



MTC Officers

Chair: Adrienne J. Tissier
Vice Chair: Amy Rein Worth
Executive Director: Steve Heminger

ABAG Officers

President: Mark Luce
Vice President: Julie Pierce
Executive Director: Ezra Rapport

SPECIAL JOINT MEETING

MTC COMMISSION AND ABAG EXECUTIVE BOARD (No. 387)

Thursday, July 19, 2012, 7:00 p.m.

Oakland Scottish Rite Center

1547 Lakeside Drive
Oakland, California 94612
(510) 832-0819
www.scottrite.com

Members of the public shall be provided an opportunity to directly address MTC and the ABAG Executive Board before or during consideration of the items on this agenda.

Rosters of MTC Commission and ABAG Executive Board are attached.

This meeting is scheduled to be audiocast live on MTC's website: www.mtc.ca.gov

Agenda and attachments available at: www.mtc.ca.gov and www.abag.ca.gov

For additional information: Rosy Leyva, (510) 817-5775, or Fred Castro, (510) 464-7913

AGENDA

1. Call to Order and Roll Call

MTC Chair and ABAG Executive Board President call joint special meeting to order.

MTC Commission Secretary and ABAG Clerk of the Board conduct roll call and report on quorum.

ABAG and MTC ACTION—Confirm Quorum.

2. Compensation Announcement

MTC Commission Secretary and ABAG Clerk of the Board make compensation announcements.

SPECIAL JOINT MEETING

MTC COMMISSION AND ABAG EXECUTIVE BOARD

July 19, 2012

Page 2

3. Pledge of Allegiance

4. Approval of Special Joint MTC-ABAG Executive Board May 17, 2012 Minutes***

ABAG and MTC ACTION.

5. Plan Bay Area: Environmental Impact Report (EIR) Scoping Feedback and Alternatives*

ABAG and MTC ACTION. Ken Kirkey will present alternatives reviewed by the MTC Planning Committee and ABAG Administration Committee that will be evaluated in the Environmental Impact Report for Plan Bay Area.

6. Approval of Resolution Nos. 12-12 and 13-12, and Adoption of Final Regional Housing Need Allocation (RHNA) Methodology, Release of Draft Allocations, and Approval of Subregional Shares*

ABAG Executive Board ACTION. Miriam Chion, ABAG Assistant Planning Director, will present the final RHNA methodology and request Executive Board adoption. At the May 17, 2012 meeting, the Executive Board approved a draft RHNA Methodology. Staff has since received comments on economic feasibility, regional equity implications, and local housing allocations. Staff has considered the comments and is recommending three adjustments for adoption.

7. Technical Amendment to the Jobs-Housing Connection Strategy*

ABAG and MTC ACTION. Miriam Chion, ABAG Assistant Planning Director, will present the feedback relationship between RHNA and the Sustainable Communities Strategy and request Executive Board adoption.

8. Investment Area and Priority Development Area (PDA) Designations and Approval of Downtown Napa/Soscol Corridor PDA**

ABAG Executive Board ACTION. Kenneth Kirkey, ABAG Planning and Research Director, will provide an overview and discuss criteria for Priority Development Areas (PDA) and Investment Areas. Staff has developed two Investment Areas—Rural Community Investment Areas and Employment Investment Areas—that are proposed for adoption. The Board will also be asked to approve Resolution No. 11-12 for the Downtown Napa/Soscol Corridor PDA as a Transit Neighborhood place type PDA replacing the City's previously proposed application for Rural Town Center and Rural Corridor PDAs.

9. ABAG Consent Calendar

ABAG Executive Board ACTION. Unless there is a request by an ABAG Executive 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 of Minutes of Meeting No. 386 held on May 17, 2012.

SPECIAL JOINT MEETING

MTC COMMISSION AND ABAG EXECUTIVE BOARD

July 19, 2012

Page 3

b) Grant Applications

There were no federal grant applications received for transmittal to the State Clearinghouse.

c) Appointments to Committees

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

Regional Airport Planning Committee

Mark Kasperzak, Mayor, Sunnyvale
Desley Brooks, Councilmember, Oakland

Regional Planning Committee

Michael Lane, Policy Director, Non-Profit Housing Association of Northern California

HUD Grant Steering Committee

Julie Pierce, Councilmember, Clayton
Scott Haggerty, Alameda County Supervisor
Additional Nominee to be Announced at the Meeting

d) Authorization to Submit Full Proposal and Accept Grant from U.S. Environmental Protection Agency Bay Water Quality Improvement Fund to Advance climate Change Resiliency through Ecologically Beneficial Flood Channel Design and Management**

e) Request for Authorization to Enter into an Interagency Agreement with the County of Marin, the Marin County Flood Control and Water Conservation District and the Sonoma-Marín Area Rail Transit District to Provide Technical Support for Permit Processing**

f) Authorization to Contract with Wilsey-Ham, Inc for San Pablo Avenue Green Stormwater Spine Project Design Services**

g) Approval of Resolution No. 10-12 Authorizing Submittal of Urban Greening Grant Application, Accepting Grant Award, Negotiating, and Entering into Contract Agreement with State of California Strategic Growth Council**

h) Authorization to Join *Amicus Curiae* Brief in Cole v Town of Los Gatos (Pending Recommendation from Finance and Personnel Committee. Will Be Remove from Consent Calendar if there is no recommendation.)**

i) Approval of Resolution No. 14-12 Ratifying Submittal of Proposal to California Public Utilities Commission (CPUC) for Creation of San Francisco Bay Area Regional Energy Network (Bay REN)**

SPECIAL JOINT MEETING

MTC COMMISSION AND ABAG EXECUTIVE BOARD

July 19, 2012

Page 4

10. Public Comment

11. ABAG Announcements

12. ABAG President's Report

13. ABAG Executive Director's Report**

14. ABAG Legislation & Governmental Organization Committee Report**

ABAG Executive Board Information/ACTION. Committee Chair Julie Pierce, Councilmember, City of Clayton, will report on Committee activities and ask Board approval of Committee recommendations.

15. ABAG Finance & Personnel Committee Report**

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

a) CLOSED SESSION

Conference with Labor Negotiators

Agency designated representatives: Patricia Jones and others TBD

Employee organization: SEIU Local 1021

16. Adjournment

Next MTC Commission Meeting: 9:30 a.m., Wednesday, July 25, 2012
Lawrence D. Dahms Auditorium
Joseph P. Bort MetroCenter
101 8th Street, Oakland, CA 94607

Next ABAG Executive Board Meeting: 7:00 p.m., Thursday, September 20, 2012
Lawrence D. Dahms Auditorium
Joseph P. Bort MetroCenter
101 8th Street, Oakland, CA 94607

The MTC Commission and the ABAG Executive Board may act on any item on this agenda

* Attachments sent to ABAG Executive Board Members and MTC Commissioners.

** Attachments sent to ABAG Executive Board Members.

*** Attachments sent to MTC Commissioners.

Transit Access to the Scottish Rite Center: Take BART to 19th St. Station Oakland, and walk approximately seven blocks east towards Lake Merritt on 17th St. after exiting BART until it intersects with Lakeside Drive. Turn right on Lakeside and continue for about another block to the Scottish Rite Center. Or get off BART at Lake Merritt Station, and walk northeast along Oak St. 7-8 blocks towards Lake Merritt until it becomes Lakeside Drive.

SPECIAL JOINT MEETING

MTC COMMISSION AND ABAG EXECUTIVE BOARD

July 19, 2012

Page 5

Continue along Lakeside Drive until you pass 14th St. The Scottish Rite Center will be shortly before 17th St. along Lakeside Drive. AC Transit Bus Route #26, which is .2 miles away at 14th and Oak St. Next, at .31 miles from the Scottish Rite, at 12th and Oak St., are AC Transit Bus Routes 1, 14, 18, 1R, 40, and 88. At .34 miles is 12th and Fallon St., which serves AC Transit Bus Routes #1, 14, 18, and 40. Oak and 10th St. is .37 miles from the Scottish Rite, and serves AC Transit Bus Route #88. For transit information from other Bay Area destinations, call 511 or use the 511 Transit Trip Planner at www.511.org to plan your trip.

Public Comment: The public is encouraged to comment on agenda items at committee meetings by completing a request-to-speak card (available from staff) and passing it to the committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Compensation: Each MTC Commissioner here today will be entitled to receive \$100 per meeting attended, up to a maximum of \$500 per month per agency. This amount is provided as a result of convening a meeting for which each member is entitled to collect such amount.

Record of Meeting: MTC meetings are recorded. Copies of recordings are available at nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site for public review for at least one year.

Parking at the Scottish Rite Center: Parking is available in the free lot which is located behind the Center's building, on Madison Street. Madison is a one way street, running in the opposite direction as Lakeside. Other lots are also available on Madison Street which are not free. Some on-street parking is also available. If Center's parking lot is full you may have to resort to parking on the street or in another lot which is NOT free. There are two lots on Madison within a couple of blocks of their parking lot. If you desire to look for on-street parking, continue on Madison, turning left at 14th, and left again on Lakeside.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 510.817.5757 or 510.817.5769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 510.817.5757 或 510.817.5769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Título VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 510.817.5757 o al 510.817.5769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Meeting Conduct: In the event that any public meeting conducted by MTC is willfully interrupted or disrupted by a person or by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible, the Chair may order the removal of those individuals who are willfully disrupting the meeting. Such individuals may be subject to arrest. If order cannot be restored by such removal, the members of the Commission may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue on matters appearing on the agenda.

ABAG CALENDAR – July & August 2012

ASSOCIATION OF BAY AREA GOVERNMENTS [ABAG]

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

ABAG Receptionist: 510/464-7900

ABAG FAX: 510/464-7985

E-mail: info@abag.ca.gov

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

JULY

Regional Advisory Working Group

7/10 @ 9:30 am, MetroCenter, Auditorium.

Special Meeting - Regional Planning Committee (RPC)

7/10 @ 1:00 p.m., MetroCenter, Auditorium.

Special Joint Meeting with BAHA / BAAQMD / ABAG

7/11 @ 9:00 am, Regional Agency HQ, 390 Main Street, 6th Floor., SF

Legislation & Governmental Organization

7/19 @ 3:30 pm, MetroCenter, ABAG Conference Room B

Finance & Personnel Committee

7/19 @ 5:00 pm, MetroCenter, ABAG Conference Room B

EXECUTIVE BOARD

7/19 @ 7:00 pm, *Special Location:* Scottish Rite Center, 1547 Lakeside Drive, Oakland

ABAG / BAAQMD / MTC Joint Policy Committee

7/20 @ 10:00 am, MetroCenter, Auditorium

San Francisco Restoration Authority Governing Board

7/25 @ 12:00 Noon, MetroCenter, Room 171

AUGUST

Regional Planning Committee (RPC)

8/1 @ 1:00 p.m., MetroCenter, Auditorium.

Regional Advisory Working Group

8/7 @ 9:00 am, MetroCenter, Auditorium.

Bay Trail Steering Committee

8/9 @ 1:30 pm, MetroCenter, ABAG Conference Room B

ABAG Power Executive Board

8/15 @ 12:00 pm., MetroCenter, ABAG Conference Room B

SFEP Implementation Committee

8/22 @ 9:30 am., Elihu M. Harris State Building, Room 10

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

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



MTC Officers

Chair: Adrienne J. Tissier
Vice Chair: Amy Rein Worth
Executive Director: Steve Heminger

ABAG Officers

President: Mark Luce
Vice President: Julie Pierce
Executive Director: Ezra Rapoport

CALL AND NOTICE OF SPECIAL JOINT MTC COMMISSION AND ABAG EXECUTIVE BOARD MEETING

**7:00 p.m., Thursday, July 19, 2012
Oakland Scottish Rite Center
1547 Lakeside Drive
Oakland, CA 94612**

As Chairs of the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) Executive Board, we are calling a special joint MTC and ABAG Executive Board meeting for July 19, 2012 at 7:00 p.m. at the Oakland Scottish Rite Center, 1547 Lakeside Drive, Oakland, CA 94612. The business to be transacted will include the following:

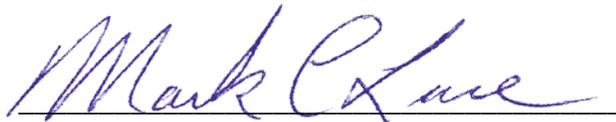
- 1) approval of the Special Joint MTC-ABAG Executive Board May 17, 2012 Minutes (MTC and ABAG Executive Board approval);
- 2) Plan Bay Area: approval of Environmental Impact Report (EIR) Scoping Feedback and Alternatives (MTC and ABAG Executive Board approval);
- 3) approval of Resolution Nos. 12-12 and 13-12, and adoption of the final Regional Housing Need Allocation (RHNA) Methodology, Release of Draft Allocations, and Approval of Subregional Shares (ABAG Executive Board approval);
- 4) adoption of technical amendment to the Jobs-Housing Connection Strategy (MTC and ABAG Executive Board approval);
- 5) approval of Investment Area and Priority Development Area (PDA) Designations and approval of Downtown Napa/Soscol Corridor PDA (ABAG Executive Board approval);
- 6) approval of ABAG Executive Board May 17, 2012 Summary Minutes (ABAG Executive Board approval);
- 7) grant applications (ABAG Executive Board information);
- 8) approval of appointments to Regional Airport Planning, Regional Planning, and HUD Grant Steering Committees (ABAG Executive Board approval);
- 9) authorization to submit full proposal and accept grant from the U.S. Environmental Protection Agency Bay Water Quality Improvement Fund to Advance Climate Change Resiliency through Ecologically Beneficial Flood Channel Design and Management (ABAG Executive Board approval);
- 10) authorization to enter into an interagency agreement with the County of Marin, the Marin County Flood Control and Water Conservation District and the Sonoma-Marin Area Rail Transit District to provide technical support for permit processing (ABAG Executive Board approval);
- 11) authorization to contract with Wilsey-Ham, Inc. for the San Pablo Avenue Green Stormwater Spine Project Design Services (ABAG Executive Board approval);
- 12) approval of Resolution No. 10-12 authorizing submittal of Urban Greening Grant Application, accepting grant award, and negotiating and entering into a contract agreement with the State of California Strategic Growth Council (ABAG Executive Board approval);
- 13) authorization to join *Amicus Curiae* Brief in Cole v. Town of Los Gatos (ABAG Executive Board approval);

- 14) approval of Resolution No. 14-12 ratifying submittal of proposal to California Public Utilities Commission (CPUC) for creation of San Francisco Bay Area Regional Energy Network (ABAG Executive Board approval);
- 15) Public comment;
- 16) ABAG announcements;
- 17) ABAG's President's Report;
- 18) ABAG Executive Director's Report;
- 19) ABAG Legislation and Governmental Organization Committee Report (ABAG Executive Board information and approval);
- 20) ABAG Finance and Personnel Committee Report (ABAG Executive Board information and approval);
- 21) ABAG Closed Session conference with labor negotiators; and
- 22) Adjournment.

Members of the public shall be provided an opportunity to directly address MTC and the ABAG Executive Board concerning items 1-20 described above, before or during consideration of that item. Agendas and materials will be posted and distributed for these meetings by MTC and ABAG staff in the normal course of business.



Adrienne J. Tissier
Chair, MTC



Mark Luce
President, ABAG Executive Board

July 16, 2012

Plan BayArea

TO: MTC Commission and ABAG Executive Board

DATE: July 13, 2012

FR: Executive Directors

RE: Plan Bay Area – EIR Alternatives

The MTC Planning Committee and the ABAG Administrative Committee met jointly on Friday, July 13, to consider our staff recommendation to select alternatives to be evaluated in the Environmental Impact Report for Plan Bay Area. The staff memorandum and recommendation is attached for your information.

The Committees each voted unanimously to forward the recommendation as outlined in the staff memorandum to the Commission and ABAG Executive Board for approval at your joint meeting on July 19.



Steve Heminger



Ezra Rapport

Attachments

Plan BayArea

To: MTC Planning Committee, ABAG Administrative Committee

Date: July 9, 2012

Fr: Executive Director, ABAG
Executive Director, MTC

Re: Plan Bay Area: EIR Alternatives

On June 11, 2012, MTC and ABAG started the Environmental Impact Report (EIR) process for Plan Bay Area by filing a Notice of Preparation (NOP). The environmental review process governed by the California Environmental Quality Act (CEQA) intends to inform decision makers, responsible and trustee agencies, and the general public of the range of potential environmental impacts that could result from the implementation of Plan Bay Area. The EIR will examine a range of reasonable alternatives, identify the environmentally superior alternative, and recommend a set of measures to mitigate the impacts of the selected alternative.

During June and July, staff conducted five public outreach meetings across the region, in addition to several focused meetings with equity advocates, business groups, county congestion management agency staff, and local jurisdictions, to obtain input on evaluation issues and proposed alternatives. Written and oral comments from these meetings have informed and will continue to inform the alternative definitions. For a summary of the outreach process and key themes heard to date, see **Attachment A**. The comment period closes July 11th, so additional refinements to the alternatives described herein may be necessary.

Staff is proposing to move forward with five EIR alternatives. These alternatives are defined by explicit land use and transportation policies and will be evaluated using an integrated regional modeling system comprised of the UrbanSim spatial economic/land use model and the MTC travel model. While UrbanSim is a new modeling tool for use by MTC and ABAG, recent surveys show that UrbanSim has become the most widely used economic/land use model system by planning agencies in the U.S., including Seattle, Houston, Phoenix, and San Francisco, as well as internationally in cities such as Paris, Rome, Zurich, Seoul, and Beijing. This analytical approach has been met with support of stakeholders who participated in the scoping process. Furthermore, as recommended by the California Transportation Commission's 2010 Regional Transportation Plan Guidelines, the largest metropolitan planning organizations should build formal microeconomic land use models, as soon as practical, so that they can be used to analyze and evaluate the effects of growth scenarios on economic welfare (utility), including land prices, home affordability, jobs-housing fit, the combined housing-transportation cost burden, and economic development (wages, jobs, exports). The CTC also recommends that mapping and visualization tools be used, to the extent practicable, to create visual representations of proposed scenarios to facilitate more effective and meaningful public involvement in development and

refinement of the Sustainable Communities Strategy. As such, over the past two years, MTC and ABAG have collaborated with University of California, Berkeley to develop the UrbanVision visualization tool and the UrbanSim economic/land use model for use in Plan Bay Area. Notably, based on the Bay Area's use of UrbanSim, SANDAG is presently considering developing UrbanSim to assist them in the development of their next SCS, particularly in light of the legal challenges on their certified EIR.

The UrbanSim and MTC travel model interact with each other, such that land use policies will affect transportation outcomes and transportation projects and policies will affect land use outcomes. UrbanSim will test explicit land use policies (e.g., zoning, fees and subsidies, urban growth boundaries, and incentives such as OneBayArea Grants and CEQA streamlining), and produce the resulting land use development pattern that reflects those policy levers. UrbanSim simulates the interactions of households, businesses, developers and governments within the urban market, specifically representing choices made by:

- Households in considering whether to move and where to locate based on neighborhood amenities, travel times to jobs, demographics, housing prices, etc.
- Businesses in determining whether to relocate and where to relocate based on access to other businesses, access to labor, building prices, etc.
- Developers in deciding what properties to develop or redevelop and into what use at what density in order to maximize profit. Profit is calculated on each parcel using a pro forma analysis to determine the market feasibility of development.
- Governments in making infrastructure investments and implementing land use regulations (i.e., zoning).

The UrbanSim output of all of these interactions is the representation of the densities, intensities and uses of development, prices, and population and employment distributions. The MTC travel model then takes these UrbanSim outputs and attempts to represent traveler behavior, considering new transportation infrastructure and policies proposed for Plan Bay Area. The introduction of new transportation infrastructure (e.g., BART to San Jose service) will result in changes in accessibility. These accessibility changes will then be fed back into UrbanSim, which will produce a new simulation wherein the accessibility changes will affect the real estate market, and thus may produce a modified land use pattern. The change in land use is once again feed back into the travel model, which now forecasts changes in travel characteristics (such as higher BART ridership). In sum, the integration of the land use/economic model and travel model allows land use and transportation policies to influence each other in both directions.

