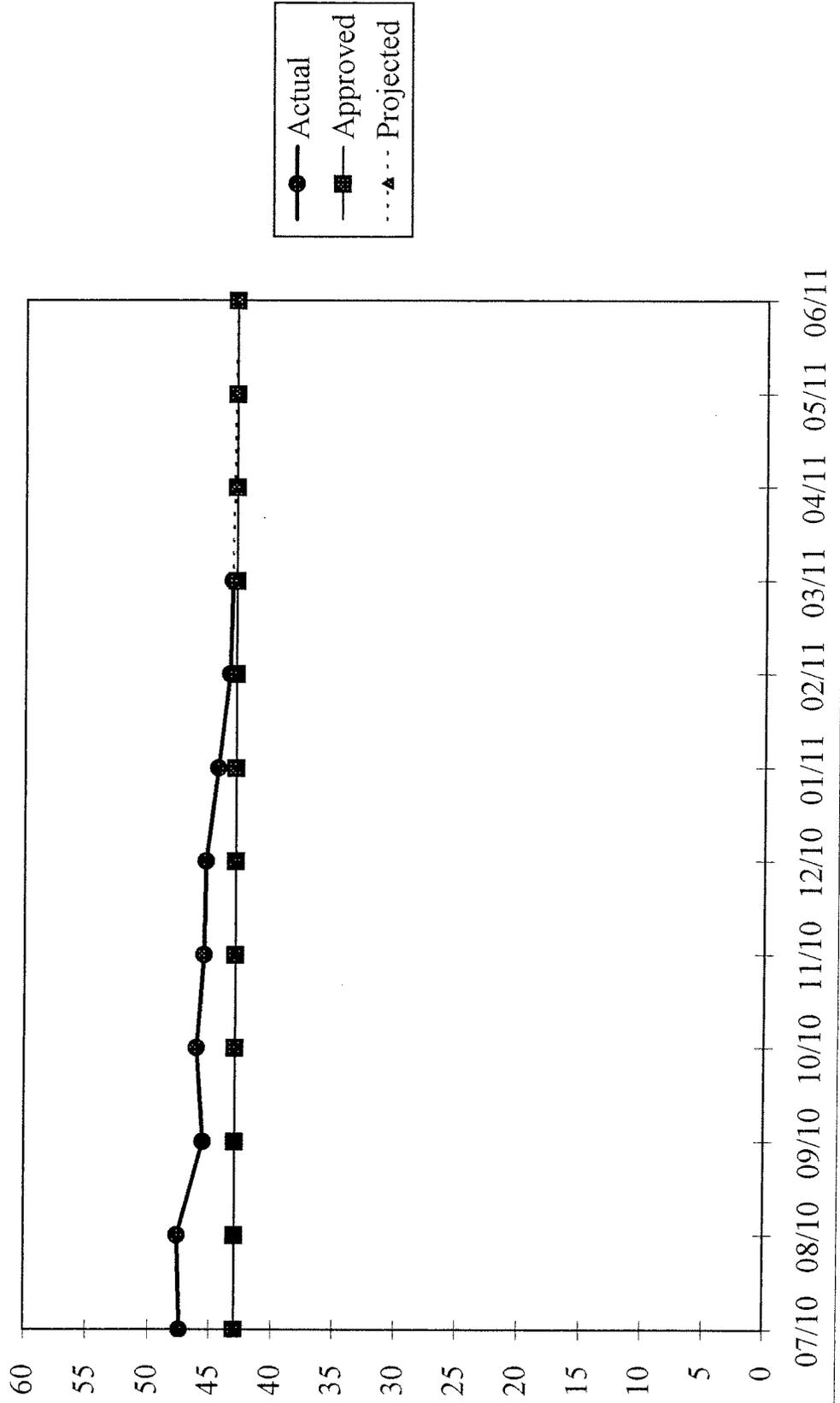
## Fund Equity

### FY 10-11 (\$'000)



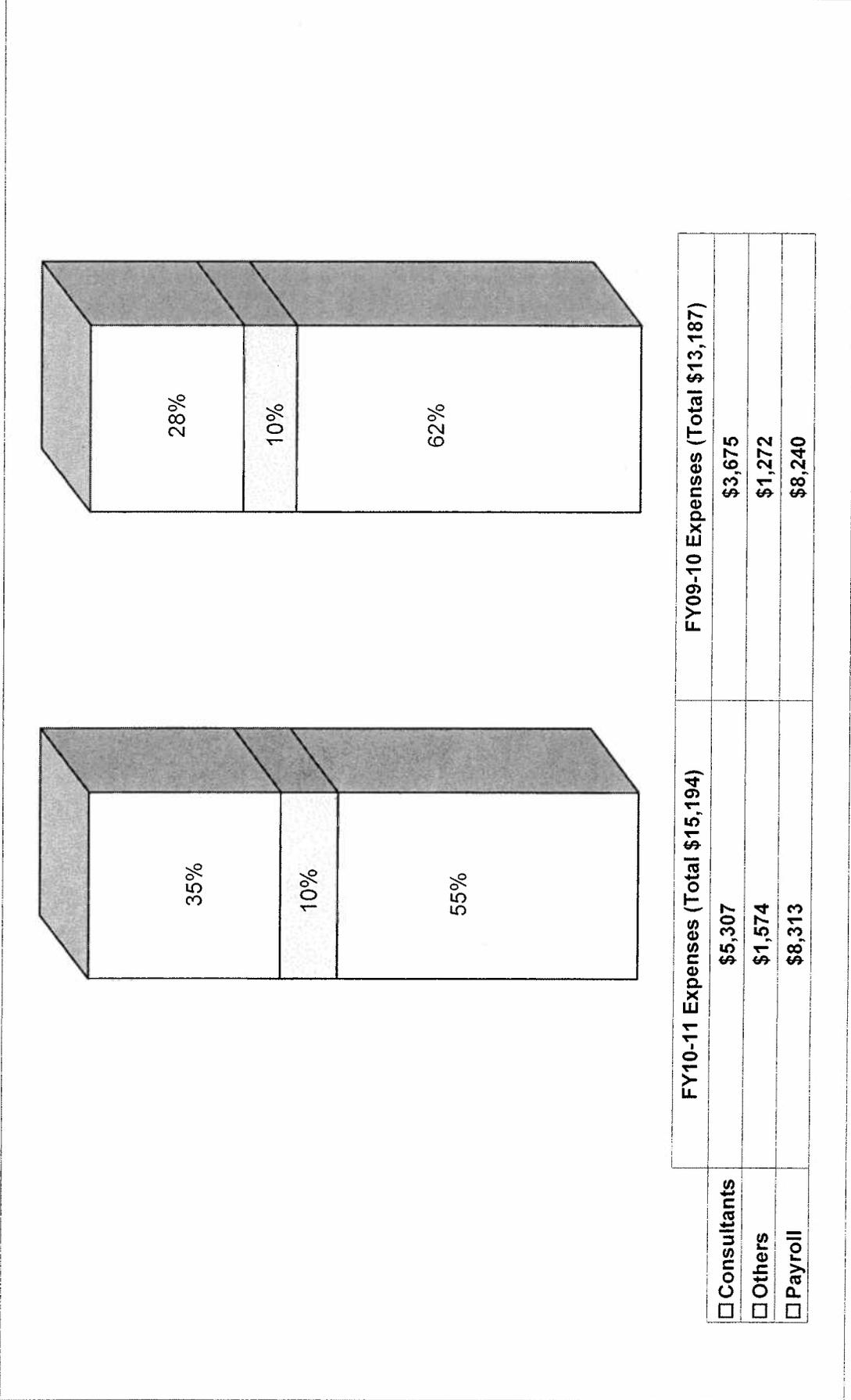
# ABAG Financial Indices

## Indirect Cost Rate (% of Direct Labor Cost) FY 10-11



