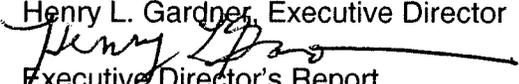


M E M O

July 2, 2008

TO: Executive Board

FROM: Henry L. Gardner, Executive Director


SUBJECT: Executive Director's Report

Since our last meeting Herbert Pike has joined ABAG as our new Director of Finance replacing Joseph Chan who is retiring after having served the agency for 25 years. Mr. Pike comes to ABAG with a wealth of experience, most recently as Deputy Finance Director for the City of Richmond. Previously, he was Deputy Budget and Financial Services Director and Financial Services Manager for the City of Oakland and Court Administrative Services Officer for the Superior Court of Alameda County. He is a certified Public Finance Officer, member of GFOA, and Chair of the East Bay Chapter of the California Society of Municipal Finance Officers.

State Budget

Once again, we have reached the state budget deadline without a budget. From all indications we may go well into August again and possibly September without a state budget. ABAG has some grants and contracts administered by state OES and other state agencies that will be impacted during this period. We will keep you posted as developments occur.

ABAG PLAN CORPORATION

Many of you have probably read about the inverse condemnation lawsuit involving ABAG PLAN and the City of Half Moon Bay that resulted in an agreement that ABAG Plan pay the City of Half Moon Bay \$5 million to settle the case. As a result of this case and a similar case involving the City of Pacifica last year, the PLAN Corporation is in the process of redefining its coverage agreement. While ABAG PLAN is administered by ABAG it is funded by the members of the pool. As a result these payouts had no impact on ABAG.

HCD Commends ABAG for RHNA

We have received notification from the state Department of Housing and Community Development that they have made a finding that ABAG's Regional Housing Need Allocation Plan is consistent with existing and future housing needs. The Agency and staff were commended for its work.



Proposition 1 C Housing and Infrastructure Bond Funding

Governor Arnold Schwarzenegger announced the results of the Infill Housing Grant Award Program on July 1. ABAG staff wrote letters of support and contacted HCD on behalf of regional PDA applicants. While the Bay Area did well, not all PDA's were successful in receiving funding. In total, the Bay Area received 24% of the Infill Housing Grant funds (62% of which went to Oakland), 32% of the Transit Oriented Development (TOD) funds, and 47% of the MultiFamily Housing Program (MHP) funds.

The Cities of Oakland and San Leandro were the big winners: Oakland got a total of \$71.7 million and San Leandro got \$24.5 million. San Francisco received one grant for \$3.25 million for a senior project that was not in its Priority Development Area (PDA).

We will continue to work with HCD and other state agencies to impress upon them the importance of providing the capital funding needed to implement the results of the state funded Blueprint Planning Grants.

Delta Vision Strategic Plan

The preliminary staff draft of the Delta Vision Strategic Plan has been released for comment. The draft has not been discussed or approved by the Delta Vision Blue Ribbon Task Force or the Delta Vision Committee, which has an ABAG representative. Comment periods for revisions prior to review by the Blue Ribbon Task Force are August 4, September 2, and September 30.

Five counties in the Bay Area could be significantly impacted by the proposed planning and programmatic elements of the Plan: Solano, Contra Costa, Napa, Alameda and Santa Clara. These counties rely on Delta waters for drinking water, or on conveyances of drinking water from the Delta.

The proposed Plan has several controversial components. There could be a potential loss of valuable agricultural land and it calls for alternative conveyances for an eastern or western Delta alignment, which has significant environmental, social and economic implications of a refashioned peripheral canal concept. The estimated costs are in the billions. Delta levee improvement costs are estimated at \$20 billion, and even at this amount, "not all levees should provide equal levels of protection." The Plan seeks to have the Delta recognized as a "National Heritage Area," and as a multi-unit "California Delta State Recreation Area."

Given the importance of this proposed Plan to the Bay Area, we recommend scheduling this item for discussion at the next Executive Board meeting in September and inviting the staff from the Delta Vision Blue Ribbon Task Force to attend and make a presentation.

Regional Disaster Recovery Strategy

ABAG is continuing to make progress on developing a regional long-term disaster recovery strategy. At the next Regional Planning Committee (RPC) meeting on Wednesday August 6, the entire meeting from 1-3 p.m. will focus on this issue. Executive Board members are invited. The major topics will include:

- a review of data on the vulnerability of city- and county-owned buildings in our region,

- a discussion of specific problems of recovery of city services when city facilities (including city halls and community centers) are among the damaged buildings, and
- the status of a survey ABAG is undertaking on current long-term recovery planning activities of cities and counties in our region.

ABAG Golf Outing

On July 18 ABAG will hold its annual Golf outing at Oakland's metro Links Golf Club to benefit the Bay Trail and the Tranter-Leong Graduate Internship. This year the Tournament honors State Treasurer Bill Lockyer, who is considered the "Father" of the Bay Trail. I hope to see some of you there.

ABAG Financial Services

Financings delivered by ABAG and its affiliated entities since my last report include:

- **Solano County's** NorthBay Healthcare Group received \$30,000,000 through an issue of Revenue Bonds to purchase medical equipment and expand hospital facilities.
- \$14,335,000 in Tax-Exempt Medical Equipment Lease Financing delivered to Dameron Hospital on behalf of in the **City of Stockton**.
- The Vintage Square at Westpark, a new 152-unit Senior Apartment Complex in the **City of Roseville**, received \$13,500,000 for construction through an issue of Multifamily Housing Revenue Bonds.