The five proposed EIR alternatives are as follows:

1. The **No Project** alternative begins with the 2010 built environment and assumes, through 2040, the continuation of currently-adopted general plans. The transportation network adds all committed projects to a representation of the 2010 transportation system. CEQA requires the examination of a no project alternative.
2. The **Jobs-Housing Connection**, or "Project", alternative pairs a land development pattern in which 80 percent of household growth and 66 percent of the job growth are

located in Priority Development Areas (PDAs) with the Preferred Transportation Investment Strategy. MTC and ABAG approved the land use and transportation element of this scenario in May 2012. The UrbanSim model will be used to adequately recreate the Jobs-Housing Connection land development pattern through land use policies.

3. The **Transit Priority Focus** alternative will evaluate the potential for greater development in Transit Priority Project (TPP) areas and consequently less development intensity in PDAs than Alternative 2. Senate Bill 375 explicitly defines TPPs, which are types and locations of developments that the State would like to see occur. This scenario includes fees on development in regionally-inefficient locations that would be imposed by other regional agencies or local governments. In addition, this alternative will make adjustments to the transportation network by exchanging funds identified in the Preferred Transportation Investment Strategy for arterial signal coordination and transit capital rehabilitation projects in order to make investments in AC Transit and BART.
4. The **Enhanced Network of Communities** alternative is titled and informed by input from the business community. This alternative will be based on the land use pattern previously identified in “Current Regional Plans/Projections 2011.” However, it seeks to eliminate the net daily importing of workers to the region. Thus, it has a higher number of residents and housing units than the other alternatives. Similar to the Jobs-Housing Connection alternative, it assumes significant land use policies need to be implemented by regional and local authorities, including substantial subsidies in PDAs and other areas (except no new development fees), as well as the Preferred Transportation Investment Strategy. In addition, this alternative would clarify that the OneBayArea Grant funding be conditioned on receiving jurisdiction identifying and eliminating or reducing local regulatory constraints to achieving the jobs and housing development as envisioned in PDAs.
5. The **Environment, Equity, and Jobs** alternative is titled and designed with input from Public Advocates, Urban Habitat, and TransForm; this alternative seeks to maximize affordable housing in opportunity areas outside of the PDA framework. It seeks growth in both urban and suburban areas. The suburban growth is supported by increased transit service to Communities of Concern, which is funded by transferring funds identified in the Preferred Transportation Investment Strategy for arterial signal priority and transit capital rehabilitation projects.

The EIR will assess the potential impacts of the five proposed alternatives across a number of environmental resource categories, as follows:

- Transportation
- Air Quality
- Land Use, Housing, Agriculture, and Physical Development
- Energy
- Greenhouse Gases/ Climate Change
- Noise
- Geology and Seismicity
- Water Resources
- Biological Resources
- Visual Resources
- Cultural Resources

- Public Utilities
- Growth-Inducing Impacts

During the scoping process, we received input from the public to also consider evaluating the potential impacts on public services and recreation. Staff will take this input under consideration as we determine whether there may be significant impacts of regional importance expected to occur in these areas.

Please see **Attachment B** for a detailed description of each alternative. Note that an alternative must meet the state-assigned greenhouse gas (GHG) reduction target in order to become an adopted Sustainable Communities Strategy. The inputs to the **Housing Opportunities for Bay Area Workers** and/or **Environment, Equity, and Jobs** alternatives will respond to the requests of the business and equity advocates, respectively.

At your July 13th meeting, staff will review and request input on the refined alternatives, as well as seek approval to begin the EIR analysis. Approval by the joint committees will refer this item to the July 19th special joint meeting of the Commission and ABAG Executive Board. A detailed schedule of ongoing Plan Bay Area EIR activities is shown in **Table 1**.


Ezra Rapport


Steve Heminger

SH:BD/DV

J:\COMMITTEE\Planning Committee\2012\July\DRAFT\2012 07 09 DRAFT 04.docx

TABLE 1: Plan Bay Area EIR Schedule

<i>Dates</i>	<i>EIR Milestones</i>
July 11	End of 30-Day Public Review Period for Notice of Preparation
July 13	Present Final Alternatives for review by Joint MTC Planning/ABAG Administrative Committees and recommendation to the Commission and ABAG Executive Board
July 19	Commission and ABAG Executive Board approve Final EIR Alternatives
July – December	Prepare Draft EIR
December 14	Release Draft EIR for 45-Day Public Review Period by Joint MTC Planning/ABAG Administrative Committees (Comment Period: December 14, 2012 – January 31, 2013)
January 2013	Hold Public Hearings on Draft Plan and Draft EIR
February – March 2013	Prepare Final EIR (includes Response to Comments)
April 2013	Commission and ABAG Executive Board Certify Final EIR and Adopt Final Plan

ATTACHMENT A: Public Outreach Efforts & Comments Received

On June 11, 2012, MTC and ABAG jointly released a Notice of Preparation (NOP) for the Plan Bay Area Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). This initiated the 30-day comment period, which concludes on July 11, 2012, in which we are gathering detailed regarding the scope and content of the environmental information that will be evaluated in the EIR. Written comments are accepted by mail, email, and fax.

MTC and ABAG conducted five scoping meetings and met with several different stakeholder groups to discuss their comments on the scope of the EIR. The following list identifies the locations and dates of the scoping meetings held during the NOP comment period.

Public Scoping Meetings

- June 20: Oakland, Joseph P. Bort MetroCenter, 6:00 to 8:00 p.m.
- June 21: San Jose, Dr. Martin Luther King, Jr. Library, 10:00 to Noon
- June 25: Fairfield, Solano County Events Center, 1:30 to 3:30 p.m.
- June 26: San Francisco, SF Planning + Urban Research (SPUR), 10:00 to Noon
- June 27: San Rafael, Embassy Suites Hotel, 1:30 to 3:30 p.m.

Stakeholder Meetings

- June 20: Equity Stakeholders
- June 26: Equity Stakeholders
- June 29: Equity Stakeholders
- June 27: Congestion Management Agencies (CMAs) and Local Jurisdictions
- July 3: Business Coalition

Other Agency Meetings

- June 21: Presented at San Francisco Bay Conservation and Development Commission (BCDC) Board Meeting

MTC and ABAG worked closely with the public as well as equity, business, and local government stakeholders to ensure we received their input on the scope of the Plan Bay Area EIR. Several general themes emerged from the process, as described below.

Note that these themes are based on feedback received through June 30, 2012. The comment period remains open until July 11. MTC and ABAG will consider all comments received from these scoping meetings, as well as written comments received during the development of the Plan Bay Area EIR.

Input from the General Public

- 1. Some meeting participants expressed significant concerns about the legitimacy, impacts, and influence of Plan Bay Area.** In particular, residents were concerned about regional actions that might supersede local land use control or individuals' property rights. These individuals were interested in additional public forums to express support for the No Project alternative.
- 2. Some meeting participants were skeptical of the accuracy of population and job projections developed by ABAG,** as well as the validity of the 100 percent housing target achievement for the Jobs-Housing Connection Scenario.
- 3. A wide range of alternatives should be considered in the EIR process,** both in transportation networks and land use patterns.
- 4. CEQA streamlining was a concern to many individuals, specifically the potential in SB 375 for certain projects' full exemption from CEQA.** Staff will need to provide a more detailed explanation of this issue in the future, given its importance to the planning effort.
- 5. Additional impacts were suggested for inclusion in the EIR beyond the initial list presented by agency staff,** including impacts to recreation and open space, localized transportation networks, and public services.

Input from Equity Stakeholders

- 1. While PDAs are an important part of the regional growth pattern, MTC/ABAG should also emphasize "high-opportunity" areas outside of PDAs for additional affordable housing.** These areas have higher levels of in-commuting, good schools, and a relative dearth of affordable housing.
- 2. Fees, subsidies, and incentives should all be designed to favor the development of affordable housing.** OBAG and RHNA should incorporate policies like anti-displacement regulations and requirements for including affordable, deed-restricted units in new developments.
- 3. Increasing funding for transit, while at the same time scaling back highway expansion, should be a top transportation priority.** While some additional funding should go towards core urban areas to counteract transit service cuts, the rest should go towards "high-opportunity" suburban areas where equity stakeholders want to support low-income housing.

Input from the Business Community

1. **UrbanSim will provide a market-based feasibility tool to verify the viability of prior population and jobs “vision-based” forecasts.** In particular, ABAG’s growth allocation to PDAs is of major concern; UrbanSim should provide the framework to assess the economic viability of such forecasts on a PDA-by-PDA basis.
2. **Policies in the EIR alternatives should be directly influenced by MTC/ABAG.** These policies should emphasize reduced regulation through streamlining or lower development fees, as that would be the best approach to provide housing for the region’s expected growth.
3. **All EIR alternatives should be analyzed using higher population control totals,** which would eliminate net in-commuting to the region and provide a level playing field across the alternatives.

Input from CMAs and Local Jurisdictions

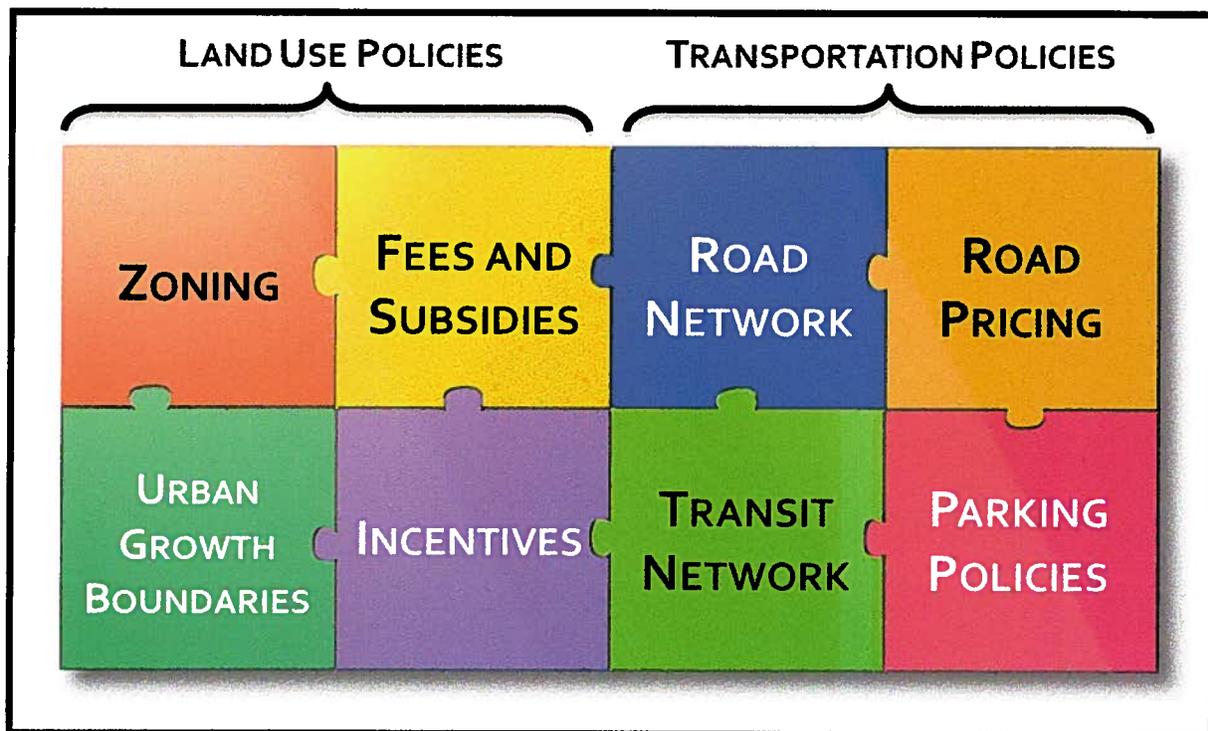
1. **UrbanSim represents an exciting new analytical approach that supports a policy-based analysis framework.** This framework is more transparent than past “vision-based” land use patterns developed by ABAG, and it should provide more detailed and accurate information for review.
2. **The analytical tool and methodology should be consistent for all alternatives, including the Jobs-Housing Connection scenario.** Failure to use a consistent analytical frame would lead to unfair comparisons across alternatives and call into question the usefulness of the EIR.
3. **CEQA streamlining in Plan Bay Area is of significant interest to agencies working to implement “smart growth” at a local level.**
4. **Pricing remains of interest for inclusion in alternatives,** but alternatives should not include pricing policies if they expect to be deemed infeasible during analysis.

*Note: Includes Alameda, Santa Clara, San Francisco, Marin, Napa, Sonoma, and San Mateo CMAs and planners from Oakland, San Jose, San Francisco, and Santa Rosa.

ATTACHMENT B: Policy Levers for EIR Alternatives

In order to analyze the impacts of various transportation and land use patterns, it is necessary to first define the policies used to construct each alternative. The specific policies used to achieve a focused or dispersed land use pattern have different environmental impacts and the degree or strength of these policy levers will determine how successful each alternative is in achieving its objectives.

While there are myriad policies that could be feasibly implemented, the “puzzle” shown below represents eight key policy categories that we have chosen to identify when constructing the EIR alternatives.



Zoning

In order to facilitate growth in specific areas, staff will analyze the potential for upzoning specific parcels within Priority Development Areas (PDAs), as identified by local jurisdictions, or within certain Transit Priority Project eligible areas (TPPs), as identified by SB 375. This additional capacity for growth may make development economically viable on a given parcel. Alternately, upzoning may have minimal impact when there is insufficient market demand to develop the parcel in question. Note that policy-based (i.e. generated from a regional strategy) upzoning will not be implemented in the model if the proposed upzoning is less than the existing general plan (meaning, parcels will not be downzoned).

Urban Growth Boundaries

While the region's urban growth boundaries have tended to expand slowly over time, we can analyze alternative forecasts in which local communities either more strictly constrain or even loosen these boundaries.

Fees and Subsidies

Authority exists for the levying of a regional development fee to create growth patterns that emit less toxic contaminants into our air. This type of fee, which would be added to existing jurisdictional-level fees, would discourage development in location-inefficient areas with high levels of emissions.

Separately, assuming funding can be identified, subsidies could also be provided to encourage development in PDAs or TPPs where market demand is insufficient.

Incentives

One regional incentive is the OneBayArea Grant (OBAG) program, which provides funding to support growth in PDAs. Additional incentives that could be implemented include CEQA streamlining for TPPs, as provided in Senate Bill 375, or redevelopment funding for TPPs, as included in proposed Senate Bill 1156.

Road Network & Transit Network

While the Preferred Transportation Investment Strategy included a proposed road network and transit network for Plan Bay Area, we may remove uncommitted projects, or shift limited amounts of eligible funding, to support specific priorities for a given EIR alternative.

Road Pricing

There have been many ideas proposed in the realm of road pricing; a VMT fee is included here. A VMT fee or tax would increase the cost of driving, provide funding for roads or transit, and encourage the use of alternative modes of transportation.

Parking Policies

In addition to increased parking pricing, incentive programs like OBAG could encourage local jurisdictions to revise parking minimum policies, which often require new developments to build parking at rates in excess of market demand. Lowering these minimums would free developers to reduce the number of parking spaces in new residential or commercial developments if market demand warrants, thus reducing the regulatory burden (and cost) associated with new development.

ATTACHMENT B: Specific Components of EIR Alternatives

For the purposes of analyzing the environmental impacts of Plan Bay Area, staff first developed a set of EIR alternatives and then refined these alternatives based on comments received during the scoping process. In addition to the No Project and Jobs-Housing Connection (“Project”) alternatives required for analysis under CEQA, three additional alternatives were developed to provide a range of reasonable alternatives. Note that one or more of the alternatives may fail to achieve the greenhouse gas reduction target and thus be ineligible to serve as the Bay Area’s Sustainable Communities Strategy.

At this time, staff is defining the key inputs to each alternative. Once the alternatives have been approved, staff will analyze the impacts of each alternative using our integrated land use/transportation modeling system. This process will forecast differences in regional transportation and land use outcomes.



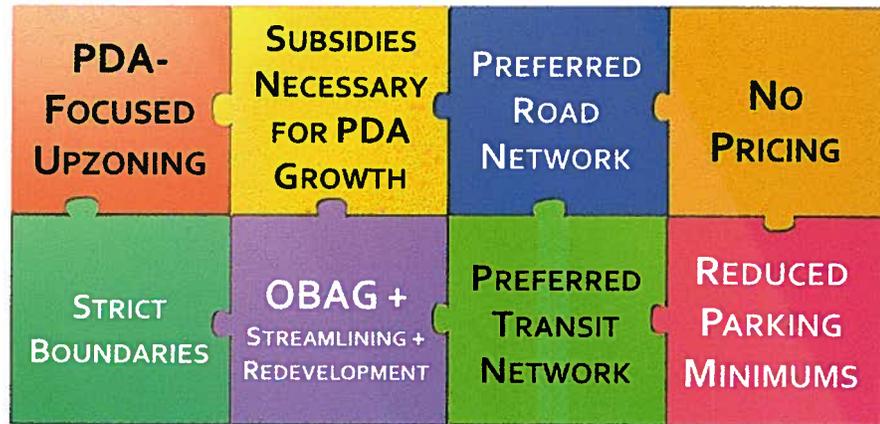
Intent of Alternative 1:

This alternative is required by CEQA and will analyze the potential environmental impacts if Plan Bay Area is not implemented. Staff anticipates that this alternative will reflect the trends of the past half-century – i.e., a dispersed growth pattern, combined with continued high levels of automobile dependency.

Policy Measures Included in Alternative 1:

The No Project alternative cannot, per CEQA, include policy measures being considered for inclusion in Plan Bay Area. For this alternative we assume no new regional policies will be implemented to influence local land use patterns and that no uncommitted transportation investments will be made. Land use patterns are assumed to be constrained, through 2040, by existing locally-adopted general plans, and urban growth boundaries are assumed to continue to expand at historical rates. Neither regional land development fees or incentives, nor road or parking pricing are considered.

ALTERNATIVE
2
**Jobs-Housing
Connection**



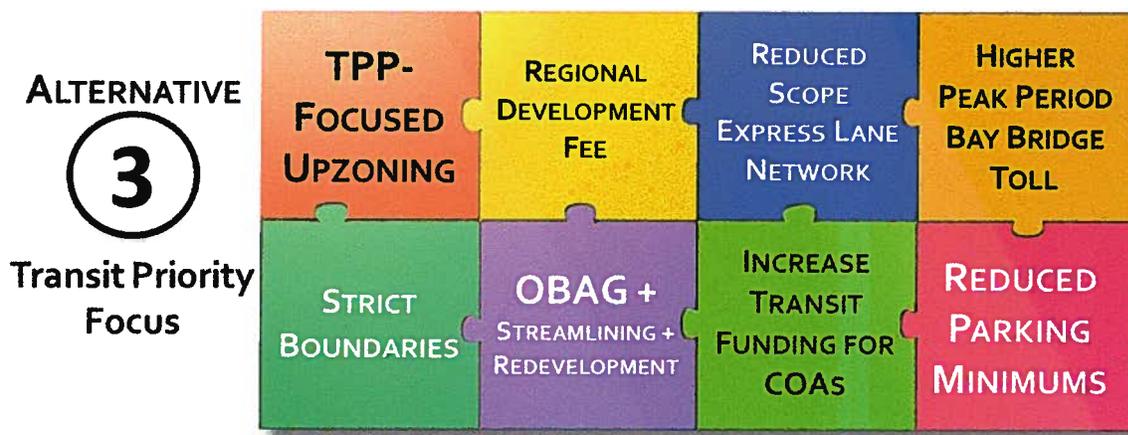
Intent of Alternative 2:

This alternative is required by CEQA as it best represents the “Project” (Jobs-Housing Connection Strategy) approved by MTC/ABAG. The Jobs-Housing Connection alternative will implement strategies to achieve increased population and employment density in the Priority Development Areas (PDAs) that have been put forward by local jurisdictions. Building from the Jobs-Housing Connection Strategy vision, this alternative seeks to identify and quantify the policies necessary to achieve that vision (e.g., focus 80 percent of the region’s household growth and 66 percent of the job growth into PDAs).

Policy Measures Included in Alternative 2:

In order to achieve the goal of focusing 80 percent of the region’s growth in PDAs, significant land use policies need to be implemented by regional and local authorities, including substantial subsidies for certain PDAs. Staff will assume that, in order to focus growth in PDAs, that jurisdictions will upzone those areas to match the density levels of their self-identified PDA Place Types. Urban growth boundaries will be treated in a strict manner – i.e. development will not be allowed to leak into “greenfield” locations over time. In order to incentivize growth in the PDAs, the OneBayArea Grant (OBAG) program will provide funding to encourage dense development in these areas.