# ABAG Financial Indices

## Composition of Expenses FY 10--FY 11 Year to Date (\$'000)

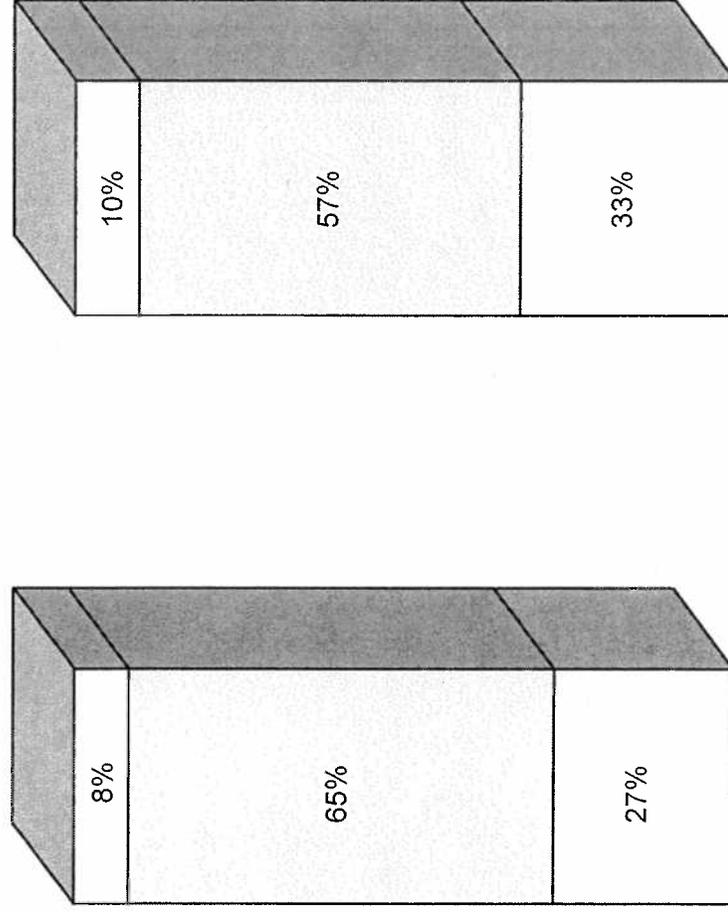


# ABAG Financial Indices

## Composition of Revenues FY 10--FY 11

### Year to Date

(\$'000)