The transportation elements of this alternative will include infrastructure investments included in the Preferred Transportation Investment Strategy, which was previously approved as part of the Jobs-Housing Connection Strategy in May 2012.



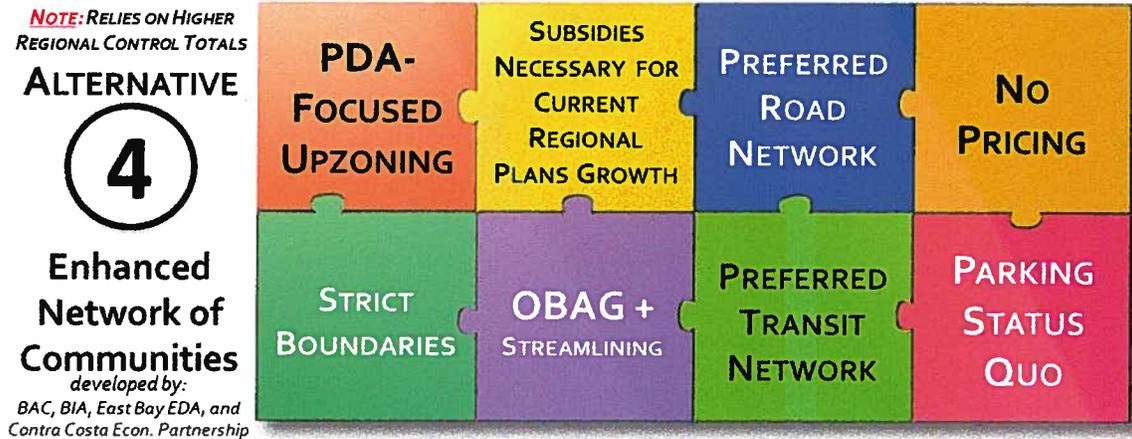
Intent of Alternative 3:

In order to consider a reasonable range of alternatives, it is important to evaluate alternatives to the “Project” that are potentially less disruptive to the environment. Alternatives 4 and 5 implement policies that support a more balanced pattern of suburban and urban growth than the “Project”. This alternative, in contrast, will attempt to develop a more focused growth pattern primarily in the region’s urban core. In line with SB 375, this alternative relies on Transit Priority Project eligible areas (TPPs), which are defined as areas of high-frequency transit eligible for higher-density development streamlining. While this alternative will likely not have as much growth in PDAs as the “Project”, the TPP framework should support a more highly-efficient growth pattern that leverages the significant investment our region has made and continues to make in transit service.

Policy Measures Included in Alternative 3:

This alternative will include an aggressive set of policy measures for both land use and transportation – including upzoning in all of the region’s TPP-eligible areas, a regional development fee to discourage inefficient (in regards to vehicle-miles traveled (VMT) creation) growth patterns, OBAG grants to incentivize PDA growth, CEQA streamlining in TPPs, and tax-increment financing to fund focused growth in TPPs which could be authorized under proposed SB 1156.

The transportation network will be revised to support the urban core. Specifically, the Regional Express Lanes Network will be scaled back to only include conversions of existing HOV lanes. In addition, funding would be shifted from other priorities to support implementation of Comprehensive Operations Analyses (COAs) as developed by the Transit Sustainability Project (TSP). As VTA has already implemented its COA, and San Francisco’s Transit Effectiveness Project (TEP) is already funded in the preferred transit network, this leads to two agencies receiving significantly increased funding – AC Transit and BART. This transfer of funds also could, however, adversely affect transit service by removing funding for arterial signal timing and transit capital rehabilitation projects. To further boost transit ridership, a higher peak toll in the Bay Bridge corridor will be evaluated.

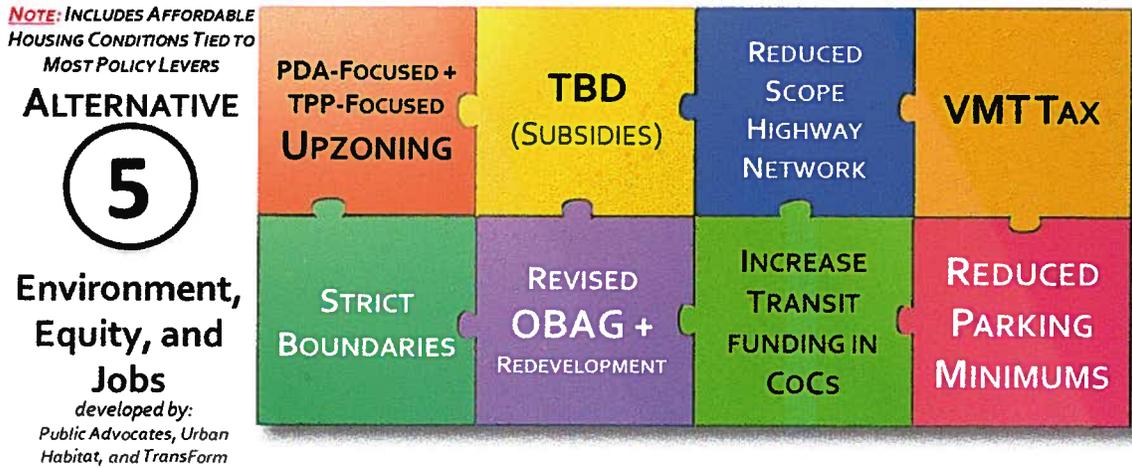


Intent of Alternative 4:

Among numerous other provisions, SB 375 requires that Plan Bay Area “identify areas within the region sufficient to house all the population in the region”. This EIR alternative provides sufficient housing in the region for all Bay Area workers who want to live here. All other alternatives assume that the Bay Area imports workers from our neighboring counties, although at a lower rate of growth than in the past few decades. This alternative relies on higher population and employment control totals to “zero out” the net in-commute. Furthermore, it reflects input from the region’s business community, which has requested an alternative that mirrors the land use pattern previously identified in “Current Regional Plans/Projections 2011.” Similar to the Jobs-Housing Connection alternative, it assumes significant land use policies need to be implemented by regional and local authorities, including substantial subsidies in PDAs and other areas (except no new development fees), as well as the Preferred Transportation Investment Strategy. In addition, this alternative would clarify that the OneBayArea Grant funding be conditioned on receiving jurisdiction identifying and eliminating or reducing local regulatory constraints to achieving the jobs and housing development as envisioned in PDAs.

Policy Measures Included in Alternative 4:

With the exception of the “No Project” alternative, this alternative would minimize development constraints to the greatest extent. Upzoning in PDAs, as well as substantial subsidies (except no new development fees) and CEQA streamlining, should reduce the costs of constructing housing. Implementation of the OneBayArea Grant incentive will apply only to jurisdictions with eliminated or reduced local regulatory constraints. No modifications will be made to the Preferred Transportation Investment Strategy, and no road pricing will be implemented (thus preventing an increase in fees for drivers). Parking will remain as status quo, as is the case in the “No Project” alternative.



Intent of Alternative 5:

This alternative attempts to embody the proposal by Public Advocates, Urban Habitat, and TransForm. The intent of the alternative is to reduce displacement and support affordable housing in both PDAs and “high-opportunity” suburban locations. The alternative seeks to strengthen public transit by boosting service in suburban and urban areas, eliminating uncommitted highway projects, and implementing taxes to discourage driving.

Policy Measures Included in Alternative 5:

Upzoning would be expanded beyond PDAs to include jobs-rich, high-opportunity TPPs not currently identified as PDAs. Based on the criteria specified by equity stakeholders, these additional areas would include those which are generally rich in employment and good schools but lack affordable housing. The equity advocates specified that a modified RHNA would be used to encourage this upzoning pattern.

While many of these same policy concepts are implemented in other alternatives, this alternative includes additional affordable housing and anti-displacement policies as pre-conditions for subsidies and incentives (i.e., a modified OBAG program). Development fees will be eliminated for affordable housing developments, while subsidies will be used for policies like a Regional Housing Trust Fund to minimize displacement.

With respect to the transportation system, this alternative removes all capacity-increasing, uncommitted roadway projects from the Preferred Transportation Investment Strategy, including the reduced scope Express Lane Network from Alternative 3. Funding shifts noted previously would be spent on Communities of Concern in the urban core and on suburban routes in “high opportunity” areas; free youth passes would also be funded from that source. In exchange for funding these priorities, the amount of arterial signal priority and transit capital rehabilitation projects will be reduced, which could result in slower transit speeds and less reliable transit service in the urban core. Road pricing will be implemented to reduce driving, although the proposed VMT tax will exempt all low-income drivers. Parking minimums will be reduced for affordable housing developments.

MEMO

To: ABAG Executive Board
From: Ezra Rapport, Executive Director
Date: July 10, 2012
Subject: Final Regional Housing Need Allocation Methodology

Background

The Regional Housing Need Allocation (RHNA) Methodology specifies how all cities and counties in the Bay Area work to provide a fair share or proportion of the region's total and affordable housing need, which is a core requirement of the Housing Element Law. At the May 17, 2012 meeting, the ABAG Board approved a Draft RHNA Methodology recommended by the Housing Methodology Committee (HMC) and staff. At that board meeting and thereafter staff received comments on economic feasibility, regional equity implications, and individual local allocations of the proposed draft methodology and distribution. This input was collected from ABAG Executive Board Members, local jurisdictions, community advocates, and the public.

The public comment period for Draft RHNA Methodology has closed and all comments have been reviewed (See Appendix C). Staff has carefully considered the comments and is recommending two adjustments to the RHNA Methodology and reporting on one technical correction to the Jobs-Housing Connection Strategy that will have some impact on the sample RHNA allocations presented at the May 17, 2012 Executive Board meeting. The technical correction and adjustments have been sent to the HMC. The proposed actions and adjustments that incorporate the comments on the Draft RHNA Methodology are described in the following pages.

Action 1: Adoption of the Final RHNA Methodology

Technical Corrections and Proposed Adjustments

Two technical corrections have been completed that effect RHNA and the Jobs-Housing Connection Strategy.

The first technical correction revises the Priority Development Areas (PDAs) in Santa Clara County, which is an input into RHNA. PDA designations require approval by local jurisdictions with land use authority by council resolution. In April of 2012, ABAG and the Santa Clara Valley Transportation Authority (VTA) sought direction from the cities and county on the designation of VTA Cores, Corridors, and Station Areas within their respective jurisdictions as Priority Development Areas. This was done to verify that all Priority Development Area designations are supported by the local community in which they are located (See Appendix B for a description of input received). Changes to the PDA are based on this input from the associated local jurisdictions.

The PDA framework reflects the aspirations of local jurisdictions for the development potential of individual PDAs. This framework is an essential component to the growth projections for each PDA in the Jobs-Housing Connection Strategy. These growth projections are the initial inputs into the RHNA methodology. In sum, any corrections made to the PDA framework affect the growth projections which result in changes to both the Jobs-Housing Connection Strategy and RHNA methodology.

The second technical correction modifies the Jobs-Housing Connection Strategy to better account for regional vacancy rates. Calculations were changed to exclude vacation, seasonal, migrant farm worker, or other types of recreational housing from the number of vacant units in the region. These two technical corrections have minor impacts to the Draft RHNA presented in May 2012.

Two adjustments are presented for the Board consideration for adoption of the Final RHNA Methodology. The first adjustment, Growth Concentration, strengthens a fair share distribution between large cities and medium cities with high job growth and transit access. The second adjustment, Income Distribution, is a revision to the RHNA methodology on the median income calculation. These revisions altered the RHNA Methodology.

Adjustment 1: Growth Concentration

Rationale and Process

The draft Jobs-Housing Connection Strategy was first released in March 2012 for public comment, and significant revisions were made to this Strategy in the draft release May 2012. The May version of the Jobs-Housing Connection Strategy substantially increased the number of units forecast for the three largest cities in the Bay Area (San Jose, San Francisco, and Oakland), adding approximately 36,000 units between 2010 and 2040. This more concentrated housing distribution resulted in improved regional sustainability as measured against the SCS performance targets.

Discussions with local jurisdictions and the three large cities have continued regarding how to address the impact of this change for the cities and the region. Discussion at the Executive Board meeting on May 17, 2012 addressed the need to ensure a fair share distribution between large cities and medium cities with high job growth and transit access (See Appendix A).

ABAG staff had conversations with local jurisdictions and further analysis indicated that some core cities require investments in transit infrastructure, utilities, and improvements in public services before they can assume a high level of housing production. Taking this factor into account along with the expected pace of recovery from the current housing and fiscal crisis, ABAG shifted a small share of housing production (1.5 percent) in the Draft RHNA Methodology from Oakland, San Jose, and Newark to the balance of the region. This minor adjustment retains a strong housing production in San Jose and Oakland. On a smaller scale, the share of housing production in Solano and Sonoma Counties was also reduced for the 2014-2022 period due to similar economic constraints. These adjustments do not change the 2010-2040 long-term growth totals in the Jobs-Housing Connection Strategy. It only defers growth to a later period.

Impact on RHNA Methodology

This new distribution results in approximately 3,500 units or 1.5 percent of the regional allocation shifting from jurisdictions mentioned above to cities that may have the capacity for housing production in the RHNA time period. Housing units were shifted primarily to medium sized cities within the employment commute shed of San Jose and Oakland. Cities in the counties of Alameda, Contra Costa, San Mateo, and Santa Clara were affected as represented in the table as shown:

Table 1. Results from Adjustment 1 – Growth Concentration

Jurisdictions with Major Reductions		
Jurisdiction	# of Units	% Reduced
San Jose	2,436	4%
Oakland	623	7%
Newark	79	7%
Sonoma County	367	4%
Solano County	113	2%

Major Recipients of Total Reduction		
Jurisdiction	# of Units	% Increase
Fremont	467	9%
Sunnyvale	392	3%
Santa Clara	279	7%
Pleasanton	158	8%
San Ramon	126	10%
San Carlos	61	11%

Source: See Appendix A for RHNA results.

Adjustment 2: Income Distribution

Rationale and Process

At the meeting on May 17, 2012, the Executive Board requested that ABAG staff analyze an adjustment resulting in a greater equitable distribution of the region’s affordable housing need or where every jurisdiction with median household income above the Bay Area average should take on at least as much of the region’s lower income housing need as it did in the 2007-2014 RHNA planning period.

Based on several meetings and exchanges with equity stakeholders and local jurisdictions, ABAG staff proposes to address this request through an adjustment in the calculation of income groups (very low, low, moderate, and above moderate) by city. This calculation is based on the regional median household income instead of the county median household income. This adjustment provides a better regional alignment of the income distribution formula of 175 percent (See Appendix A).

When using the county median household income as the standard, significant disparities occur within the region. For example, in 2009, the county median income for Marin was \$87,728 while Alameda County was \$68,863. When using the county median household income to calculate the city income shares, Marin would have to produce less affordable housing than Alameda County, even though the regional

need in Marin is greater. Using the median income for the region eliminates this disparity and places all counties on equal footing.

Effect on RHNA Methodology

Changes were made to the RHNA income distribution calculation. This will not change a jurisdiction's total allocation, but shift the distribution across its income categories. Counties with residents that are above the regional median household income (Contra Costa, Marin, San Mateo, and Santa Clara) experienced a shift towards a greater concentration of units in the very-low, low, and moderate income categories. Counties with residents below the regional median household income (Alameda, Napa, San Francisco, Solano, and Sonoma) experienced shifts towards a greater concentration in the above moderate income category (See Appendix A).

Action 2: Approval of Sub-regional Shares

Napa, San Mateo, and Solano counties, and all cities within each county, are the three subregions created in this RHNA cycle. These counties are each considering an alternative housing allocation methodology. The share of the Regional Housing Need Determination (RHND) total for each of these subregions is defined by the ratio between the subregion and the total regional housing growth for the 2014 to 2022 period in the Jobs-Housing Connection Strategy and RHNA. The public comment period for the proposed subregional shares has concluded and ABAG has not received comments on this topic. If both adjustments proposed for Action 1 are approved, the share for each subregion (Napa, Solano, and San Mateo Counties) will change by less than 0.2 percent when compared to the Draft RHNA Methodology approved in May 2012.

Staff Recommendation

ABAG staff recommends that the ABAG Executive Board adopt Resolutions 12-12 and 13-12 authorizing the following actions:

- **Action 1: Adoption of the Final Draft RHNA Methodology**

ABAG staff recommends the Executive Board adopt Resolution 12-12 including the *Growth Concentration* and *Income Distribution* adjustments to the Draft RHNA Methodology for the approval of the Final Draft RHNA Methodology and release of the Final Draft RHNA to local jurisdictions.

- **Action 2: Approval of Subregional Shares**

ABAG staff recommends the Executive Board adopt Resolution 13-12 approving the subregional shares for the Napa, San Mateo and Solano subregions, based on the Final Draft RHNA Methodology under Action 1.

Next Steps

Draft Allocation Released Action to be taken by ABAG Executive Board	July 19, 2012
Public Comment Period: Revisions to Draft Allocation	September 18, 2012
ABAG Responds to Requests for Revisions	By November 15, 2012
Deadline for Subregions to Submit Final Allocation and Resolution	February 1, 2013
ABAG Adoption of Final Allocation at Public Hearing Action to be taken by ABAG Executive Board	May 16, 2013
Local Governments Adopt Housing Element Revision	October 2014

Attachment A: Resolution 12-12

Attachment B: Resolution 13-12

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 12-12

**RESOLUTION ADOPTING A FINAL METHODOLOGY FOR ALLOCATING THE
REGIONAL HOUSING NEED DETERMINATION (2014-2022) AMONG LOCAL
JURISDICTIONS AND RELEASING DRAFT ALLOCATIONS**

WHEREAS, the Association of Bay Area Governments (ABAG) is a joint powers agency formed pursuant to California Government Code §§ 6500, et seq., and is the council of governments (COG) for the San Francisco Bay Area; and

WHEREAS, pursuant to the Housing Element Law (Act) at California Government Code §§ 65580, et seq., each COG and the California Department of Housing and Community Development (HCD) are required to determine the existing and projected housing needs in the COG's region [Regional Housing Need Determination (RHN)]; and

WHEREAS, under the Act, ABAG determines each city's and county's share of the RHND through the regional housing need allocation process (RHNA); and

WHEREAS, the Executive Board authorized formation of the Housing Methodology Committee (HMC) and charged it, in part, with the responsibility of advising staff on the methodology for allocating the regional housing need among local jurisdictions (RHNA Methodology); and

WHEREAS, effective May 17, 2012, the Executive Board authorized release of the Draft RHNA Methodology for public review and comment and conducted a public hearing on June 6, 2012, to receive additional written and oral comments; and

WHEREAS, staff has reviewed the comments received during the comment period, completed one technical adjustment and devised two (2) proposed adjustments for consideration by the Executive Board, all as described in the staff memorandum dated July 10, 2012.

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 12-12**

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby revises the Draft RHNA Methodology issued on May 17, 2012, with the changes, if any, indicated and described in Attachment A to this resolution.

The foregoing adopted by the Executive Board this 19th day of July, 2012.

Mark Luce
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 19th day of July, 2012.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 12-12

ATTACHMENT A

Effective July 19, 2012, the Executive Board of the Association of Bay Area Governments adopted as the Final RHNA Methodology, the Draft Methodology issued on May 17, 2012, with the changes marked on this cover sheet and described in the attached staff memorandum dated July 10, 2012.