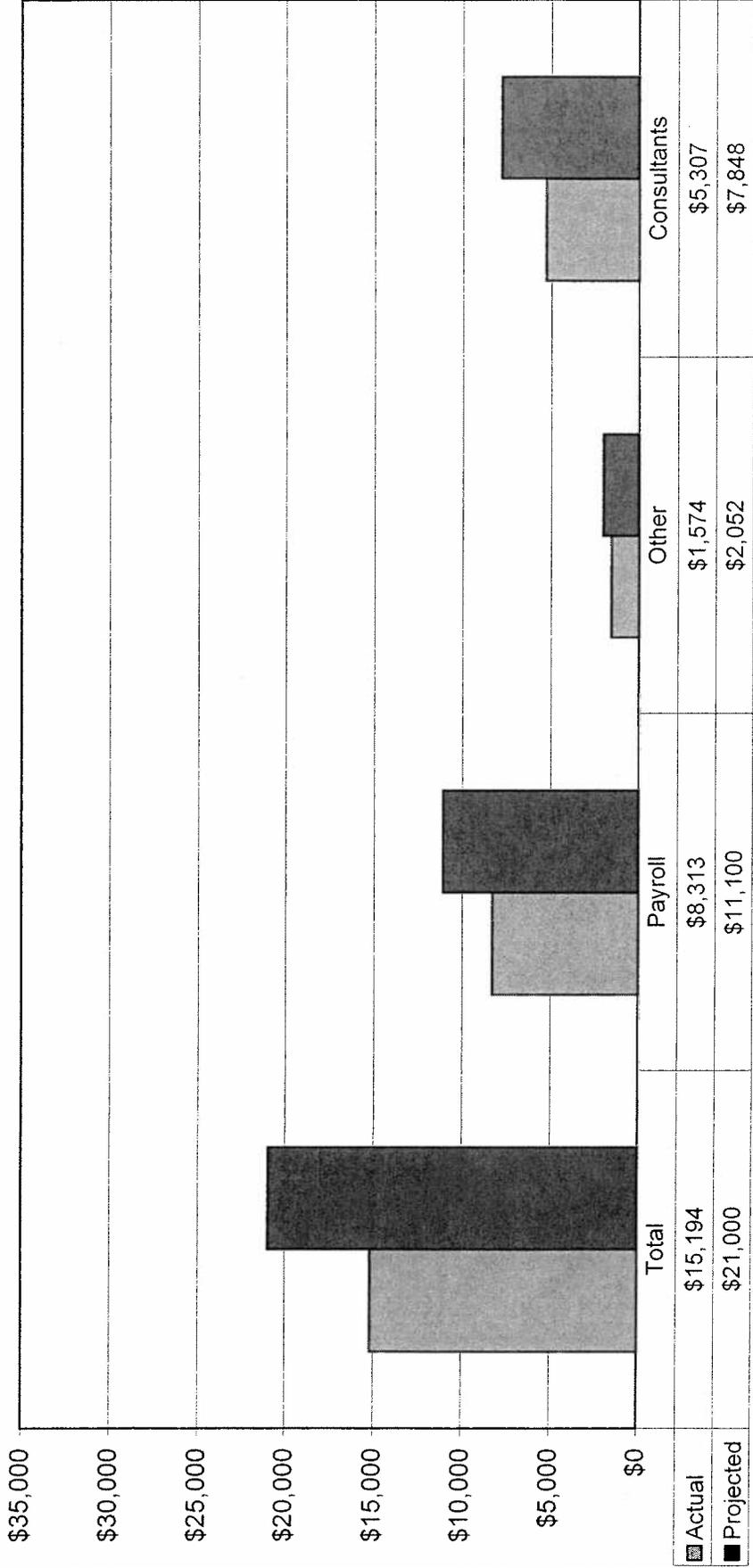


	FY 10-11 Revenue (Total \$15,329)	FY 09-10 Revenue (Total \$12,932)
Membership	\$1,267	\$1,247
Grants	\$9,885	\$7,476
Services & Others	\$4,177	\$4,209

# ABAG Financial Indices

## Actual vs Projected Expenses--FY 10-11

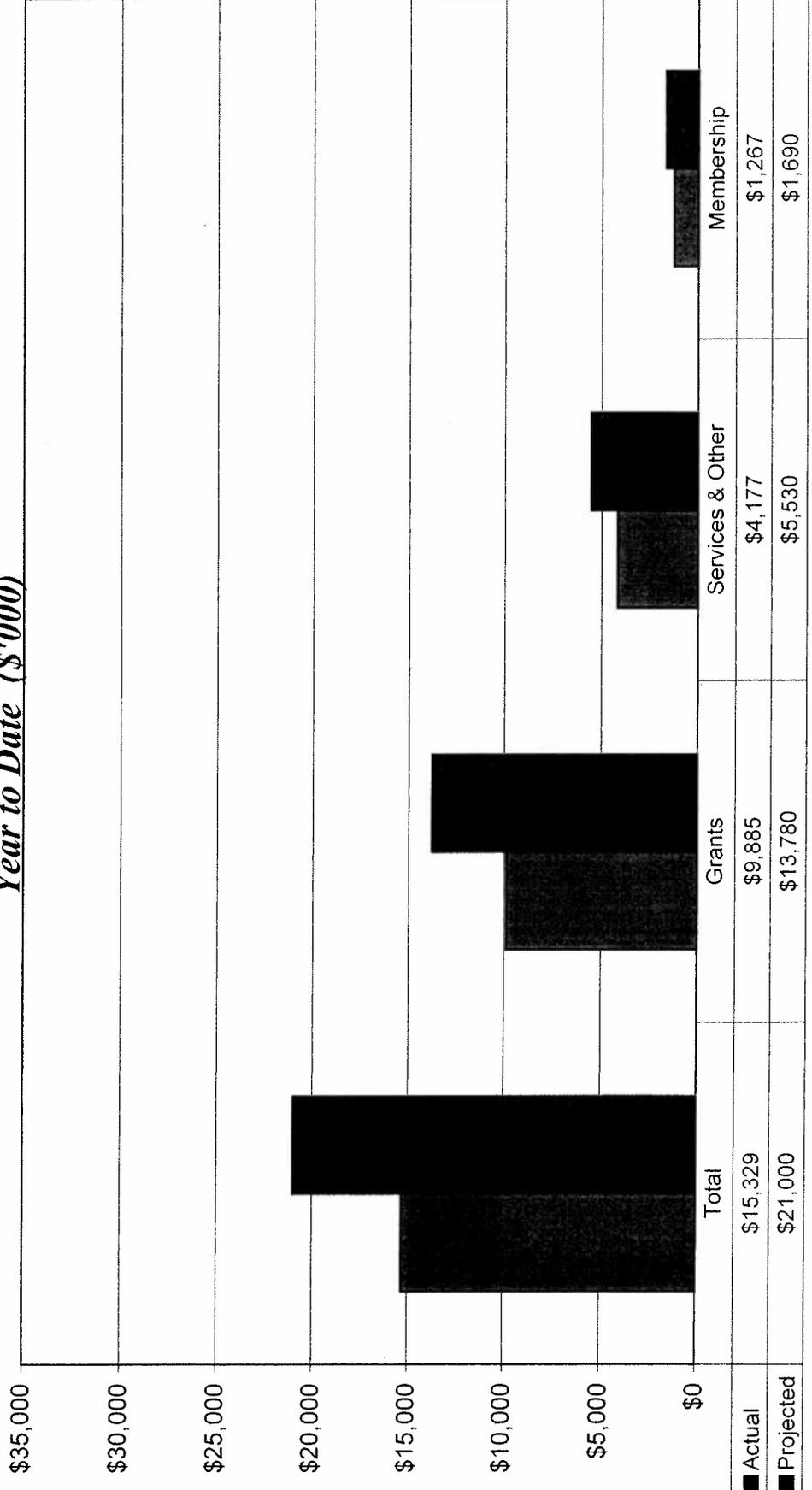
### Year to Date (\$'000)