Adopted	Not Adopted	Description of Adjustment
<input type="checkbox"/>	<input type="checkbox"/>	Adjustment 1 – Growth Concentration
<input type="checkbox"/>	<input type="checkbox"/>	Adjustment 2 – Income Distribution

Mark Luce
President

Ezra Rapport
Secretary-Treasurer

Blank Page

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 13-12

**RESOLUTION APPROVING ALLOCATION OF A SHARE OF THE REGIONAL
HOUSING NEED TO EACH OF THE NAPA, SAN MATEO AND SOLANO
SUBREGIONS**

WHEREAS, the Association of Bay Area Governments (ABAG) is a joint powers agency formed pursuant to the agreement of its members and California Government Code §§ 6500, et seq., and is the council of governments (COG) for the San Francisco Bay Area; and

WHEREAS, pursuant to the Housing Element Law (Act) at California Government Code §§ 65580, et seq., each COG and the California Department of Housing and Community Development (HCD) are required to determine the existing and projected housing needs in the COG's region; and

WHEREAS, under the Act, ABAG determines each city's and county's share of the regional housing need through the regional housing need allocation process (RHNA); and

WHEREAS, local governments have the option of forming a RHNA subregion to allocate a share of the regional housing need among themselves; and

WHEREAS, on March 17, 2011, ABAG acknowledged the formation of three (3) RHNA subregions comprised as follows: the County of Napa and the five (5) cities in the county (Napa Subregion), the County of San Mateo and the twenty (20) cities in the county (San Mateo Subregion) and the County of Solano and the seven (7) cities in the county; and

WHEREAS, by letter dated April 6, 2007, HCD has determined a range for the Regional Housing Need (RHN), including the need for income-based units, and staff has elected to use the lowest numbers in the range; and

WHEREAS, the Act requires ABAG to assign a share of the RHN, including income-based units, to each of the Napa, San Mateo and Solano Subregions; and

WHEREAS, on May 17, 2012, the Executive Board issued proposed shares to each of the Napa, San Mateo and Solano Subregions for public comment; and

WHEREAS, staff has recommended changes to the Draft RHNA Methodology released on May 17, 2012 that affect the proposed shares for each of the Napa, San Mateo and Solano Subregions as described in the staff memorandum dated July 10, 2012.

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 13-12**

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby adopts as the final subregional shares for the Napa Subregion, San Mateo Subregion and Solano Subregion as shown in Attachment A.

The foregoing adopted by the Executive Board this 19th day of July, 2012.

Mark Luce
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 19th day of July, 2012.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD
RESOLUTION NO. 13-12
ATTACHMENT A**

No Adjustments	Growth Concentration Only	Income Distribution Only	Growth Concentration and Income Distribution
----------------	---------------------------	--------------------------	--

Subregional Shares

Napa County	0.8%	0.8%	0.8%	0.8%
San Mateo County	8.5%	8.7%	8.5%	8.7%
Solano County	3.8%	3.7%	3.8%	3.7%

Adopt:

Mark Luce, President

Ezra Rapport, Secretary-Treasurer

Blank Page

Appendix

Appendix A | Preliminary Housing Allocations by Jurisdiction

- I. Alternative Proposals: Draft Regional Housing Need Allocation (2014-2022)
- II. County Share
- III. Draft RHNA Units Change by Using Regional Median Household Income

Appendix B | RHNA Methodology and Process

- I. Background
- II. Overview of RHND/RHNA Methodology
- III. Statutory Factors and Survey Factors
- IV. Housing Methodology Committee (HMC)

Appendix C | Comments on RHNA Draft Methodology

- I. Summary of Input Collected
- II. Matrix of Letters Received
- III. Letters Received

Appendix D | 2014-2022 RHNA Schedule

- I. RHNA Timeline

Appendix A | Preliminary Housing Allocations by Jurisdiction

- I. Alternative Proposals: Draft Regional Housing Need Allocation (2014-2022)
- II. County Share
- III. Draft RHNA Units Change by Using Regional Median Household Income

DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	No Adjustments					Growth Concentration Only					Income Distribution Only					Growth Concentration and Income Distribution				
	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Alameda County																				
Alameda	469	267	288	664	1,688	475	270	293	678	1,716	436	244	278	730	1,688	442	247	282	745	1,716
Albany	86	57	59	131	333	86	57	59	132	334	80	53	56	144	333	80	53	57	144	334
Berkeley	580	445	578	1,273	2,876	592	455	591	1,308	2,946	519	431	568	1,358	2,876	530	440	581	1,395	2,946
Dublin	783	454	441	498	2,176	817	474	461	523	2,275	761	426	405	584	2,176	793	444	423	615	2,275
Emeryville	296	228	240	682	1,446	304	235	248	705	1,492	268	203	250	725	1,446	275	210	258	749	1,492
Fremont	1,641	902	950	1,472	4,965	1,790	985	1,039	1,618	5,432	1,564	844	891	1,666	4,965	1,707	922	974	1,829	5,432
Hayward	949	532	625	1,852	3,958	960	539	634	1,888	4,021	852	483	616	2,007	3,958	862	490	625	2,044	4,021
Livermore	866	496	521	800	2,683	875	501	527	814	2,717	827	466	488	902	2,683	835	472	494	916	2,717
Newark	372	198	186	396	1,152	346	184	173	370	1,073	353	179	169	451	1,152	328	166	157	422	1,073
Oakland	2,518	2,232	2,951	7,633	15,334	2,401	2,135	2,827	7,338	14,701	2,150	2,159	2,925	8,100	15,334	2,050	2,066	2,803	7,782	14,701
Piedmont	24	14	15	7	60	24	14	15	7	60	24	13	15	8	60	24	14	15	7	60
Pleasanton	681	385	391	443	1,900	735	416	423	484	2,058	660	360	374	506	1,900	713	389	405	551	2,058
San Leandro	545	282	351	1,028	2,206	560	291	362	1,064	2,277	488	261	340	1,117	2,206	502	269	350	1,156	2,277
Union City	334	193	202	371	1,100	333	193	202	373	1,101	316	179	191	414	1,100	316	179	191	415	1,101
Alameda County Unincorporated	445	232	282	707	1,666	469	244	297	752	1,762	406	214	278	768	1,666	428	226	294	814	1,762
	10,589	6,917	8,080	17,957	43,543	10,767	6,993	8,151	18,054	43,965	9,704	6,515	7,844	19,480	43,543	9,885	6,587	7,909	19,584	43,965
Contra Costa County																				
Antioch	337	198	207	675	1,417	341	201	211	689	1,442	343	200	210	664	1,417	348	204	213	677	1,442
Brentwood	231	120	121	283	755	230	121	121	284	756	233	123	122	277	755	233	123	122	278	756
Clayton	50	25	31	34	140	50	25	31	35	141	51	25	31	33	140	51	25	31	34	141
Concord	767	431	551	1,664	3,413	775	436	559	1,692	3,462	786	437	549	1,641	3,413	794	442	556	1,670	3,462
Danville	194	111	124	125	554	194	111	124	126	555	195	111	124	124	554	195	111	124	125	555
El Cerrito	95	61	67	162	385	98	62	69	168	397	97	61	67	160	385	100	63	69	165	397
Hercules	218	114	99	249	680	217	113	99	250	679	219	117	100	244	680	219	117	100	243	679
Lafayette	127	72	79	94	372	145	83	90	108	426	128	73	79	92	372	146	83	90	107	426
Martinez	121	71	78	196	466	121	71	78	197	467	123	72	78	193	466	123	72	78	194	467
Moraga	68	39	46	57	210	74	43	50	61	228	69	39	46	56	210	75	43	50	60	228
Oakley	311	171	172	509	1,163	310	170	171	512	1,163	317	173	174	499	1,163	316	173	174	500	1,163
Orinda	84	47	53	41	225	84	47	53	42	226	85	47	53	40	225	84	47	53	42	226
Pinole	78	46	39	126	289	79	47	41	129	296	79	46	41	123	289	80	48	42	126	296
Pittsburg	368	245	305	1,042	1,960	377	251	314	1,074	2,016	381	246	306	1,027	1,960	390	253	315	1,058	2,016
Pleasant Hill	115	68	84	178	445	114	68	84	180	446	117	69	83	176	445	117	69	84	176	446
Richmond	413	299	397	1,260	2,369	421	305	406	1,292	2,424	428	298	399	1,244	2,369	436	304	408	1,276	2,424
San Pablo	52	53	75	267	447	52	53	75	267	447	55	53	75	264	447	55	53	75	264	447
San Ramon	466	251	253	315	1,285	511	276	277	347	1,411	469	253	256	307	1,285	514	278	281	338	1,411
Walnut Creek	588	345	374	896	2,203	592	347	377	909	2,225	596	350	376	881	2,203	601	353	379	892	2,225
Contra Costa County Unincorporated	352	206	231	514	1,303	366	215	241	539	1,361	357	208	232	506	1,303	372	217	242	530	1,361
	5,035	2,973	3,386	8,687	20,081	5,151	3,045	3,471	8,901	20,568	5,128	3,001	3,401	8,551	20,081	5,249	3,078	3,486	8,755	20,568

DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	No Adjustments					Growth Concentration Only					Income Distribution Only					Growth Concentration and Income Distribution				
	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Marin County																				
Belvedere	4	3	4	5	16	4	3	4	5	16	4	3	4	5	16	4	3	4	5	16
Corte Madera	20	11	12	28	71	20	11	12	29	72	22	12	13	24	71	22	13	13	24	72
Fairfax	16	9	11	25	61	15	9	11	26	61	16	11	11	23	61	16	11	11	23	61
Larkspur	36	17	20	58	131	36	17	20	59	132	40	20	21	50	131	40	20	21	51	132
Mill Valley	38	23	25	43	129	38	23	24	44	129	41	24	26	38	129	41	24	26	38	129
Novato	99	60	68	186	413	99	60	68	187	414	111	65	72	165	413	111	65	72	166	414
Ross	6	3	4	5	18	6	3	4	5	18	6	4	4	4	18	6	4	4	4	18
San Anselmo	30	16	18	42	106	30	15	18	43	106	33	17	19	37	106	33	17	19	37	106
San Rafael	212	145	183	498	1,038	203	140	177	483	1,003	248	153	186	451	1,038	239	147	180	437	1,003
Sausalito	24	13	15	28	80	24	13	15	27	79	26	14	16	24	80	26	14	16	23	79
Tiburon	23	16	18	21	78	23	16	18	21	78	24	16	19	19	78	24	16	19	19	78
Marin County Unincorporated	53	32	38	71	194	50	30	36	68	184	58	34	39	63	194	55	32	37	60	184
	561	348	416	1,010	2,335	548	340	407	997	2,292	629	373	430	903	2,335	617	366	422	887	2,292
Napa County																				
American Canyon	127	61	64	148	400	124	60	62	146	392	119	55	59	167	400	116	54	58	164	392
Calistoga	7	2	4	14	27	7	2	4	14	27	6	2	4	15	27	6	2	4	15	27
Napa	214	117	151	381	863	207	112	146	370	835	191	110	146	416	863	185	106	141	403	835
St. Helena	8	6	5	12	31	8	5	5	13	31	8	5	5	13	31	8	5	5	13	31
Yountville	5	2	3	7	17	5	2	3	7	17	4	2	3	8	17	4	2	3	8	17
Napa County Unincorporated	54	33	34	59	180	54	33	34	59	180	52	30	32	66	180	51	30	32	67	180
	415	221	261	621	1,518	405	214	254	609	1,482	380	204	249	685	1,518	370	199	243	670	1,482
San Francisco County																				
San Francisco	6,529	4,738	5,475	11,389	28,131	6,646	4,833	5,590	11,676	28,745	6,096	4,530	5,323	12,182	28,131	6,207	4,619	5,437	12,482	28,745
	6,529	4,738	5,475	11,389	28,131	6,646	4,833	5,590	11,676	28,745	6,096	4,530	5,323	12,182	28,131	6,207	4,619	5,437	12,482	28,745

DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	No Adjustments					Growth Concentration Only					Income Distribution Only					Growth Concentration and Income Distribution				
	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
San Mateo County																				
Atherton	36	26	28	15	105	36	26	28	16	106	36	26	29	14	105	36	27	29	14	106
Belmont	110	58	65	133	366	110	58	66	133	367	116	63	67	120	366	116	63	67	121	367
Brisbane	20	10	13	28	71	23	12	15	33	83	21	12	13	25	71	25	13	15	30	83
Burlingame	261	137	150	427	975	260	137	150	428	975	281	150	158	386	975	280	149	158	388	975
Colma	17	7	8	31	63	18	8	8	33	67	19	8	8	28	63	20	8	9	30	67
Daly City	369	175	219	743	1,506	368	174	219	747	1,508	409	194	225	678	1,506	408	194	225	681	1,508
East Palo Alto	50	51	88	277	466	50	51	88	278	467	65	54	83	264	466	64	54	83	266	467
Foster City	144	81	65	139	429	144	81	65	140	430	148	86	76	119	429	148	87	76	119	430
Half Moon Bay	48	31	32	74	185	48	31	32	75	186	52	31	36	66	185	52	31	36	67	186
Hillsborough	49	28	34	18	129	49	28	34	18	129	50	29	34	16	129	50	29	34	16	129
Menlo Park	217	130	125	238	710	223	134	130	247	734	230	129	140	211	710	237	133	145	219	734
Millbrae	179	94	107	298	678	178	93	107	300	678	194	102	112	270	678	193	101	112	272	678
Pacifica	114	61	69	169	413	114	61	68	170	413	121	69	70	153	413	121	68	70	154	413
Portola Valley	21	14	13	16	64	21	14	14	15	64	21	15	14	14	64	21	15	15	13	64
Redwood City	646	406	490	1,242	2,784	644	405	490	1,245	2,784	708	429	502	1,145	2,784	706	429	502	1,147	2,784
San Bruno	307	144	190	564	1,205	329	154	204	607	1,294	341	155	194	515	1,205	365	166	208	555	1,294
San Carlos	168	90	95	182	535	186	100	106	204	596	176	96	100	163	535	195	107	111	183	596
San Mateo	777	424	503	1,248	2,952	795	434	515	1,286	3,030	839	458	516	1,139	2,952	859	469	530	1,172	3,030
South San Francisco	515	242	313	972	2,042	529	249	322	1,006	2,106	560	282	308	892	2,042	576	290	318	922	2,106
Woodside	22	13	15	12	62	22	13	15	12	62	23	13	15	11	62	23	13	15	11	62
San Mateo County Unincorporated	86	55	64	105	310	94	60	70	115	339	91	56	66	97	310	100	61	72	106	339
	4,156	2,277	2,686	6,931	16,050	4,241	2,323	2,746	7,108	16,418	4,501	2,457	2,766	6,326	16,050	4,595	2,507	2,830	6,486	16,418
Santa Clara County																				
Campbell	224	122	142	420	908	229	124	145	431	929	247	134	147	380	908	252	137	150	390	929
Cupertino	335	203	213	303	1,054	336	203	214	306	1,059	353	205	230	266	1,054	354	206	230	269	1,059
Gilroy	204	157	215	505	1,081	203	157	216	507	1,083	236	159	215	471	1,081	235	159	216	473	1,083
Los Altos	162	99	107	108	476	161	98	107	109	475	168	100	112	96	476	168	99	112	96	475
Los Altos Hills	45	28	31	18	122	45	28	31	17	121	46	28	32	16	122	46	28	32	15	121
Los Gatos	189	107	130	190	616	188	107	131	191	617	200	112	132	172	616	200	112	132	173	617
Milpitas	911	492	508	1,241	3,152	944	511	527	1,294	3,276	964	548	542	1,098	3,152	1,000	568	563	1,145	3,276
Monte Sereno	23	12	13	14	62	23	12	13	13	61	23	13	13	13	62	23	13	13	12	61
Morgan Hill	233	139	167	322	861	250	148	179	347	924	254	143	172	292	861	272	153	184	315	924
Mountain View	717	428	484	1,142	2,771	751	449	508	1,205	2,913	773	467	499	1,032	2,771	810	490	525	1,088	2,913
Palo Alto	637	405	441	634	2,117	653	417	454	655	2,179	670	419	462	566	2,117	688	430	476	585	2,179
San Jose	8,948	5,396	6,383	16,638	37,365	8,334	5,031	5,964	15,600	34,929	9,862	5,793	6,595	15,115	37,365	9,193	5,405	6,161	14,170	34,929
Santa Clara	898	606	660	1,632	3,796	961	649	708	1,757	4,075	977	646	701	1,472	3,796	1,045	692	752	1,586	4,075
Saratoga	143	91	102	102	438	143	90	102	103	438	147	95	104	92	438	147	95	104	92	438
Sunnyvale	1,544	873	872	2,297	5,586	1,647	933	932	2,466	5,978	1,667	929	961	2,029	5,586	1,780	992	1,027	2,179	5,978
Santa Clara County Unincorporated	16	9	11	25	61	20	12	14	31	77	17	10	11	23	61	22	13	14	28	77
	15,229	9,167	10,479	25,591	60,466	14,888	8,969	10,245	25,032	59,134	16,604	9,801	10,928	23,133	60,466	16,235	9,592	10,691	22,616	59,134

DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	No Adjustments					Growth Concentration Only					Income Distribution Only					Growth Concentration and Income Distribution				
	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Solano County																				
Benicia	106	62	66	113	347	100	58	62	107	327	100	58	60	129	347	94	54	56	123	327
Dixon	56	24	35	82	197	56	24	35	82	197	50	24	30	93	197	50	24	30	93	197
Fairfield	974	507	575	1,510	3,566	950	495	562	1,483	3,490	882	462	525	1,697	3,566	861	451	514	1,664	3,490
Rio Vista	19	13	17	55	104	18	13	16	52	99	16	12	17	59	104	15	12	16	56	99
Suisun City	119	47	51	151	368	114	45	50	146	355	109	42	44	173	368	105	40	41	169	355
Vacaville	315	149	178	441	1,083	315	148	178	443	1,084	287	135	173	488	1,083	287	134	173	490	1,084
Vallejo	319	197	219	625	1,360	318	197	219	628	1,362	284	178	210	688	1,360	283	178	211	690	1,362
Solano County Unincorporated	18	10	12	25	65	18	10	11	24	63	17	9	12	27	65	16	9	12	26	63
	1,926	1,009	1,153	3,002	7,090	1,889	990	1,133	2,965	6,977	1,745	920	1,071	3,354	7,090	1,711	902	1,053	3,311	6,977
Sonoma County																				
Cloverdale	48	34	37	98	217	47	33	36	94	210	41	30	32	114	217	39	29	31	111	210
Cotati	40	25	18	59	142	39	24	17	57	137	36	19	19	68	142	35	18	18	66	137
Healdsburg	37	27	27	65	156	37	27	27	65	156	31	24	26	75	156	31	24	26	75	156
Petaluma	220	119	119	271	729	224	121	121	275	741	196	100	118	315	729	198	102	120	321	741
Rohnert Park	233	137	143	446	959	217	127	133	418	895	193	115	135	516	959	180	107	126	482	895
Santa Rosa	1,197	683	840	2,163	4,883	1,134	647	798	2,063	4,642	996	611	796	2,480	4,883	943	579	756	2,364	4,642
Sebastopol	29	18	24	55	126	27	17	24	52	120	23	18	20	65	126	22	17	19	62	120
Sonoma	30	22	30	55	137	30	22	30	55	137	24	23	27	63	137	24	23	27	63	137
Windsor	140	80	75	165	460	134	76	72	157	439	125	68	70	197	460	120	65	67	187	439
Sonoma County Unincorporated	266	145	171	385	967	256	139	165	372	932	228	131	165	443	967	219	126	159	428	932
	2,240	1,290	1,484	3,762	8,776	2,145	1,233	1,423	3,608	8,409	1,893	1,139	1,408	4,336	8,776	1,811	1,090	1,349	4,159	8,409
REGION	46,680	28,940	33,420	78,950	187,990	46,680	28,940	33,420	78,950	187,990	46,680	28,940	33,420	78,950	187,990	46,680	28,940	33,420	78,950	187,990

DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	No Adjustments	Growth Concentration Only	Income Distribution Only	Growth Concentration and Income Distribution
County Share				
Alameda County	23.2%	23.4%	23.2%	23.4%
Contra Costa County	10.7%	10.9%	10.7%	10.9%
Marin County	1.2%	1.2%	1.2%	1.2%
Napa County	0.8%	0.8%	0.8%	0.8%
San Francisco County	15.0%	15.3%	15.0%	15.3%
San Mateo County	8.5%	8.7%	8.5%	8.7%
Santa Clara County	32.2%	31.5%	32.2%	31.5%
Solano County	3.8%	3.7%	3.8%	3.7%
Sonoma County	4.7%	4.5%	4.7%	4.5%

Draft RHNA Units Change by Using Regional Median Household Income Instead of County Median Household Income

	Median Household Income			Draft RHNA Units Change			
	County Median Household Income	Amount Below Region	Amount Above Region	Very Low	Low	Moderate	Above Moderate
Alameda	\$68,863	\$7,058		-885	-402	-236	1,523
Contra Costa	\$77,838		\$1,917	93	28	15	-136
Marin	\$87,728		\$11,807	68	25	14	-107
Napa	\$68,416	\$7,505		-35	-17	-12	64
San Francisco	\$70,040	\$5,881		-433	-208	-152	793
San Mateo	\$84,426		\$8,505	345	180	80	-605
Santa Clara	\$85,569		\$9,648	1,375	634	449	-2,458
Solano	\$67,920	\$8,001		-181	-89	-82	352
Sonoma	\$63,848	\$12,073		-347	-151	-76	574
Region	\$75,921						

Note: The calculations show the changes from **Income Distribution Only** (purple) minus **No Adjustments** (green)

Source: Median Household Income data from U.S. Census Bureau, 2005-2009 American Community Survey, via DOF and HCD

Appendix B | RHNA Methodology and Process

- I. Background
- II. Overview RHND/RHNA Methodology
- III. Statutory Factors & Survey of Factors
- IV. Housing Methodology Committee (HMC)

I. Background: Legislation, Goals, and Regional Policy

The State of California, since 1980 has required each town, city, and unincorporated area to plan for its share of the state’s housing need for people of all income levels. This requirement is the Housing Element Law (Chapter 1143, Statutes of 1980; AB 2853) that created the Regional Housing Need Allocation. The statutory objective regarding RHNA requires that two major steps be completed before a city receives its RHNA allocation. First, the California Department of Housing and Community Development (HCD) determine Regional Housing Need Determination (RHND) or total housing need for the state and each region. The total determination is then divided into shares defined by income categories. This allocation process is based on eight-year zoning capacity and does not consider local government constraints.

In addition to AB 2853, the adoption of Senate Bill 375 (Chapter, Statutes of 2008) amends the RHNA schedule. SB 375 aims to integrate land use and transportation planning to reduce transportation-related GHG emissions. The bill requires that all Regional Transportation Plans (RTPs) incorporate a Sustainable Communities Strategy that guides growth into locations that promote alternatives to automobile travel. The chart below shows the integration of RHNA State goals and Regional Policies.

Integration of RHNA State Goals & Regional Policies

RHNA Objectives	Regional Policies
<ul style="list-style-type: none"> • Increase the housing supply and mix of housing types, tenure and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low and very low income households. • Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns. • Promote improved interregional relationships. • Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census. 	<ul style="list-style-type: none"> • Support existing communities. • Create compact, healthy communities with a diversity of housing, jobs, activities, and services to meet the daily needs of residents. • Increase transportation efficiency and choices. • Increase housing affordability, supply and choices. • Protect and steward natural habitat, open space and agricultural land. • Improve social and economic equity. • Promote economic and fiscal health • Conserve resources, promote sustainability and improve environmental quality. • Protect public health and safety.

II. Overview of 2014-2022 RHND/RHNA Methodology

HCD: Regional Housing Need Determination

For the 8.8 year period from January 2014 through October 2022, HCD determined that the Bay Area would require 187,990 new housing units. This determination is based on population projections produced by the California Department of Finance (DOF), which also took into account the uncertainty regarding the national economy and regional housing markets. The Housing Element Law requires HCD to help regions increase the mix of housing types among cities and counties equitably by providing growth distributions based on income categories. The income allocation for the region is as follows:

	2014 – 2022 RHNA
Very Low Up to 50 Percent of Median Income	24.8%
Low Between 51 and 80 Percent of Median Income	15.4%
Moderate Between 81 and 120 Percent of Median Income	17.8%
Above Moderate Above 120 Percent of Median Income	42.0%

For this cycle only, HCD made an adjustment to account for abnormally high vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.

ABAG: Regional Housing Need Allocation Methodology

1. Sustainability Component

Objective: To advance the goals of SB 375, the Sustainability Component is based on the Jobs-Housing Connection Strategy, which allocates new housing development into Priority Development Areas (PDAs) and non-PDAs. By concentrating new development in PDAs, the Strategy helps protect the region’s natural resources, water supply, and open space by reducing development pressure on rural areas. This allows the region to consume less energy, reducing household costs and the emission of greenhouse gases.

Process and Factors: Following the land use distribution specified in the Jobs-Housing Connection Strategy, 70% (131,593) of the 187,990 units determined by HCD will be allocated to PDAs and the remaining 30% (56,397) will be directed to non-PDA locations.

2. Fair Share Component

Objective: To achieve the requirements of AB 2853 (the original housing element law) that requires that all cities and counties in California work to provide a fair share or proportion of the region’s total and affordable housing need. In particular cities that had strong transit networks, high employment rates, and performed poorly on the 1999-2006 RHNA cycle received higher allocations.

Process and Factors: Fair Share scoring is addressed through the factors listed below.

- i. **Upper Housing Threshold:** If growth projected by the Jobs-Housing Connection Strategy in PDAs meets or exceeds 110% of the jurisdiction’s household formation growth, it is not

assigned additional growth outside the PDA, which ensures that cities with large PDAs are not overburdened.

- ii. **Minimum Housing Floor:** Jurisdictions are assigned a minimum of 40 percent of their household formation growth but not to exceed 1.5 times its 2007–2014 RHNA. This factor encourages all jurisdictions to produce a fair proportion of total housing need.
- iii. **Past RHNA Performance:** In non PDA areas, the total low- and very-low income units that were permitted in the 1999–2006 RHNA cycle were used as a factor for this cycle. For example, cities that exceeded their RHNA obligation in these two income categories received a lower score.
- iv. **Employment:** In non-PDA areas, the employment was factored using the 2010 job estimates for a jurisdiction. Jurisdictions with higher employment received a higher score.
- v. **Transit:** In non-PDA areas, transit was factored for each jurisdiction. Jurisdictions with higher transit frequency and coverage received a higher score.

3. Income allocation

Objective: This ensures that jurisdictions that already supply a large amount of affordable housing receive lower affordable housing allocations. This also promotes the state objective for increasing the mix of housing types among cities and counties equitably. The income allocation requirement is designed to ensure that each jurisdiction in the Bay Area plans for housing people of every income.

Process and Factors: The income distribution of a jurisdiction’s housing need allocation is determined by the difference between the regional proportion of households in an income category and the jurisdiction’s proportion for that same category. Once determined, this difference is then multiplied by 175 percent. The result becomes that jurisdiction’s “adjustment factor.” The jurisdiction’s adjustment factor is added to the jurisdiction’s initial proportion of households in each income category. The result is the total share of the jurisdiction’s housing unit allocation for each income category.

4. Sphere of Influence adjustments

Objective: Every city in the Bay Area has a Sphere of Influence (SOI), which can be either contiguous with or go beyond the city’s boundary. The SOI is considered the probable future boundary of a city and that city is responsible for planning within its SOI. The SOI boundary is designated by the county’s Local Area Formation Commission (LAFCO). The LAFCO influences how government responsibilities are divided among jurisdictions and service districts in these areas.

Process and Factors: The allocation of the housing need for a jurisdiction’s SOI where there is projected growth within the spheres varies by county. In Napa, San Mateo, Santa Clara, Solano, and Sonoma counties, the allocation of housing need generated by the unincorporated SOI is assigned to the cities. In Alameda and Contra Costa counties, the allocation of housing need generated by the unincorporated SOI is assigned to the county. In Marin County, 62.5 percent of the allocation of housing need generated by the unincorporated SOI is assigned to the city and 37.5 percent is assigned to the county.

5. Subregions Shares of the Regional Housing Needs Determination

Napa, San Mateo and Solano counties with the inclusion of all cities within each county have formed the three subregions for this RHNA cycle. These counties are each considering an alternative housing allocation methodology. The share of the RHND total for each of these subregions is defined by the ratio between the subregion and the total regional housing growth for the 2014 to 2022 period in the Jobs-Housing Connection Strategy, which is the same ratio as in RHNA. Napa will receive 0.8%, San Mateo will receive 8.5%, and Solano will receive 3.8% of the region's total RHND.

III. Statutory Factors & Survey of Factors

Statutory Factors

The RHNA statutes delineate specific factors that had to be considered for inclusion in the methodology, including:

- Water and sewer capacity
- Land suitable for urban development or conversion to residential use
- Protected open space – lands protected by state and federal government
- County policies to protect prime agricultural land
- Distribution of household growth
- Market demand for housing
- City-centered growth policies
- Loss of affordable units contained in assisted housing
- High housing cost burdens
- Housing needs of farm workers
- Impact of universities and colleges on housing needs in a community

With the advice of the HMC, ABAG staff considered how to incorporate the statutory factors into the allocation methodology, how to allocate units by income, and how to address issues such as spheres of influence, the goals of SB 375, and the relationship to subregions. Their goal has been to develop an allocation methodology that is consistent with the RHNA and SB 375 objectives and statutory requirements.

Survey of Factors

On January 24, 2012, ABAG sent a survey form to each planning director of every local jurisdiction in the region. The objective of the survey was to collect information on specific factors or additions to be considered in developing the allocation methodology. ABAG received responses from 40 jurisdictions or roughly a 36% response rate.

The RHNA survey revealed that the proposed RHNA methodology for the upcoming cycle must clarify growth assumptions to the model and should do more to take into account exceptions (e.g. federally owned land) and constraints (e.g. topography of vacant land) to housing development. Findings from individual responses have made it apparent that the dissolution of redevelopment functions across the state is now a sizable deterrent to new housing and job growth. The majority of jurisdictions did not possess the appropriate data or were unclear on the existing and projected relationship between jobs outside their area and housing (see Survey Question 2). Across all respondents, there is a moderate to high level of concern about the feasibility of RHNA allocations in the face of the economic downturn. Respondents would like to see that allocations are commensurate to realistic opportunities and constraints.

I. Results Overview by Survey Category:

A. Relationship between Jobs and Housing

- 35% of respondents recorded at least a 1:1 job to housing ratio. Most of which noted a stable upward growth with concerns about built out rates.

- 51% of respondents reported that at least 20% or more of the distribution of anticipated household growth, as it relates to opportunities to maximize the use of public transit and existing transit infrastructure are near/within Priority Development Areas (PDAs). Alternatively, 24% reported that 100% of the anticipated growth will not be near transit.

B. Opportunities and Constraints

- 59% of respondents identified four or more constraints of the seven categories provided by the survey. Land suitability, sewer, and water capacity were commonly selected as development deterrents.
- The Cities of Brentwood, Campbell, Fairfield, and Healdsburg have an opportunistic capacity on multiple variables provided by the survey to welcome housing development.

C. Demand

- The majority of respondents felt that the market demand for housing is average and projected to remain the same. The demand for jobs was seen as average to significant and anticipated to remain high given the unemployment rate.
- Approximately 84% of respondents felt that there has not been a loss or project that there will be a loss in affordable housing units. However, all of the remaining 16% of respondents identified that there is a loss of affordable units that will continue to worsen due to the dissolution of redevelopment.

II. Key Findings by County (Jurisdictions Surveyed):

A. Alameda

(Dublin, Fremont, Hayward, Livermore, Newark, Piedmont, Pleasanton, and San Leandro)

- City of Livermore will be re-designating industrially zoned land to residential to accommodate TOD development and to address the City's 2007-2014 RHNA. Thus, the ratio of jobs to housing estimated in a build out will decrease. General Plan intends to channel new development within city limits near existing services and create higher density infill housing near services and transit. The City will need to re-designate/rezone additional land to facilitate Transit Oriented Development and affordable housing to meet its RHNA. The City has an Urban Growth Boundary and two Priority Conservation Areas (in North and South Livermore) that support and fulfill community and regional efforts for smart growth near services/transit and protection of agriculture and sensitive habitat and resources.
- City of Pleasanton recently rezoned 70 acres of (mostly previously commercially-zoned) land for future multi-family housing.
- City of Fremont feels that they have capacity and opportunities to receive new housing development.
- City of Fremont and the City of Hayward are concerned about the loss of affordable units. The deed on several projects that contained affordable restrictions has expired.

- The City of Hayward noted a plan that has not been finalized: “Planning directors of Alameda County have been working with the County Transportation Commission on a "Locally Preferred Scenario" which seeks to direct growth to certain areas within each city. This has been presented to ABAG for an SCS strategy.”

B. Contra Costa

(County of Contra Costa, Brentwood, Clayton, Danville, Lafayette, Pleasant Hill, and Walnut Creek)

- Contra Costa has a ULL. Recent LAFCO review points to three-party agreement between Danville, Dan Ramon, and Contra Costa County regarding adjustments to Danville's and San Ramon's respective SOIs along the Camino Tassajara corridor east of Alamo Creek (currently partially in Danville's SOI).
- The City of Brentwood reported that the demand for higher-level jobs is very high. The city has adequate entry level min wage employment. Growth in the employment sector is a priority of the city council.
- Demand for housing across the county remains low except within the City of Lafayette. The city also reports a concern regarding affordable housing: “inventory of federally subsidized low-income rental units at risk of conversion indicated one property with 66 Section 8 units at risk of conversion in next 10 years.”

C. Marin

(Town of Corte Madera, Larkspur, Town of Ross, and Sausalito)

- City of Sausalito reported that the vacancy rate among the city's owner housing is 2.3%; 6.4% among the city's rental housing. The market demand for housing is relatively high. City also indicated that there is a growing need for workers in the marine and fish industry.
- Town of Ross indicated that housing prices are high for single family units and homes continue to sell. There have been no requests to develop sites that are zoned for multiple family housing.

D. Napa

(County of Napa)

- Sewer, water and land suitability are the biggest constraints to potential development.
- 26.20% of households spend more than 30% on their income on housing.
- Feels that affordability is not an issue, as County manages a county-wide Section 8 program.

E. San Mateo

(Daly City, Town of Hillsborough, Millbrae, and San Bruno)

- Daly City is expecting that housing supply and production will exceed job growth. But is expecting that the rate of job growth will decline.

- City of Hillsborough reported that their Site analysis for 2009 Housing Element shows finite availability for 134 new primary units. Although second units may be accommodated, the town's infrastructure and services would likely not be able to accommodate growth beyond the 134 new primary units.
- City of San Bruno expressed additional housing constraints: (1) restriction within 70dB noise contour of SFO (2) small and shallow lots with multiple ownership along transit corridors of El Camino Real and San Bruno (3) Local height limit ordinance (Ord. 1284) limiting building height.

F. Santa Clara

(Campbell, Cupertino, Town of Los Altos Hills, Milpitas, Mountain View, Saratoga, and Sunnyvale)

- Town of Los Altos is zoned almost entirely Residential-Agricultural (R-A) with 1 acre min lot size. There is no commercial, retail, or industrial zoned land, and no PDA or GOA.
- The City of Campbell and Mountain View expressed the capacity to receive increased housing growth.
- The City of Sunnyvale has one 5-acre unincorporated area that is pre-zoned for medium density. There is no specific agreement between Sunnyvale and the county for development of that land.

G. Solano

(County of Solano, Fairfield, and Vacaville)

- The City of Vacaville reported that 34% of residents are employed in Vacaville (2000 Census) The city is currently updating its General Plan and considering the addition of an employment center in a new growth area.
- County as a whole reported a low demand for housing and jobs in the area given the economic climate.
- City of Fairfield's General Plan and County General Plan direct growth to incorporate area. The city also has an agreement with the Solano Irrigation District, which limits annexation

H. Sonoma

(County of Sonoma, Healdsburg, and Petaluma)

- County as a whole reported a low demand for housing and jobs in the area given the economic climate.
- City of Healdsburg reported that there are no formal agreements that aim to direct growth, only policies to provide community separators and urban growth boundaries.

IV. Housing Methodology Committee (HMC)

The HMC was formed in January 2011 for the 5th RHNA 2012-2022 cycle. Over the course of ten meetings, the committee has been responsible for working with and advising staff on the development of the RHNA methodology while ensuring its consistency with the SCS. The HMC is comprised of the following members:

ALAMEDA COUNTY

Alex Amoroso
Principal Planner, City of Berkeley

Scott Haggerty
Supervisor, County of Alameda

Rebecca Kaplan
Councilmember, City of Oakland

Jeffrey Levin
Housing Policy & Programs Manager, City of Oakland

Albert Lopez
Planning Director, County of Alameda

Vernon Smith
Housing Coordinator, City of Union City

CONTRA COSTA COUNTY

Kara Douglas
Principal Planner, County of Contra Costa

Patrick Lynch
Housing Director, City of Richmond

Julie Pierce
Councilmember, City of Clayton

Gayle Uilkema
Supervisor, County of Contra Costa

Tina Wehrmeister
Community Development Director, City of Antioch

MARIN COUNTY

Pat Eklund
Councilmember, City of Novato

Linda Jackson
Principal Planner, City of San Rafael

Stacey Laumann
Planner, County of Marin

NAPA COUNTY

Diane Dillon
Supervisor, County of Napa

Hillary Gitelman
Conservation, Development & Planning Director,
County of Napa

Rick Tooker
Planning Manager, City of Napa

SAN FRANCISCO COUNTY

Sarah Dennis Phillips
Senior Planner, City and County of San Francisco

Ross Mirkarimi
Supervisor, City and County of San Francisco

Doug Shoemaker
Housing Director, City and County of San Francisco

SAN MATEO COUNTY

Duane Bay
Department of Housing Director, County of San Mateo

David Lim
Councilmember, City of San Mateo

Maureen Riordan
Senior Planner, City of Redwood City

SANTA CLARA COUNTY

Mike Kasperzak
Councilmember, City of Mountain View

Steve Piasecki
Community Development Director, City of Morgan Hill

Laurel Prevetti
Assistant Planning Director, City of San Jose

Greg Scharff
Councilmember, City of Palo Alto

Bill Shoe
Principal Planner, County of Santa Clara

SOLANO COUNTY

Barbara Kondylis
Supervisor, County of Solano

Laura Kuhn
City Manager, City of Vacaville

Matt Walsh
Principal Planner, County of Solano

SONOMA COUNTY

Bonne Gaebler
Housing Administrator, City of Petaluma

Jake Mackenzie
Councilmember, City of Rohnert Park

Pete Parkinson
Permit & Resource Management, Department Director, County of Sonoma

BUSINESS COMMUNITY REPRESENTATIVES

Bena Chang
Senior Associate, Housing & Transportation Silicon Valley Leadership Group

Scott Zengel
Vice President, Bay Area Family of Funds Bay Area Council

FOR-PROFIT HOUSING REPRESENTATIVES

Paul Campos
Senior Vice President of Governmental Affairs and General Counsel Building Industry Association Bay Area

Sarah Karlinsky
Deputy Director, SPUR

NON-PROFIT HOUSING REPRESENTATIVES

Katie Lamont
Real Estate Development Associate Director Eden Housing, Inc.

Evelyn Stivers
Field Director, The Non-Profit Housing Association of Northern California

OPEN SPACE/AGRICULTURAL LANDS REPRESENTATIVES

Stephanie Reyes
Policy Director, Greenbelt Alliance

PUBLIC EDUCATION REPRESENTATIVE

Sharifa Wilson
Trustee, Ravenswood School District

PUBLIC HEALTH REPRESENTATIVE

Susan Adams
Supervisor, County of Marin
Regional Planning Committee: Public Health

PUBLIC/ALTERNATIVE TRANSPORTATION REPRESENTATIVE

Val Joseph Menotti
Planning Department Manager, BART

SOCIAL EQUITY REPRESENTATIVES

Margaret Gordon
Co-Director, West Oakland Environmental Indicators Project

Vu-Bang Nguyen
Land Use Program Coordinator, Urban Habitat

Appendix C | Comments on RHNA Draft Methodology

- I. Summary of Input Collected
- II. Matrix of Letters Received
- III. Letters Received

I. Comments on the DRAFT RHNA Methodology

On May 17, 2012, the ABAG Executive Board approved the DRAFT Regional Housing Need Allocation (RHNA) Methodology and Preliminary Subregional Shares for the fifth cycle: 2014 - 2022 for all jurisdictions and subregions by income category in the San Francisco Bay Area.ⁱ The approval kicked-off a 60-day period for jurisdictions and the public to comment on the draft methodology and on the Preliminary Subregional Shares.ⁱⁱ Since then ABAG staff has received comments on behalf of the Executive Board and feedback from local jurisdictions and the general public. The comments have noted below have been grouped by topical concerns that received the most support and contain a brief Staff response (*addressed or not addressed*) that will be detailed in the Subsection, *Proposed to Final RHNA* in this memo.