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

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

<u>Index Description</u>	<u>Mar-11</u>	<u>Feb-11</u>	<u>Jan-11</u>	<u>Mar-10</u>	<u>Feb-10</u>
Cash	930	1,268	1,067	1,345	1,808
Receivables	3,515	3,633	3,830	2,650	3,072
Payroll Cost-YTD	8,313	7,402	6,643	8,240	7,341
-Month	911	759	1,109	899	938
Total Other Expense-YTD	6,881	5,994	4,987	4,947	3,895
-Month	887	1,007	1,228	1,052	381
Total Expenses-YTD	15,194	13,396	11,630	13,187	11,236
-Month	1,798	1,766	2,337	1,951	1,319
Total Revenues-YTD	15,329	13,360	11,489	12,932	10,858
-Month	1,969	1,871	2,398	798	1,288
Fund Equity-General	1,156	985	880	798	675
Total Restricted	510	510	510	510	510
Total Fund Equity	1,666	1,495	1,390	1,308	1,185
Approved Overhead	42.95%	42.95%	42.95%	42.95%	42.95%
Overhead Rate %	43.27%	43.45%	44.39%	44.55%	44.88%

**F&PC AGENDA ITEM #3-C**

# ASSOCIATION OF BAY AREA GOVERNMENTS

Celebrating 50 Years of Service to the Region



To: Finance & Personnel Committee  
Fr: Kenneth Moy, Legal Counsel  
Dt: May 4, 2011  
Re: *Per Diem*

Summary: The committee should discuss whether to expand the circumstances under which a per diem is paid so long as (a) the activity is verifiable and (b) the staff is not given discretion on whether a per diem is paid. The committee's recommended action can be implemented by an Executive Board resolution or a Bylaw amendment.

Background and Analysis: At the March meeting, staff advised the committee that ABAG's representatives to the JPC had been invited to attend a joint meeting of ABAG's Administrative Committee and MTC's Planning Committee to hear presentations on the re the SCS – a matter within the purview of the JPC. The committee discussed the possibility of paying a *per diem* to ABAG representatives to the JPC for attending the joint ABAG/MTC meeting. The committee requested a report on possible options.

The payment of *per diems* is governed by the Bylaws and the "Policies on ABAG Committee Formation, Structure, and Membership" (Policy) adopted by the Executive Board. Except for the provisions that permit payment of a *per diem* to the President or his/her designee under specified circumstances, *per diems* may be paid only for attendance at a official meeting of an ABAG policy body. The payment of a *per diem* under any other circumstances requires either a resolution adopted by the Executive Board or a Bylaw amendment.

To inform the committee's discussion please note the following<sup>1</sup>:

- Currently a *per diem* is paid only for participation in the formal and official activities of ABAG's policy bodies which are under ABAG's control and documented in adopted minutes.
- Staff is not given discretion on when to pay a *per diem*.

In my opinion, any modifications to the *per diem* system should have comparable safeguards. The activity must be verifiable. Staff should not be given discretion on when a *per diem* is paid.

I am also of the opinion that ABAG should have control of the circumstances under which a *per diem* is paid. However, I offer no advice to the committee on this point.

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<sup>1</sup> For the balance of this memorandum, the special *per diem* rules for the President and his/her designee are not considered or addressed in this memorandum since they are based on the unique responsibilities of the office.

Representing City and County Governments of the San Francisco Bay Area

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-7985 info@abag.ca.gov  
Location: Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94607-4756

**DATE:** May 5, 2011  
**TO:** FINANCE & PERSONNEL COMMITTEE  
**FROM:** HERBERT L. PIKE, FINANCE DIRECTOR  
**SUBJECT:** ABAG Fund Balance and Proposed Reserve Policies

**Background:** At the Finance & Personnel Committee (F&PC) meeting March 17, 2011, there was discussion and questions were raised as to what the fund balance was for ABAG and what policies ABAG might consider to raise the reserves. The Committee moved that staff return at their next meeting on May 19, 2011, to clarify the fund balance and provide a review of reserve policies that the Committee could consider. Although incorporated into ABAG's audited Basic Financial Statements, ABAG Finance Corporation and BALANCE Foundation have their own restrictions are not included in the attached Fund and Cash table, nor in the discussion below. The discussion below is restricted to the the formal entity Association of Bay Area Governments.

**Fund Balance:** As was noted at the March F&PC meeting, there are all kinds of balances, no two of which appear to be the same. This is being exacerbated in next year's reports with the issuance in February 2009 by the Governmental Accounting Standards Board (GASB) of Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The attached glossary goes over the numerous "fund balance" terms. The new standard, to be implemented in the next financial statements to be issued, leaves unchanged the total amount reported as fund balance, but has substantially altered the categories and terminology used to describe its components. The intent is to better reflect and detail the constraints on the specific purposes for which amounts in the fund can be spent. Under the old guidelines, "restricted" assets represented a portion of the fund that was restricted by statute or contract, e.g., a reserve required for a loan; ABAG has had no such formal requirements the last several years.