Executive Board comments

May 17, 2012 | Executive Board Meeting

Members of the Executive Board approved the DRAFT RHNA methodology for each jurisdiction and directed ABAG Staff to respond to the following four comments:

I. Concentration of Growth

Comment: The regional goal to reduce GHG by focusing growth in places currently well served by transit and employment opportunities have appropriately resulted in a concentration of housing units in core areas. The distribution of housing units in RHNA must ensure a fair share distribution between larger and medium sized cities with high job growth and transit access.

ABAG Response: See **Adjustment 1: Growth Concentration** - ABAG Staff met with city staff, elected officials, and stakeholders to discuss the analysis that will address this comment.

II. Income Distribution

Comment: Every jurisdiction with median income above the Bay Area average should take on at least as much of the region's lower income housing need as it did in the 2007-2014 planning period.

ABAG Response: See **Adjustment 2: Income Distribution** - ABAG Staff met with equity stakeholders to explore the analysis that will address this comment.

III. Household Formation Minimum (40% Lower Threshold)

Comment: The 40% Lower Threshold factor of the RHNA methodology should be applied earlier place in the overall calculation. This would result in a different allocation.

ABAG Response: The 40% Lower Threshold has been defined as a minimum housing responsibility for each jurisdiction. This factor has been discussed at length at the HMC. ABAG Staff relies on the HMC input.

Local Jurisdiction Input

May 17, 2012 – July 17, 2012 | Public Comment Period

- 14 Jurisdictions submitted feedback for the 2014-2022 RHNA draft methodology.
- Alameda, Contra Costa, Marin, San Mateo and Santa Clara counties were represented in the letters received.

The feedback letters from the 15 jurisdictions revealed many common issues with the current RHNA draft methodology and the corresponding housing allocations. Many smaller, less urban jurisdictions believe that they have been allocated an unreasonable amount of housing, while larger jurisdictions have received allocation reductions from the previous RHNA cycles. The smaller jurisdictions cite the land-use and transportation goals of the SCS as a basis for allocating more housing to the larger jurisdictions, as there tend to be more jobs and stronger transportation networks in these areas. Lack of developable land, weak transportation networks, limited job opportunities and absence of PDAs are the most common issues faced by the smaller jurisdictions. Larger jurisdictions expressed concerns around the feasibility of constructing the allocated affordable housing units. As State and Federal funds are limited for affordable housing subsidization, it is difficult for jurisdictions to gather the funds necessary for affordable housing construction.

I. Key Findings

- 47% of respondents mentioned weak public transit networks limited their sustainable growth potential
- 27% of respondents are concerned that a lack of developable land would hinder their ability to meet housing allocation goals
- 33% of respondents said that job loss or general lack of employment within the jurisdiction limit potential growth
- 20% of respondents cited a lack of State and Federal funds for affordable housing subsidization as a major limiting factor for affordable housing growth

II. Methodological Concerns

- 1 jurisdiction believes the Income Adjustment Factor is “overly-aggressive” and makes it difficult to reach allocation goals
- 33% of respondents believe the Minimum Housing Floor factor of 40% of household growth is excessive as it burdens smaller, more suburban jurisdictions with larger allocations
- 27% of respondents feel the current method for judging affordable housing construction performance is flawed
- Palo Alto has requested that any SOI corrections due to Stanford University be allocated to the county and that the RHNA allocation for the county reflect the planned housing construction on Stanford University campus

III. PDA Revisions in Santa Clara County

ABAG Staff requested local input on the PDA originally proposed by the Santa Clara Valley Transportation Authority (VTA). This is to bring all PDAs into conformity with the requirement of local council approval for each PDA.

Public Input

Public input was received at the Executive Board Meeting on May 17, 2012 and the Regional Planning Committee on June 6, 2012.

I. Concentration of Growth & Income Distribution

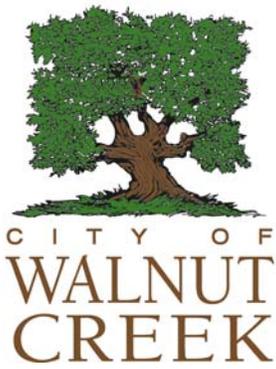
Concern: The 6 Wins Coalition supported by Greenbelt Alliance submitted a written proposal to modify the Draft RHNA Methodology. Their motion proposed that every jurisdiction with a median income above the Bay Area average should take-on at least as much of the region's lower-income housing need as it did in the 2007-2014 Housing Element period. They argue that the current process concentrates more housing growth in lower-income cities in the urban core in order to reduce Green House Gas (GHG) emissions. They have urged ABAG staff to recognize that some affluent cities that desperately need more affordable housing are seeing sharp declines in their share RHNA for low and very-low income units.

ⁱ By a vote of the ABAG Executive Board on the original motion, the original motion passed by consensus, with two nay votes

ⁱⁱ Government Code Section 65584.04

Matrix of RHNA Comment Letters Received

Jurisdiction/Agency	County	Date Received	Contact
Newark	Alameda	25-Jun-12	Terrance Grindall, Community Development Director
San Ramon	Contra Costa	26-Jun-12	Phil Wong, Community Development Director
Walnut Creek	Contra Costa	6-Jul-12	Andrew Smith, Senior Planner
Fairfax	Marin	29-Jun-12	James More, Planning Director
Novato	Marin	29-Jun-12	Denise Athas, Mayor
Sausalito	Marin	28-Jun-12	Micheal Kelly, Mayor
Atherton	San Mateo	22-Jun-12	William Widmer, Mayor
Cupertino	Santa Clara	26-Jun-12	Amy Chan, City Manager
Los Altos	Santa Clara	26-Jun-12	Valerie Cook Carpenter, Mayor
Los Gatos	Santa Clara	21-Jun-12	Greg Larson, Town Manager
Monte Sereno	Santa Clara	27-Jun-12	Russ Stanley
Palo Alto	Santa Clara	29-Jun-12	James Keene, City Manager
Santa Clara	Santa Clara	28-Jun-12	Kevin Riley, Director of Planning
Saratoga	Santa Clara	5-Jun-12	Chuck Page, Mayor
Sunnyvale	Santa Clara	29-Jun-12	Hanson Hom, Community Development Director



July 6, 2012

Ken Kirkey
Director of Planning and Research
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Delivered via e-mail to kennethk@abag.ca.gov and RHNA_Feedback@abag.ca.gov

Re: Adoption of draft Regional Housing Need Allocation (RHNA) methodology

Dear Mr. Kirkey:

On July 3, 2012, the Walnut Creek City Council reviewed the recently released draft Regional Housing Need Allocation (RHNA) Methodology for the upcoming 2014 – 2022 cycle. The following comments are based upon direction given by the Council:

Due to the timelines contained in State Law, the RHNA methodology is being prepared prior to the adoption of the Sustainable Communities Strategy (SCS), despite the fact that State Law also requires the RHNA methodology to be consistent with the SCS. The final SCS will not be adopted until April 2013, by which time the final RHNA allocations will have already been issued. Given this situation, the RHNA methodology should include a mechanism that allows for the reduction of an individual jurisdiction's RHNA allocation, should that jurisdiction's growth projections contained within the final SCS be significantly lower than those contained in the recently approved Preferred Land Use and Transportation Investment Strategy (the preferred scenario for the SCS).

Thank you for the opportunity to comment. If you have any questions regarding this letter, please feel free to contact me at (925) 943-5899 x2213 or asmith@walnut-creek.org.

Sincerely,

Andrew M. Smith
Senior Planner

Cc: Walnut Creek City Council
Ken Nordhoff, City Manager
Sandra Meyer, Community Development Director
Steve Buckley, Planning Manager
Laura Simpson, Housing Program Manager



THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way #200
Novato, CA 94945-3232
415/899-8900
FAX 415/899-8213
www.novato.org

Mayor
Denise Athas
Mayor Pro Tem
Pat Eklund
Councilmembers
Madeline Kellner
Eric Lucan
Jeanne MacLeamy

City Manager
Michael S. Frank

June 29, 2012

Mr. Mark Luce, President
Association of Bay Area Governments
P. O. Box 2050
Oakland, CA 94607-4756

RECEIVED

JUL 02 2012

EXECUTIVE DIRECTOR'S OFFICE

Re: City of Novato Comments on Draft Methodology
Regional Housing Need Assessment 2014-2022

Dear Mr. Luce:

The Novato City Council appreciates ABAG's efforts on the draft Regional Housing Need Assessment (RHNA) Methodology 2014-2022, a major undertaking. We thank ABAG staff for their willingness to communicate directly with our staff, and we expect to be able to continue discussing the points below with ABAG RHNA staff.

At its June 26, 2012 meeting, the Novato City Council reviewed and considered materials and testimony concerning the Draft Regional Housing Need Allocation (RHNA) Methodology for 2014-2022 and has the following comments:

1. The Past RHNA Performance factor should be applied AFTER the Minimum Housing Floor factor, so that communities are, in fact, credited for achieving their RHNA allocations. When this factor is applied BEFORE the Minimum Housing Floor factor, the credit for achieving the RHNA allocation disappears. In fact, it results in an increased allocation due to the 40% floor factor. The staff report to the ABAG Executive Board dated May 17, 2012 discusses the Past RHNA Performance factor after the Minimum Housing Floor factor, which is misleading to the general reader as the methodology computation is in reverse order. This manner of computation is a serious defect of the RHNA 2014-2022 draft methodology since it does not encourage jurisdictions to achieve their RHNA allocations. Jurisdictions need and deserve such positive incentives as part of the RHNA methodology as recommended by the ABAG Housing Methodology Committee.

2. The Minimum Housing Floor factor should be re-examined. We understand that there was a strong desire to ensure that every jurisdiction be required to do 'its fair share'. However, there is no explanation or rationale provided on why 40% was selected. We understand that ABAG staff presented the Housing Methodology Committee with three choices – 40%, 50% and 60%. Why were those percentages presented and not others such as 30% or 25%? A reduction of the floor for those few cities in the 9 County Bay Area that

did achieve their Past RHNA allocations should be included. That would give jurisdictions a second incentive to achieve the RHNA allocations which could result in higher RHNA performance in the future.

3. The Employment factor appears to be based on 2010 job estimates rather than actual census data for individual jurisdictions. We remain concerned that the jobs projections of the draft Jobs-Housing Connection Strategy are too high for the region and especially for Marin and the City of Novato. It is unclear whether use of these data accounts for the full continuing effects of the recession on local jobs. A recent article in our local paper stated that "From 2007-10 the county lost 10,317 jobs, or about one in every 10 jobs, according to figures released Tuesday by the U.S. Census Bureau." The article continued to highlight that "It is not clear how Marin industries have fared since 2010 because there is an 18-month lag in the release of detailed census data each year. The latest figures also do not include data for self-employed workers, which will be released separately..." The Employment factor needs to be based on actual census data rather than estimates.

4. The 2014-2022 RHNA Housing Methodology needs to recognize the continuing economic recession for the first cycle for the Sustainable Communities Strategy (SCS). It appears that the RHNA allocations for the 8-year cycle 2016-2022 are higher than its proportional share of the 30 year SCS 2010-2040. Given the struggling economic conditions, it may take several more years for the housing industry to recover, and the 2014-2022 RHNA Housing Methodology should recognize our current employment situation.

Lastly, we want to emphasize that the draft RHNA 2014-2022 Methodology does not account for the amount of affordable housing that was provided in Novato during the 1999-2006 RHNA cycle. Novato provided a significant proportion, beyond the City's share of population in Marin County, of all affordable housing in Marin County during that time period. With the way the Past RHNA Performance factor is applied in the draft RHNA 2014-2022 Methodology, there is no real acknowledgment of that affordable housing achievement in Novato. It appears that about half the jurisdictions that achieved their RHNA allocations during that cycle are not getting full credit for their success.

Again, thank you for the opportunity to comment and for ABAG's work on the State-mandated RHNA process. We look forward to your consideration of our comments and modifications to the draft RHNA 2014-2022 Methodology that reward communities that actually get

Mr. Mark Luce
page 2

June 29, 2012

affordable housing built. Please contact Anne Moore, Interim General Plan Manager, if you have questions.

Sincerely,



Denise Athas, Mayor

cc: City Council
Planning Commission
City Manager
City Attorney
City Interim General Plan Manager
Association of Bay Area Governments, Attn: Ezra Rapport
Metropolitan Transportation Commission, Attn: Steve Heminger
League of California Cities, Attn: Dan Carrig
Transportation Authority of Marin, Attn: Dianne Steinhauser



June 29, 2012

Ken Kirkey, Director of Planning and Research
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604-2050

RE: Regional Housing Needs Allocation (RHNA 2014-2022)

Dear Mr. Kirkey:

This letter is in response to the recent ABAG memo regarding the 2014 RHNA methodology and ABAG staff's recommendation on draft allocations. Sunnyvale has reviewed the methodology, and although questions remain, it appears that the RHNA methodology will have a marginal effect on Sunnyvale's final allocation. Instead, we are more concerned with the starting point of 5,685 dwelling units that is used in applying the Draft RHNA methodology. We understand this starting number is set through the Sustainable Communities Strategy (SCS) process. Sunnyvale's primary concerns are the aggressive 8-year growth expectation and the trickledown effect on meeting State affordable housing requirements.

Sunnyvale is concerned at this time about the ultimate allocation results. We understand that the allocation numbers currently presented are considered draft and acknowledge that the allocation is driven by the SCS process. We also point out that the numbers represent an assumption of the division of units citywide and within PDAs; however two of the significant PDAs assumed in Sunnyvale (Lawrence Station, East Sunnyvale) have not been adopted yet. The allocation is also representative of buildout numbers in our current General Plan and Draft Land Use and Transportation Element (again not adopted); however, both documents are long-range plans (2025 and 2035 horizon years, respectively) as opposed to the 8-year horizon of the RHNA.

As you are aware, Sunnyvale has been consistently recognized as a leader in meeting its housing needs. Although Sunnyvale is currently experiencing an unusually high development market for certain types of housing, based on a historic average, we can realistically expect development of 300 net new dwelling units per year. We are concerned that the overall number assigned to Sunnyvale (5,374) is unrealistically high. It requires an average growth rate of 696 dwelling units a year over an 8-year period. While our General Plan

indicates the potential to accommodate these units in the long-term, market forces will play a major role in dictating how quickly those units get built.

In regards to affordable housing, while we generally understand the rationale behind the methodology used to arrive at the total RHNA for Sunnyvale, and for dividing the overall housing demand into the four affordability levels, we are concerned about our ability to meet the need for lower income units the City has been allocated. A nexus study recently commissioned by the City estimated that a subsidy of approximately \$250,000 (in 2011 dollars), is currently required to develop one housing unit for a very low income household, and approximately \$116,000 is required for one low income household unit, as shown below.

Affordable Units	Sunnyvale RHNA	Subsidy Per Unit	Total Subsidy Required
Very Low Income	1,540	\$250,000	\$385,000,000
Low Income	871	\$116,000	\$101,036,000
Total	2,411	n/a	\$486,036,000

Assumptions: Affordable units are 2-bedroom apartments in 3-4 story multi-family building with podium parking, at density of 50 units/acre
Nexus study by EPS, Inc. 12/22/2011

These estimates were derived using very conservative assumptions regarding development cost, and are not adjusted to reflect general inflation that will occur over the 8-year RHNA period, nor typical annual increases in land and construction costs, which, especially in the Silicon Valley, typically increase at far greater annual rates than the general inflation indices used for statewide or national economic projections. Even using these very conservative assumptions and before factoring in inflation, the total cost for the City to meet the RHNA for very low and low income units for the next cycle (2014-2022) would be nearly half a billion dollars in 2011. In addition to the investment of nearly half a billion dollars, this allocation would require at least thirty net developable acres of available land zoned at densities of at least 50 units per acre.

We believe it is highly unrealistic for the state to expect any local jurisdiction to be able to meet these needs for lower income housing given the amount of subsidy required and the recent statewide actions to dissolve redevelopment agencies, and federal and state actions to cut back on affordable housing funding programs. At best, the City may receive approximately one to two

million dollars per year for affordable housing development from federal grants and local housing linkage fees and inclusionary housing in-lieu fees. Over an eight-year period such as the RHNA cycle, that equates to only \$8-16 million, less than 3% of the total amount of subsidy that would be required to meet the RHNA for the lower income housing needs for the next cycle. The City does not object to the allocation methodology per se, nor to the requirement to zone sufficient land in order to provide adequate sites for units at densities at or above 20 units per acre. The City will object to any adverse impacts of a negative review by the State HCD at the end of the next RHNA cycle (in 2022) if it, as expected, is unable to meet the entire RHNA need for affordable units, due to the extraordinary amount of public subsidy and private investment that would be required. Such financial resources are unavailable to any local jurisdiction in this day and age of budget reductions, reduced federal and state funding, and state actions to dissolve and de-fund redevelopment agencies.

Again, Sunnyvale would like to thank ABAG for an opportunity to review the RHNA allocation methodology prior to release of the final allocation. It is our understanding that once the RHNA methodology is adopted in July, cities will have a further opportunity to comment on their respective draft allocations before they are finalized later this year. We look forward to the opportunity to provide more specific comments on Sunnyvale's allocation once the RHNA methodology has been adopted.

Sincerely,



Hanson Hom
Director of Community Development

cc: City of Sunnyvale Mayor and City Councilmembers
Gary Luebbbers, City Manager
Trudi Ryan, Planning Officer
Suzanne Isé, Housing Officer



June 29, 2012

Mr. Ken Kirkey, Planning Director
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

RE: Draft 2014-2022 RHNA Methodology

Dear Mr. Kirkey,

Thank you for providing the opportunity for the Town of Los Altos Hills to comment on the 2014-2022 draft RHNA Methodology. Los Altos Hills is a hillside residential community with naturally scenic and open space areas where topography provides significant constraints to development such as steep slopes, unstable soils, seismic faults, creeks and waterways. Los Altos Hills has no commercial, retail, or industrial zoned lands, and no Priority Development Area (PDA) or Growth Opportunity Area (GOA). There is no public transit available within the Town except for two VTA bus lines serving Foothill College.

In the past three housing element cycles, the Town has continued to meet the State Housing Element law requirements by producing affordable housing units and rezoning land to provide for a variety of housing types. As a community with no proposed PDAs, the Town is already at a tremendous disadvantage as it would not be eligible to compete for over 70% of the funds that are designated for PDAs and PDA serving projects.

Under the current proposal, the Town of Los Altos Hills would be required to produce 1.5 times more units while larger cities with PDAs have receive a reduced allocation of up to 35%. The proposed methodology requiring a minimum 40% household formation is contrary to the region's sustainability goal to plan for housing near jobs and transit and penalizes smaller cities that have a lower number of housing units in the 1999-2006 and 2007-2014 cycles.

The Town of Los Altos Hills respectfully requests that the ABAG Executive Board considers these comments during the review and approval of the final RHNA methodology on July 19, 2012.

Sincerely,

A handwritten signature in blue ink that reads "Carl Cahill".

Carl Cahill, Town Manager
Town of Los Altos Hills

cc: Ezra Rappaport, Executive Director, ABAG



TOWN OF FAIRFAX

142 BOLINAS ROAD, FAIRFAX, CALIFORNIA 94930
(415) 453-1584 / FAX (415) 453-1618

June 29, 2012

Mr. Mark Luce, President
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94607-4756

RE: Town of Fairfax Comments on Draft Methodology
Regional Housing Need Assessment 2014-2044

Dear Mr. Luce:

Thank you for the opportunity to comment on the draft Regional Housing Need Assessment (RHNA) Methodology 2014-2022 as recommended in the letter we received dated May 29, 2012 from Mr. Ken Kirkey, ABAG Director of Planning and Research. At a special meeting this morning, the Fairfax Town Council voted to authorize me to write this letter for consideration at your Executive Board meeting on July 19, 2012.

First, we understand how arduous a process this is for all concerned to come up with equitable allocations for various regions, let alone for subregions like ours here in the physically constrained upper end of the Ross Valley – which is solely dependent upon the Sir Francis Drake Boulevard corridor (a corridor that is operating at extremely low levels of service already). Likewise, we understand and appreciate the need to accommodate housing needs throughout the region – particularly for all income groups within our communities.

However, having reviewed the RHNA allocations, we have some concern on the numbers and methodology of calculation and request that when reviewing the draft RHNA please keep in mind just how our particular Town is nearly built-out with almost all remaining undeveloped land, either very steeply sloped or constrained from development for other reasons. For example, the Town of Fairfax lies at the outer western edge of the “built environment” of Marin in a predominately Wild-lands Urban Interface (WUI) area – at the gateway to west Marin’s protected open space.