In reviewing the attached spreadsheet, you will note that the only noted restriction on the Net Assets (aka Fund Balance) was the "investment in capital assets, net of related debt." In other words, you can't "spend" the building improvements. Under the new guidelines to be implemented, there will be a hierarchy of restricted fund balances. The "investment in capital assets, net of related debt" becomes part of the highest ranking fund restriction under the new guidelines and is now to be listed under "nonspendable fund balance" because it is inherently nonspendable. The category will also be broadened to include other assets that will never be converted to cash, e.g., prepaid items and inventories of supplies.

The next level of restriction formally listed as "restricted" and now labeled more specifically as "restricted fund balance" are those funds for which there are externally enforceable limitations on use. The most common external restrictions are limitations

imposed by creditors, grantors, contributors, or laws and regulations of other governments. ABAG has few of these in the form of net dollars; as an example, ABAG may have substantial grant receivables boosting the assets, but may be offset by accounts payables to subcontractors and other incurred expense.

The next new category/type of description to be identified as “committed fund balance” will reflect self-imposed limitations set in place prior to the end of the fiscal year by the Executive Board or the entire membership of ABAG. Although there are no such fund restrictions that would place dollars in this category, this is where an approved reserve could be listed.

The next level of restriction is “assigned fund balance.” It is under this category that ABAG would likely list the recurring \$510 thousand in restricted equity listed in each month’s Financial Report. The \$510 thousand (actually \$509,811) is comprised of \$250,000 as a loan reserve to cover a potential, sudden call for repayment of the loan from FAN for office refurbishing, \$150,811 as General Liability Insurance Reserve to cover the payment of the annual premium to be assured our coverage remains intact, \$52,000 for Capital Reserve to ensure we can provide unexpected repair or replacement of critical capital equipment, and \$57,000 labeled Office Building Maintenance Reserve to cover ABAG’s share of building maintenance.

The residual fund balance, after deducting the above restrictions, is to be labeled “unassigned fund balance.” It would be similar to the “unrestricted” fund balance listed in the old format, but with additional restrictions deleted. If the current Board took no action, it is expected the \$510 thousand would be listed as an “assigned fund balance” and that the “unassigned fund balance” would be \$510 thousand less than the old “unrestricted” fund balance.

### **Reserve Policy**

A review was conducted as to the reserve policies of several cities throughout the Bay Area. While most municipal reserves have been depleted in recent years to mitigate significant reductions in revenue and to avoid commensurate reductions in services delivered, the purposes are still intact. Funds are set aside to respond to emergencies, funds are set aside to sustain operations should something adverse occur, funds are set aside to stabilize operations in spite of an unforeseen decline in a revenue stream, and some are set up to meet the potential of a future need such as new program seed money. As noted above, ABAG has what could be construed as a reserve in the form of the \$510 thousand restricted equity noted above. Reserve targets run as low as a three percent operating reserve to some cities having in excess of 50 percent of their annual revenue available as unrestricted fund balance with which to address emergencies. The interesting point is that virtually all of the cities reviewed gauged their achievement of reserve targets on the year-end (June 30) audited financials, and most measure it against the “unrestricted” general fund reserve. Although the “unrestricted” general fund reserve is a readily accessible value, it does **not** indicate how much is available in liquid assets to address the unforeseeable urgent needs for which the reserve is intended. For instance,

although a fund balance may be boosted by accounts receivable (an asset), it may not be available for months. The “unrestricted” general fund balance is a readily available indicator, but it simply indicates there is a rough positive correlation between cash balance and “unrestricted” fund balance, e.g., the higher the “unrestricted” fund balance, the greater likelihood of a larger cash balance.

The key is how much ABAG should reasonably have in liquid assets that it can use in the case of an emergency. The most recent “urgent” need for cash that ABAG experienced was when the State suspended payments to address their cash shortfall, leaving ABAG with large receivables, but very little cash. Even now, with an annual “unrestricted” fund balance in excess of \$1.3 million as of June 30 each of the last two years, cash balance has almost been depleted a number of times. With accounts receivables having climbed to as high as \$4.2 million, ABAG has been forced, at times, to defer payments until the next grant reimbursement arrives. While ABAG needs to protect its physical assets (for insurance has been purchased) and needs to have funds available to respond to unforeseen events, ABAG’s most important asset is its employees. If all reimbursements were to cease, how long could ABAG sustain its operations by making payroll. ABAG’s annual payroll (including benefits) is expected to reach just over \$11 million. That is equivalent to about \$465 thousand per pay period. Thus, if the June 30 “unrestricted” fund balance was all in cash equivalents, payroll could be met for almost 1.5 months. But in reviewing the June 30, 2010 financial statement, the cash available was just \$965 thousand out of the \$1.3 million in “unrestricted” fund balance, equating to just one month of payroll that could be met. In the periods where the cash balance is very low, there is not enough cash on hand to fund even one additional pay period.

If ABAG were to seek the ability of sustaining itself for 1.5 month without any additional revenue sources, staff would recommend setting a \$2 million target for reserves (including restricted equity) with the goal of adding at least \$50 thousand each year to the prior year’s balance year until the goal is achieved. While it does not address the cash position during the course of the year, it would improve it with the target of covering 1.5 months of personnel costs and some \$575 thousand (including restricted equity) for required non-personnel expense. This balance could be called a contingency reserve with a required return to the Board to withdraw from the reserve in time of need. Ultimately, being some \$700 thousand greater than current reserves, it would be expected that the cash balance would never fall below \$750 thousand during the course of the year.

Cities have taken different approaches to achieve their reserve targets. Some cities budget an operating surplus of as much as 3 percent per year, some have designated a set line item expense for “contribution” to the reserve, and others have been known to designate a share (e.g. 50 percent) of any operating surplus to the reserve. It is suggested that staff endeavor to recast the budget to generate a \$50,000 surplus. This will be difficult because in recent years, staff has had to work diligently to mitigate losses and to minimize losses. New sources of revenue or specific reductions will need to be sought in order to realize a surplus.

## **Conclusion**

Staff is available to address any questions and to also discuss what actions have been taken and/or are planned to bring the current and next fiscal year budgets into balance. Unless the Committee believes otherwise, the designation of the reserve on the financial statement for June 30, 2011 is not as important as setting up the process whereby a more substantive balance (cash or fund) is established to sustain ABAG in time of crisis, be it natural disaster or withholding of funds by grantors. With this in mind, it is recommended that staff be directed to return at the next meeting with a resolution and/or policy document putting in writing the consensus of the discussion by the Committee.

## GLOSSARY

**Assigned fund balance.** Amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed (excluding stabilization arrangements). (GASB 54)

**Committed fund balance.** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. (GASB 54)

**Fund balance.** Difference between assets and liabilities reported in a governmental fund.

**Fund balance policy.** A policy that establishes a minimum level at which unrestricted fund balance is to be maintained.

**Net assets.** Difference between assets and liabilities reported in government-wide financial statements.

**Nonspendable fund balance.** Portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted fund balance.** Portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Stabilization arrangements.** Amounts formally set aside for use in emergency situations or when revenue shortages or budgetary imbalances arise. Those amounts are subject to controls that dictate the circumstances under which they can be spent. (GASB 54)

**Unassigned fund balance.** Residual classification for the general fund. This classification represents fund balance that has not been assigned, to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports in a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance. (GASB 54)

**Unrestricted fund balance.** The total of committed fund balance, assigned fund balance, and unassigned fund balance.

**SUMMARY OF FUND BALANCE REPORTED IN FINANCIAL IN RECENT YEARS  
(ABAG only, excludes ABAG Finance Corporation & BALANCE Foundation)**

	Audited 6/30/2008	Audited 6/30/2009	Audited 6/30/2010	Unaudited 3/31/2011
NET ASSETS				
Investment in capital assets, net of related debt		\$242,900	\$220,238	\$215,559
Restricted				
Unrestricted	<u>\$1,627,080</u>	<u>\$1,320,024</u>	<u>\$1,310,767</u>	<u>\$1,450,581</u>
Total Net Assets	\$1,627,080	\$1,562,924	\$1,531,005	\$1,666,139

ASSETS/Cash and Investments

Cash and Cash Equivalents	\$1,681,480	\$895,902	\$965,000	\$929,616
Cash with Fiscal Agent	<u>                    </u>	<u>\$303,264</u>	<u>                    </u>	<u>                    </u>
Total Cash Balance	\$1,681,480	\$1,199,166	\$965,000	\$929,616

**HIERARCHY OF FUND BALANCE DESIGNATIONS/CLASSIFICATIONS UNDER THE NEW GASB 54**

Nonspendable fund balance	(inherently nonspendable)
Restricted fund balance	(externally enforceable limitations on use)
Committed fund balance	(self-imposed limitations set in place prior to the end of the fiscal year)
Assigned fund balance	(limitation resulting from intended use)
Unassigned fund balance	(total fund balance less the above categories)
Sum of above equals the difference between Assets and Liabilities	