Thank you again for your consideration of our unique housing constraints. We invite you to visit our Town’s webpage to view our newly adopted 2010-30 General Plan within which the new Housing Element has strived to address these physical limitations by utilizing the few remaining developable parcels for senior housing, workforce housing, new second units and mixed use infill (TPP) development in the heart of Town near our transit hub.

Sincerely,

James M. Moore, Planning Director
Town of Fairfax

cc: Mayor and Town Council members
Interim Town Manager

Item 6 Appendix



CITY OF SAUSALITO

420 Litho Street • Sausalito, CA 94965
Telephone: (415) 289-4100
www.ci.sausalito.ca.us

June 28, 2012

Ezra Rapport, Executive Director
Association of Bay Area Governments
101 Eight Street
Oakland, CA 94607

RE: Draft 2014-2022 Regional Housing Needs Allocation Methodology

Dear Mr. Rapport:

The Sausalito City Council and staff have reviewed the draft Regional Housing Needs Allocation (RHNA) resulting from the draft 2014-2022 RHNA methodology approved by the Association of Bay Area Governments (ABAG) Board of Directors on May 17, 2012. In general we are pleased to see the RHNA numbers for Marin County, and in particular for Sausalito, have been reduced from draft RHNA numbers resulting from earlier versions of the 2014-2022 RHNA methodology.

However, the Council and members of the community continue to have serious concerns about the draft RHNA methodology that we want to share with you. Sausalito is a built-out community with significant physical and environmental constraints to development. The continued reliance on a methodology that places substantial weight to the provision of housing regardless of realistic development capacity is unsustainable.

Specifically, the use of a minimum housing floor of 40% of household formation growth results in a housing allocation that is clearly inconsistent with the overall objective of Senate Bill 375 to better integrate land-use and transportation planning. Any significant housing growth in smaller communities that are not support by employment centers or public transit would increase regional vehicle miles traveled and greenhouse gas emissions.

The draft proposed methodology also penalizes smaller cities that have a lower number of affordable units permitted in the 1999-2006 cycle. Cities should be evaluated on the number of affordable units permitted as a percentage of the total units permitted in their jurisdiction. Affordable housing is being built in smaller built-out cities and those

FAX NUMBERS:

Administration: (415) 289-4167
Recreation: (415) 289-4189

Community Development: (415) 339-2256

Library: (415) 331-7943
Item 6 Appendix
Public Works: (415) 289-4138

cities should be acknowledged for that effort based on the performance of the local housing market and the total number of permits issued.

We appreciate the opportunity to provide the Sausalito perspective regarding the RHNA methodology. Please forward this letter to the ABAG Executive Board prior to its July 19, 2012 meeting.

Sincerely,



D. Michael Kelly
Mayor of the City of Sausalito

cc: Councilmembers
Adam Politzer, City Manager
Jeremy Graves, Community Development Director
Lilly Schinsing, Associate Planner
Ken Kirkey, ABAG Director of Research and Planning

SANTA CLARA CONFIDENTIAL



June 28, 2012

Ken Kirkey, Director of Planning and Research
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604-2050

Sent via email: RHNA_Feedback@abag.ca.gov

RE: Regional Housing Needs Allocations (RHNA 2014-2022)

Dear Mr. Kirkey

Thank you for the May 17, 2012 memo regarding the 2014 RHNA methodology and ABAG staff's recommendations on the draft allocations. Although we are concerned with certain aspects of the recommendation at this time, we are preliminarily supportive of the RHNA share for the City of Santa Clara.

During past RHNA cycles, the City of Santa Clara has accepted and been committed to providing our RHNA fair share of housing. The City has demonstrated this commitment by introducing new housing opportunity areas in our City over the course of our 2010-2035 General Plan (adopted in November 2010). The General Plan includes hard fought victories for conversion of industrial lands to significant acreage of new residential and mixed-use neighborhoods, situated near the transit and job centers within the City. In addition, we consider ourselves to be a champion of affordable housing and are always seeking ways to improve our affordable housing policies and programs. The City's commitment to much needed housing remains strong despite not only the California State Legislature's action to terminate redevelopment agencies (2011), but also the State Court's decision in the Palmer v. City of Los Angeles (2009) case.

According to the draft allocations, between 2014 and 2022 the City is expected to plan for and provide 3,812 housing units. If the current economic cycle continues, City staff preliminarily believes this overall figure is realistically achievable by 2022.

However, the RHNA calls for 2,173 (57%) of those units within the City of Santa Clara to be very low- to moderate-income level housing units. This substantial percentage of affordable housing is not feasible to attain given the current development tools at the City's disposal. Simply stated, State level legislative and judicial actions have substantially undermined or eliminated our primary affordable housing development incentives and mechanisms. While we still have the ability to require 10% of all new housing development to be affordable on the ownership side, this will not be enough to achieve 2,173 units by 2022, nor can ownership housing realistically achieve the goal for income levels below 90-100 percent of median income. Based on this, we contend that the 2014 RHNA affordable allocations are not reflective of the inability of local jurisdictions to now regulate or finance the

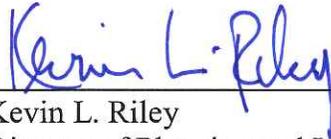
Ken Kirkey, Director of Planning and Research
May 2012 Draft RHNA Allocations
June 27, 2012
Page 2

development of affordable housing, unless the State can make suitable and concurrent regulatory and/or funding commitments to help local agencies support affordable home development.

Santa Clara recognizes the City's obligation to help solve regional problems at the local level, and have actively undertaken programs to proactively address them through the 2010-2035 General Plan. We appreciate the opportunity to comment on the draft RHNA methodology under consideration and respectfully ask that these comments be seriously considered.

Should you have any questions, please do not hesitate to contact Steve Lynch, City Planner, directly at (408) 615-2452 or slynch@santaclaraca.gov. We respectfully submit these comments, and ask that they be seriously considered.

Thank you.



Kevin L. Riley
Director of Planning and Inspections

I:\PLANNING\HOUSING\2014-22 RHNA Process\ABAG - RHNA Letter June 29 2012 (2).doc

cc: Mayor and Council
Jennifer Sparacino, City Manager
Jeff Pederson, Housing Division Manager

Athena Ullah - Fwd: RE: PRA Request - Town of Monte Sereno RHNA

From: Hing Wong
To: Kenneth Moy
Date: 6/27/2012 2:44 PM
Subject: Fwd: RE: PRA Request - Town of Monte Sereno RHNA
CC: Athena Ullah

Ken -

I think it can be handled via Athena who is collecting all of the RHNA comments. ABAG will give a response to all comments in the near future and this can be one of them.

Hing Wong, AICP

Senior Regional Planner, Association of Bay Area Governments (ABAG)
Vice President of Public Information, APA California

P.O. Box 2050, Oakland, CA 94604-2050

☎ 510.464.7966 | 📠 510.433.5566 | ✉ hingw@abag.ca.gov

>>> Kenneth Moy 6/27/2012 2:39 PM >>>

Hing, I am inclined to treat this latest missive from Mr. Stanley as a comment on the Draft RHNA Methodology. The result of which would be for me to tell him so and then turn it over to you. Agreed?

Ken M

This email and any files transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you may have received this communication in error, please advise the sender via reply email and delete the email you received.

***** >>>

On 6/27/2012 at 2:08 PM, in message
<4759EB98EE6B2E4B97E0855BA86CC753012B39B29C@stanprop08.stanprop.com>, Russ Stanley
<Russ@stanprop.com> wrote:

[Mr. Moy, thank you for your help in the past answering questions regarding Monte Sereno.](#)

[A question has arisen that your assistance is required to answer. The attached documents detail the 2014-2022 RHNA requirements for Monte Sereno. If you look at the overview of the SCS_RHNA Methodology attached under Step 3 it discusses "Fair Share Scoring to Growth in Non-PDA Areas". Step 3 indicates that past RHNA Performance \(1999-2006 for very low income and low income\) is a determining factor in calculating final RHNA needs for a jurisdiction.](#)

[Can you please answer the following questions:](#)

[A\) Determination as to whether Monte Sereno was given full credit for RHNA](#)

compliance in the '99-'06 period under step 3;

B) Please provide the complete calculation used by ABAG in scoring;

C) Please indicate whether Monte Sereno is located within a Priority Development Area or Non PDA

Thank you for your time and attention to this matter.

Regards,

Russ Stanley

From: Kenneth Moy [mailto:Kennethm@abag.ca.gov]
Sent: Wednesday, April 11, 2012 10:55 AM
To: Russ Stanley
Subject: Re: PRA Request - Town of Monte Sereno

Mr. Stanley,

I have attached a mass mailing letter that accompanied the report (also attached) re the RHNA for the jurisdictions in the region. Our usual protocol is to send such mass mailings to every jurisdiction, including Monte Sereno. However, we have no further documentation to that effect.

Regards,

Ken Moy

>>> On 4/6/2012 at 3:40 PM, in message <4F7F70DF.5BB : 14 : 40667>, Kenneth Moy wrote:

Mr. Moy, my earlier PRR request I had requested correspondence to Monte Sereno it you were unable to locate any. How did you transmit the RHNA allocation to each city? I would assume it was through a letter to the city?

Thanks for the websit link. Does that link contain the formula/calculation to be applied to Monte Sereno.

Thanks foe the help.

Regards, Russ Stanley

Sent from my iPhone, please excuse the typos.

On Apr 6, 2012, at 11:21 AM, "Kenneth Moy" <Kennethm@abag.ca.gov> wrote:

Mr. Stanley:

The fifth RHNA cycle for the San Francisco Bay region is still a work in progress. The following web page will provide you with access to all public documents produced in connection with this ongoing effort:

http://www.onebayarea.org/plan_bay_area/housing.htm

The draft RHNA methodology and the draft allocations for individual jurisdictions are scheduled for release by ABAG's Executive Board meeting on May 17 at 7 PM at a venue to be determined. After a 60 day public comment period, ABAG will adopt the final methodology and release the final allocations at the July 19 meeting of ABAG's Executive Board. Documentation of the draft and final methodologies and allocations will be distributed at or prior to the meetings at which they will be considered. Any such documentation will also be posted to the web page referenced above.

The proposed draft methodology under development and discussion by the Housing Methodology Committee (see website for information on its role and meetings to date) and ABAG staff is not the same as the methodology used for the fourth RHNA cycle.

Kenneth Moy
Legal Counsel
ABAG

>>> On 4/3/2012 at 3:23 PM, in message <4F7B7869.5E6 : 14 : 40667>, Kenneth Moy wrote:

Mr. Moy, perhaps you can provide us the necessary formula for calculating Monte Sereno's RHNA for the 2014-2022 period based upon HCD's letter to ABAG dated February 24, 2012 (attached) which calculates total demand at 187,900 units for the 8.8 year projection. Assuming that the same formula were utilized going forward as was used in the latest period '07-'14 we would like to know what Monte Sereno's housing requirement would be?

In absence of your ability to calculate Monte Sereno's requirement, please provide the formula used in the '07-'14 period so that we may calculate it.

Thank you, Regards, Russ Stanley

From: Kenneth Moy [<mailto:Kennethm@abag.ca.gov>]

Sent: Monday, March 19, 2012 4:27 PM

To: Russ Stanley

Subject: PRA Request - Town of Monte Sereno

Dear Mr. Stanley:

In response to your request for copies of any correspondence (including mass

mailings) between ABAG and the Town of Monte Sereno from January 1, 2006 to the present regarding the Housing Element Law or the regional housing needs allocation, I have attached the following:

- One file [*Monte Sereno-joined Subregion-Santa Clara County 10-4-06 Brian Bloventhal email.doc*] is an email thread wherein Monte Sereno described its interest in being included in a possible subregion that did not form
- Two files [*09-15-06 Factors Survey - form.pdf* and *2006 RHNA Survey Summary formatted.xls*]: the first is the survey sent to all jurisdictions in the region, including Monte Sereno and the second is a report on the survey results that indicates that Monte Sereno did not respond to the survey.
- Two files [*RHNA Public Comments as of 1-18-07.pdf* and *List of ltrs & emails rec'd.doc*] on all the jurisdictions' and public comments for the RHNA process: these files indicate that Monte Sereno did not write a comment letter.
- One file [*Exec Brd-RHNA 9-21-06.ppt*] on the slideshow presentation to the Executive Board which may have been mass distributed to ABAG members.
- One file [*ABAG Primary Housing Contacts.pdf*] on the local housing contacts that includes a contact for Monte Sereno
- Eight files [*all other files attached*]: all other mass mailings meeting the request parameters.

ABAG has now completed its response to your request.

Regards,
Ken Moy



CITY OF SAN RAMON

2222 CAMINO RAMON
SAN RAMON, CALIFORNIA 94583
PHONE: (925) 973-2500
WEB SITE: www.sanramon.ca.gov

June 26, 2012

Ken Kirkey, Director of Planning and Research
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

**SUBJECT: Comments on the Association of Bay Area Governments (ABAG) 2014-2022
Draft Regional Housing Needs Allocation (RHNA) Methodology**

Dear Ken:

Thank you for the opportunity to review and comment on the draft RHNA Methodology. The following comments have been prepared for inclusion in the public record in anticipation of the ABAG Executive Board meeting on July 19, 2012.

Overall, the City of San Ramon supports ABAG's and MTC's effort to bring a greater jobs/housing balance to the region. As you may be aware, San Ramon has made significant progress in the last decade to bring our community closer to reaching this regional goal. Between 2000 to 2008, the jobs/housing ratio moved significantly lower from 1.51 to 1.24 in the City of San Ramon. With the policies set forth in the newly adopted *San Ramon General Plan 2030*, including the designation of two Priority Development Areas (PDAs), it is anticipated that San Ramon will reach its goal of a 1.05 jobs/housing ratio by General Plan buildout in 2030. Additionally, the City's Air Quality and Greenhouse Gas Element and associated Climate Action Plan will ensure that the anticipated balanced growth will not conflict with the implementation of AB 32—the Global Warming Solutions Act of 2006.

In general, San Ramon finds the main components that make up the RHNA methodology acceptable with exception of the income allocation strategy and the transit factor used for non-PDA areas. Our understanding is that the income allocation strategy determines the difference between the regional proportion of households in an income category and a jurisdiction's proportion in that category. This difference is then multiplied by 175 percent in an effort to be more closely aligned a jurisdiction's income distribution with the region's distribution.

San Ramon's concern over the income allocation is the use of an overly-aggressive 175 percent multiplier. The choice of 175 percent appears to be arbitrary and comes with little explanation as to

why such a high value was selected. The primary justification provided in the previous housing cycle was a 175 percent adjustment made the most meaningful adjustment for jurisdictions that currently do not have a large supply of affordable housing. San Ramon questions why a 100 or 150 percent adjustment was not studied as an alternative for this cycle. Has ABAG analyzed the construction data since the factor's inclusion in 2009 to determine what impact this adjustment factor has had on creating more affordable units in affluent communities? Is there historical data that supports why an adjustment of 175 is ideal to reaching the stated objective?

The 175 percent income adjustment is unrealistically high and ultimately defeats the region's goal of meeting the housing needs in a sustainable and balanced approach. For example in San Ramon, our 2009 to 2014 below-market rate allocation is over 2,600 units which equals approximately 75 percent of our 3,463 total assigned units. It is impractical to expect that a community of less than 25,000 residential units (in 2008) could add 2,600 new "affordable" units in a 7.5 year span. By comparison, in communities with successful inclusionary housing ordinances where 25 percent of new development is reserved for below-market rate units, San Ramon will need to approve over 10,000 new units in 7.5 years to even come close to adding the requisite 2,600 affordable units in our community.

It appears this same flawed methodology is being repeated in the impending housing cycle. With yet another estimated allocation of over 75 percent of our draft RHNA as below-market rate units, the message that the regional agencies sends to our community is mixed: 1) San Ramon should plan for a much higher production of units beyond what we are allocated in order to reach our exorbitantly high allocation of affordable units, contrary to the region's sustainable land use goal, or 2) we will keep assigning an unrealistic RHNA, knowing that these allocations can never be met thus resigning the region to face an even greater shortage of housing units in 2023.

With regards to the fair-share component, San Ramon would encourage the Board to give more weight to the transit factor in non-PDA areas. Given the intent of SB 375 to more closely align land use and transportation planning, not enough emphasis is being made to allocate units to jurisdictions with no PDAs. By using a Jobs-Housing Connection Strategy and an income allocation component, this already heavily burdens jurisdictions that have a high employment base and lower percentage of affordable units to take a greater share of the region's allocation. If a community opted-out of establishing a PDA and also has a strong network of transit, this factor should carry more weight because jobs and affordability are already greatly emphasized in other components of the methodology.

The City of San Ramon encourages the Executive Board to take into consideration the above comments and decrease in the income adjustment percentage as well as weight the transit factor more heavily in non-PDA areas. If you have any questions regarding the information in this letter, please contact Cindy Yee, Associate Planner at (925) 973-2562 or via e-mail: cyyee@sanramon.ca.gov.

June 26, 2012

Page 3

Sincerely,



Phil Wong
Planning/Community Development Director

Cc: City Council/City Manager
Debbie Chamberlain, Planning Manager
Cindy Yee, Associate Planner

c12.045 Ken Kirkey ABAG RHNA 2014-2022 Draft Methodology Comment Letter

Athena Ullah - Fwd: RHNA Methodology

From: "Hanson Hom" <hhom@ci.sunnyvale.ca.us>
To: <hingw@abag.ca.gov>
Date: 6/25/2012 9:42 AM
Subject: Fwd: RHNA Methodology

Hanson Hom

Director of Community Development
 City of Sunnyvale
 P.O. Box 3707
 456 W. Olive Avenue
 Sunnyvale, CA 94088-3707
 408-730-7450



Save the environment. Please don't print this email unless you really need to. 

>>> On 6/22/2012 at 5:42 PM, Hanson Hom <hanson_hom@ci.sunnyvale.ca.us> wrote:
 Hing, Justin:

If you are not the person who should receive this request, please forward accordingly. Much thanks.

We were reviewing the draft RHNA methodology and the resulting numbers in Santa Clara cities and are honestly perplexed about the draft numbers. The RHNA number for Sunnyvale has proportionately increased more significantly than for similar adjacent cities. This raises questions about the validity of the methodology and/or the assumed data for Sunnyvale. In order to properly comment on the methodology which is the immediate focus, please provide the calculation on how the draft methodology was applied to Sunnyvale to arrive at 5,574 units, which is an increase of about 20 percent from the previous cycle. This would be most helpful so that we can provide ABAG with meaningful and constructive comments by June 30 as requested. Without this more specific information, we are not clear whether our concerns pertain to the methodology or the data.

Additionally, one of our Councilmembers recently attend an ABAG meeting and was under the impression that nominating a PDA would influence or increase a city's RHNA number. A clarification of how a PDA designation affects, if any, a city's RHNA numbers is also requested. I was under the impression that it does not have an effect and that it primarily affected eligibility for certain priority grant funding that is tied to PDAs such as the OBAG program.

Thanks,

Hanson Hom

Director of Community Development
 City of Sunnyvale
 P.O. Box 3707
 456 W. Olive Avenue
 Sunnyvale, CA 94088-3707
 408-730-7450



Save the environment. Please don't print this email unless you really need to. 



CITY OF NEWARK, CALIFORNIA

37101 Newark Boulevard • Newark, California 94560-3796 • (510) 578-4000 • FAX (510) 578-4306

June 25, 2012

Ken Kirkey
Director of Planning and Research
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

RE: Regional Housing Needs Allocation Methodology

Dear Mr. Kirkey,

I am writing to convey Newark's concerns about the proposed Regional Housing Needs Allocation Methodology.

The proposed Regional Housing Needs Allocation (RHNA) methodology would assign massive and disproportionate increases in housing growth to our community. Newark is allocated 1,149 units, a 33% increase in housing units over the previous RHNA cycle -- a 52% increase in our share of regional housing.

This increased allocation is of particular concern because Newark has no fixed transit and minimal bus transit; and Newark's only proposed transit project has been deleted from infrastructure planning. In the "Plan Bay Area" Process, regional agencies removed the voter approved Dumbarton Rail Service from the infrastructure plan. Newark's 2,500 unit Dumbarton Transit Oriented Development (TOD) was to be served by the now deleted service. This disinvestment undermines our TOD and should have resulted in a massive **decrease** in our housing allocations in the SCS, however regional agencies ignored Newark's repeated objections and did not adjust the land use to reflect the infrastructure disinvestment.