**F&PC AGENDA ITEM #5**

PRESIDENT	Mayor Mark Green, City of Union City
VICE PRESIDENT	Supervisor Susan L. Adams, County of Marin
IMMEDIATE PAST PRESIDENT	Supervisor Rose Jacobs Gibson, County of San Mateo
SECRETARY-TREASURER	Ezra Rapport
LEGAL COUNSEL	Kenneth K. Moy

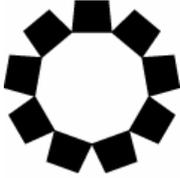
County of	Representative	Alternate
ALAMEDA	** Supervisor Nadia Lockyer	Supervisor Keith Carson
ALAMEDA	** Supervisor Scott Haggerty	Supervisor Nathan Miley
CONTRA COSTA	* Supervisor Gayle B. Uilkema	To Be Appointed
CONTRA COSTA	* Supervisor John Gioia	Supervisor Mary Piepho
MARIN	** Supervisor Susan L. Adams	Supervisor Judy Arnold
NAPA	** Supervisor Mark Luce	Supervisor Bill Dodd
SAN FRANCISCO	** Supervisor John Avalos	To Be Appointed
SAN FRANCISCO	** Supervisor Ross Mirkarimi	To Be Appointed
SAN FRANCISCO	** Supervisor Malia Cohen	To Be Appointed
SAN MATEO	* Supervisor Rose Jacobs Gibson	To Be Appointed
SAN MATEO	* Supervisor Don Horsley	To Be Appointed
SANTA CLARA	** Supervisor Ken Yeager	Supervisor George Shirakawa
SANTA CLARA	** Supervisor Dave Cortese	Supervisor Mike Wasserman
SOLANO	* Supervisor Barbara Kondylis	Supervisor Linda Seifert
SONOMA	* Supervisor David Rabbitt	Supervisor Shirlee Zane

Cities in the County of	Representative	Alternate
ALAMEDA	* Councilmember Beverly Johnson (Alameda)	Mayor Stephen Cassidy (San Leandro)
ALAMEDA	* Mayor Mark Green (Union City)	Mayor Michael Sweeney (Hayward)
CONTRA COSTA	** Councilmember Julie Pierce (Clayton)	Councilmember Dave Hudson (San Ramon)
CONTRA COSTA	** Vice Mayor Joanne Ward (Hercules)	Councilmember Ben Johnson (Pittsburg)
MARIN	* Councilmember Carole Dillon-Knutson (Novato)	To Be Appointed
NAPA	* Mayor Jack Gingles (Calistoga)	Mayor Leon Garcia (American Canyon)
CITY OF SAN FRANCISCO	* Mayor Edwin Lee	Jason Elliott, Policy Advisor
CITY OF SAN FRANCISCO	* Kate Howard, Government Affairs Director	Joaquin Torres, Liaison, Neighborhood Services
SAN MATEO	** Councilmember A. Sepi Richardson (Brisbane)	Councilmember Pedro Gonzalez (S San Francisco)
SAN MATEO	** Vice Mayor Richard Garbarino (S San Francisco)	Vice Mayor John Boyle (Menlo Park)
SANTA CLARA	* Councilmember Ronit Bryant (Mountain View)	Mayor David Casas (Los Altos)
SANTA CLARA	* Mayor Joe Pirzynski (Los Gatos)	Vice Mayor Gilbert Wong (Cupertino)
SOLANO	** Mayor Harry Price (Fairfield)	Mayor Jack Batchelor (Dixon)
SONOMA	** Councilmember Susan Gorin (Santa Rosa)	To Be Appointed
CITY OF OAKLAND	* Councilmember Rebecca Kaplan	To Be Appointed
CITY OF OAKLAND	* Councilmember Jane Brunner	To Be Appointed
CITY OF OAKLAND	* Councilmember Desley Brooks	To Be Appointed
CITY OF SAN JOSE	* Councilmember Sam Liccardo	Councilmember Rose Herrera
CITY OF SAN JOSE	* Councilmember Kansan Chu	Councilmember Nancy Pyle
CITY OF SAN JOSE	* Councilmember Ash Kalra	Mayor Chuck Reed

Advisory Members	Representative	Alternate
RWQCB	Terry Young	Bill Peacock

\* Term of Appointment: July 1, 2010 - June 30, 2012

\*\* Term of Appointment: July 1, 2009 - June 30, 2011



**ABAG**

# Meeting Schedule **2011**

## Executive Board Meetings

January 20  
March 17  
May 19  
July 21  
September 15  
November 17

START TIME  
7:00 PM

LOCATION  
Joseph P. Bort MetroCenter Auditorium  
101 Eighth Street  
Oakland, California 94607  
Across from the Lake Merritt BART Station

## Spring General Assembly

April 14  
Oakland Marriott

## Fall General Assembly

October 13  
Palace Hotel, San Francisco