As further evidence of the flaw in the SCS process and RHNA methodology, Newark's 33% increase is much higher than adjacent and similar cities that have substantial existing and proposed transit service:

- Fremont, which has an existing BART Station and an additional two stations planned has only a 13% increase in RHNA allocation.
- Milpitas with existing light rail and proposed BART station has its RHNA allocation increased by only 28%.
- Hayward with 2 BART stations RHNA allocation had only a 28% increase.
- Union City with a BART and a proposed Multimodal station has had their RHNA allocation **decreased** by 43%.

Given that SB 375 mandates connection between land use and infrastructure investment, the fact that housing allocations are increasing in Newark at the very time that transit investment is decreasing is clear evidence of a fundamental problem in the process. The reason for this error lies with a defective SCS process that, in direct contravention of SB 375, failed to adjust the land use allocations to reflect infrastructure changes. This issue should be no surprise to ABAG, since in our April 26, 2012 letter commenting on this error in the SCS we stated: "if the Dumbarton Rail Service is not recommended for inclusion in the RTP network, the allocation of housing in Newark **must** be dramatically reduced." ABAG and MTC chose to ignore our objections, and the defective SCS and this distorted RHNA allocation are the inevitable results. Since the proposed RHNA methodology relies upon the defective SCS land use assumptions, the RHNA methodology perpetuates the defective process. Unless modified, the proposed RHNA allocation process would perpetrate the errors of the SCS process and would be in conflict with State law.

Ideally the SCS process should be reevaluated to take the changes in infrastructure into account in the allocation of housing growth. While Newark will diligently pursue the goal of fixing the SCS error, we recognize that corrections are not likely at this stage in the process. Therefore we suggest that the RHNA Proposed Methodology be adjusted to address this issue to at least prevent its perpetuation.

Proposed Modification of RHNA Methodology

The methodology should contain a filter that assures that no community that has been subjected to significant transit disinvestment could have its RHNA allocation increased over the 2007-2014 levels. There is no simply justification for increasing the housing allocations to an area that is simultaneously having its only proposed fixed transit service defunded.

The reliance of your methodology on a defective SCS process has led to the assignment of massive growth to a community without effective transit. This outcome is unreasonable, illogical and is out of step with State legislation. Please make changes to the methodology that will result in a reasonable allocation of housing demand to Newark. I would be happy to meet with you to discuss potential solutions to this issue. We will also avail ourselves of your Revision and Appeals Process to address this issue. Thank you for your attention to this issue. If you wish to discuss this further please contact me by email at Terrence.grindall@newark.org or by telephone at 510-578-4208.

Sincerely,


Terrence Grindall
Community Development Director

cc: John Becker, Newark City Manager, 37101 Newark Boulevard, Newark, CA 94560
Doug Kimsey, Metropolitan Transportation Commission, 101 8th Street, Oakland, CA 94607



TOWN OF LOS GATOS

OFFICE OF THE TOWN MANAGER
(408) 354-6832
Manager@LosGatosCA.gov

CIVIC CENTER
110 E. MAIN STREET
P.O. Box 949
Los Gatos, CA 95031

June 21, 2012

VIA First Class Mail

Mr. Ken Kirkey, Planning Director
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

RE: Draft RHNA Methodology - Town of Los Gatos Comments

Dear Mr. Kirkey:

The Town of Los Gatos appreciates the opportunity to provide comments on the 2014-22 Draft RHNA methodology. The Town understands the challenge of developing a RHNA distribution methodology that the 101 Bay Area municipalities find equitable and acceptable. However, the Town continues to have a concern with the proposed minimum housing floor factor of the fair share component.

In March 2012, the West Valley Cities of Saratoga, Campbell, Cupertino, Monte Sereno, and the Town of Los Gatos sent you a letter outlining our concerns with the fair share distribution component of the ABAG RHNA methodology. The letter stated that the five agencies believe that 40% minimum household formation should be eliminated. The concern was not with the allocation of affordable units to our jurisdictions, but rather assigning a larger share of units in the 2014-22 cycle than in the previous 2007-14 cycle to the smaller Santa Clara County cities. These smaller cities are generally built-out and do not have sufficient vacant or under-developed land to meet the Priority Development Area (PDA) goals.

Although the proposed RHNA for Santa Clara County is approximately only 269 units more than the previous 2007-14 Cycle, there are a number of cities within the County that have identified PDAs, but have an overall lower amount of units allocated in the upcoming cycle. Pursuant to the Plan Bay Area, these PDAs are where new residential and job growth will be focused. For example, the Cities of Mountain View and Palo Alto both have PDAs, but their overall projected units are lower than in the previous cycle. This is compared to an increase in projected units for the Cities of Los Altos, Saratoga, Los Altos Hills, Monte Sereno and the Town of Los Gatos, which do not contain PDAs.



The 40% minimum housing floor factor contributes to this imbalance in the RHNA distribution, and the methodology appears to be inconsistent with the goals of the Sustainable Communities Strategy (SCS) and Plan Bay Area. Consistent with the SCS goals, the projected housing growth should be planned for the communities that are served by transit, are projecting employment growth, and will be eligible for the majority of transportation funding. These smaller bedroom communities do not possess these characteristics.

The Town of Los Gatos respectfully requests forwarding the Town's concerns to the ABAG Executive Board for its consideration during the review and approval of the final RHNA methodology on July 19, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Larson', with a long horizontal flourish extending to the right.

GREG LARSON
Town Manager

GL:jj

MEMORANDUM

TO: Parisa Fatehi-Weeks, Public Advocates

FROM: Alex Karner and Deb Niemeier, Department of Civil and Environmental Engineering,
UC Davis

DATE: May 24, 2012

RE: Alternative scenarios, affordable housing, and vehicle-miles traveled in the Bay Area

A. Introduction

Under SB 375, California's metropolitan planning organizations (MPOs) must reduce per capita greenhouse gas (GHG) emissions, primarily by coordinating transportation and land use planning in an effort to pair compact growth with high quality transit. This coordination is embodied in the sustainable communities strategy – a new component of the regional transportation plan that provides not only a vision for the future transportation system but also signals the kinds of land uses needed to achieve reductions in vehicle-miles traveled (VMT).

The potential for gentrification and displacement to occur in urban spaces simultaneous with the pursuit of otherwise laudable environmental goals is now well-documented.¹ Recent work has identified ways in which the process of gentrification and the demographic changes it elicits actually work against environmental goals. These studies consistently find evidence of growing affluence in neighborhoods that receive improved transit service, including increasing proportions of college graduates, rising median incomes, higher automobile ownership, and reduced transit mode share.² The research on racial demographic effects is more mixed, with some studies concluding that local transit investments lead to a reduction in proportions of people of color,³ and others finding no evidence of changing racial demographics.⁴ As one example, an analysis of Canada's three largest cities found that while gentrification was associated with increases in non-motorized mode share, it was also associated with decreases in public transit and carpool use. Most problematically, the mode share for "auto as driver" was also associated positively with gentrification.⁵ Taken together, these studies suggest that merely producing dense, mixed use developments well-served by transit is not enough to reach the policy goals of reducing VMT and thus GHG emissions.

¹ Sarah Dooling, "Ecological Gentrification: A Research Agenda Exploring Justice in the City," *International Journal of Urban and Regional Research* 33, no. 3 (2009); Noah Quastel, "Political Ecologies of Gentrification," *Urban Geography* 30, no. 7 (2009).

² Matthew E. Kahn, "Gentrification Trends in New Transit-Oriented Communities: Evidence from 14 Cities That Expanded and Built Rail Transit Systems," *Real Estate Economics* 35, no. 2 (2007); Stephanie Pollack, Barry Bluestone, and Chase Billingham, "Maintaining Diversity in America's Transit-Rich Neighborhoods," (Dukakis Center for Urban and Regional Policy, 2010); Kara S. Luckey, "Assessing the Effectiveness of Approaches to the Allocation of Low-Income Housing Tax Credits in Proximity to Rail Transit" (paper presented at the 91st Annual Meeting of the Transportation Research Board, Washington, DC, 2012).

³ ———, "Approaches to the Allocation of LIHTCs".

⁴ Pollack, Bluestone, and Billingham, "Maintaining Diversity."

⁵ Martin Danyluk and David Ley, "Modalities of the New Middle Class: Ideology and Behaviour in the Journey to Work from Gentrified Neighbourhoods in Canada," *Urban Studies* 44, no. 11 (2007).

As part of its equity analysis for the current regional plan update, known as *Plan Bay Area*, the Metropolitan Transportation Commission (MTC) reports that there will be substantial displacement pressures on “communities of concern” in the Bay Area in future years.⁶ Specifically, MTC’s analysis identifies concentrations of overburdened renters in traffic analysis zones (TAZs)⁷ where greater than 15% of housing units are occupied by renters paying more than 50% of their income on housing. TAZs that meet these thresholds and are projected to grow by more than 30% by 2035 are considered at risk of increased displacement pressure. The MTC analysis results show that 30% to 40% of the base year’s overburdened renters in communities of concern are at risk compared to 7% to 10% in the remainder of the region.

MTC has also identified that the proposed transportation investment and land use strategies get only part of the way toward the 2035 GHG emissions reduction goal. There is a five percentage point gap remaining that MTC is proposing to address through a series of transportation policy measures. Despite MTC’s own analysis on displacement risk, discussions around bridging this gap have focused almost exclusively on achieving additional per capita GHG reductions through policy initiatives like the promotion of electric vehicles.⁸ In focusing on vehicle technology, MTC overlooks an important opportunity: affordable housing can be an effective tool for meeting GHG emissions reductions while simultaneously meeting a number of other objectives by reducing other VMT-related externalities including congestion costs, deaths and injuries from collisions, and public health costs like obesity.

The remainder of this memo uses travel modeling data produced by MTC to quantify differences in travel behavior by income categories. We argue that equitable housing distributions that provide options for residents of different income levels can be an effective VMT reduction strategy.

B. Income, automobile ownership and VMT

The Association of Bay Area Governments (ABAG) has noted that residents of affordable housing drive less and own fewer cars than those who do not live in affordable housing.⁹ Precisely how much less they drive can be identified with the travel demand modeling data developed for the alternative *Plan Bay Area* scenarios using low-income status as a proxy for affordable housing residence.¹⁰ Table 1 shows vehicle ownership and VMT per capita at the household level when looking at income effects for both 2005 and future years. Consistent with SB 375, all future scenarios suggest that households, on average, will own fewer vehicles and

⁶ MTC, “Plan Bay Area Equity Analysis Overview and Equity Analysis Scorecard,” <http://www.onebayarea.org/pdf/EquityAnalysisOverview.pdf>.

⁷ A unit of geography used to model travel approximately equivalent to a census tract.

⁸ See discussion at the May 11, 2012 joint meeting of the MTC Planning Committee and the ABAG Administrative Committee. Out of \$685 million budgeted to help MTC reach its 2035 GHG emissions reduction target, 60% is directed at electric vehicle subsidization.

⁹ Association of Bay Area Governments, “Myths & Facts About Affordable and High-Density Housing,” <http://www.abag.ca.gov/services/finance/fan/housingmyths2.htm>.

¹⁰ Five alternative scenarios were designed for Plan Bay Area comprising two transportation investment scenarios paired with two land use scenarios. The first two, Initial vision and Core capacity, assume unlimited resources for housing development in the Bay Area. The latter three are based upon realistic planning assumptions regarding the total amount of housing growth that can be accommodated in the region. Each varies slightly in precisely where growth is located. Further information is available at: <http://www.onebayarea.org/pdf/ScenarioAnalysisOverview.pdf>.

that VMT per capita across all income groups will decline. However, as expected, we find that vehicle ownership and VMT per capita increases as household incomes increase.

Table 1 Comparison of modeled scenarios – Automobile ownership and VMT per capita by income.

	Average vehicles per household				
	Income quintile 1 (< 26,000) ^a	Income quintile 2 (26,000 – 52,000)	Income quintile 3 (52,000 – 80,000)	Income quintile 4 (80,000 – 124,000)	Income quintile 5 (> 124,000)
Base year, 2005	1.010	1.533	1.821	2.10	2.15
Initial vision	0.947	1.447	1.738	2.01	2.09
Core capacity	0.917	1.445	1.742	2.01	2.08
Focused growth	0.948	1.493	1.795	2.06	2.11
Constrained core capacity	0.942	1.487	1.790	2.06	2.11
Outward growth	0.988	1.521	1.815	2.08	2.12
	Average VMT per capita				
Base year, 2005	8.78	13.27	17.13	19.15	19.65
Initial vision	8.09	12.18	15.40	17.30	18.20
Core capacity	7.91	12.22	15.48	17.26	17.99
Focused growth	7.76	11.94	15.07	17.02	17.83
Constrained core capacity	7.69	11.84	14.98	16.95	17.83
Outward growth	8.07	12.24	15.35	17.27	18.00

^aQuintile bounds are calculated for each scenario, so the values that define each category are approximate.

The empirical evidence of gentrification discussed earlier suggests that median income levels and vehicle ownership are likely to rise in areas where transit service improves, and these increases have been linked to increasing risk of gentrification and displacement.¹¹ In future years, MTC has identified that transit service improvements will be focused largely on priority development areas (PDAs) – those areas targeted to receive streamlined environmental review for housing projects with densities conducive to frequent transit service. Using data provided by MTC, we classified 195 TAZs as being part of a PDA and compared the median incomes for PDA and non-PDA areas.¹² Table 2 shows that median income across the PDAs increase faster than in the non-PDAs and faster than the entire region from the base year to each of the future year scenarios. The results are consistent with MTC’s equity analysis: PDAs will likely experience gentrification and increasing displacement risk as *Plan Bay Area* is implemented.

¹¹ Pollack, Bluestone, and Billingham, “Maintaining Diversity.”

¹² A TAZ was considered to be part of a PDA if greater than 50% of its area overlapped part a PDA classified as “planned” and “final” in the GIS layer (according to the attributes PlanStatus and ABAGStatus, respectively).

Table 2 Median income, 2000\$.

	PDA	Non-PDA	Entire region
Base year, 2005	43,800	68,200	65,000
Initial vision	48,000	67,000	64,400
Core capacity	50,000	68,000	65,000
Focused growth	48,310	68,000	65,000
Constrained core capacity	48,600	68,000	65,000
Outward growth	48,200	68,010	65,200

The gentrification literature discussed in the introduction also suggests that new residents in gentrifying areas will be less likely to take transit and more likely to own greater numbers of automobiles than previous residents. We can test this prediction by comparing low-income households to all other households in PDAs and non-PDA TAZs in terms of VMT per capita (Table 3). As we might expect, VMT per capita decreases from the base year when compared to each forecast scenario for both low-income and all other households. That is, households in PDAs have substantially lower VMT per capita than the rest of the region in both the base and forecast years. The critical aspect to this analysis, however, is that the rate at which low-income households reduce VMT per capita is slightly higher than all other households in both PDAs and non-PDAs in all future year scenarios (final row of Table 3). Automobile ownership results show similar, across the board reductions for PDAs, with low-income households owning fewer automobiles than all other households in both PDAs and the remainder of the region. Locating residents in PDAs is clearly an important strategy for achieving SB 375’s GHG targets, but the future year non-low income households generally do not reduce driving or automobile ownership as much as low-income households.

Table 3 Comparison of modeled scenarios – VMT per capita.

	VMT per capita (PDAs)		VMT per capita (other TAZs)	
	Low-income households ^a	All other households	Low-income households ^a	All other households
Base year, 2005	5.51	11.04	9.54	18.72
Initial vision	5.11	10.23	8.70	17.29
Core capacity	4.78	9.87	8.54	17.20
Focused growth	4.88	9.96	8.42	16.85
Constrained core capacity	4.94	9.89	8.40	16.82
Outward growth	5.07	10.26	8.64	17.05

Average reduction relative to 2005 (%)			
10.0	9.0	10.5	9.0

^aLow-income households classified according to the US Census definition¹³ based on household size and income threshold. Consistent with MTC practice, 200% of the threshold is used.

One caveat is that these results may not fully represent market dynamics that will result from improved transit service, since the allocations of different household types by income are established prior to running the travel model. In addition, representations of travel behavior are

¹³ US Census Bureau, “Poverty Data - Poverty Thresholds,” <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>.

based upon cross-sectional analysis sometimes extending as far back as 1990.¹⁴ The gentrification literature argues that subsequent “waves” of gentrifying individuals bring with them different travel behaviors; these behaviors would tend to transcend classification based upon income alone to include difficult-to-quantify properties such as politics, ideologies and values.¹⁵ Later waves are potentially less inclined to reduce automobile ownership and VMT than are earlier waves. These factors are generally not included in a travel demand model. For this reason, the travel model results might underestimate the VMT per capita and automobile ownership figures expected to result in future years in gentrifying, transit rich areas.

C. Links between affordable housing and VMT

It seems self-evident that affordable housing should not just be placed anywhere. More equitable distributions of housing can be expected to lead to lower VMT per capita based on the land uses likely to surround mixed income communities and also because of the relationships between VMT and income noted above. We can quantify the equitability of a housing distribution using the Gini coefficient. The Gini coefficient is a well-accepted measure of population inequality which varies from a perfectly equal distribution of some good (zero) to a perfect concentration of that good with one individual or group (one).¹⁶ Those TAZs with more equitable housing distributions (where there are equal numbers of each household type by income) will have Gini coefficients closer to zero, while those with inequitable distributions will have Gini coefficients closer to one.

Table 4 summarizes the VMT per capita for each future year scenario and the base year according to quintiles of the Gini coefficient calculated at the household level.¹⁷ Each column represents the average VMT per capita for households representing 20% of the total in each scenario. Housing distributions become increasingly inequitable moving from left to right in the table. The results clearly indicate that TAZs with more equitable housing distributions have lower VMT per capita. Further analysis reveals that the TAZs with the highest Gini coefficients (most inequitable) disproportionately represent households in the highest income groups. For the initial vision scenario, the TAZs with the most inequitable housing distributions (i.e. Gini quintile 5) had an average of 51% of total households in the highest income category and only 10% in the lowest income category. TAZs that had the most equitable housing distributions (i.e. Gini quintile 1) had an average of 23% of households in the highest income category and 20% in the lowest.

To the extent that median incomes rise in PDAs and similarly transit rich areas in the urban core in forecast years, VMT per capita is likely to increase. Maintaining and improving the equitability of the housing distribution is one method that MPOs can use to ensure that per capita VMT remains as low as possible. These results indicate that developing more equitable distributions of affordable housing should be included alongside other methods proposed by MTC to meet its SB 375-mandated GHG reduction target.

¹⁴ MTC, “Travel Model Development: Calibration and Validation (Draft),” (Oakland, CA: Metropolitan Transportation Commission, 2011).

¹⁵ Danyluk and Ley, “Modalities of the New Middle Class: Ideology and Behaviour in the Journey to Work from Gentrified Neighbourhoods in Canada,” 2197-98.

¹⁶ World Bank, “Poverty Analysis - Measuring Inequality,” <http://go.worldbank.org/3SLYUTVY00>.

¹⁷ Quantities of housing types in each of four income categories based on ABAG modeling are used as input into MTC’s travel model for future years. Observed data on income distribution are used for the base year.

Table 4 VMT per capita by scenario and Gini coefficient quintile.

Increasingly inequitable housing distribution 

	Gini quintile 1	Gini quintile 2	Gini quintile 3	Gini quintile 4	Gini quintile 5
Base year, 2005	14.91	15.10	15.10	17.50	19.03
Initial vision	12.98	13.71	14.35	15.40	18.10
Core capacity	13.11	13.34	14.25	15.66	17.88
Focused growth	12.73	13.22	14.30	15.11	17.59
Constrained core capacity	12.66	13.25	13.93	15.12	17.66
Outward growth	12.85	13.65	14.25	15.70	17.77

One could argue that the differences identified in Table 4 are entirely the result of income effects. We would expect the same results if low-income housing units are disproportionately concentrated in TAZs with low Gini coefficients. To check this hypothesis, we estimated a preliminary spatial autoregressive error model of the logarithm of total VMT at the TAZ level. The modeling results are located in the appendix. The independent variables include, among others, the total number of housing units in the lowest two income categories; this allows us to estimate the effect of affordable housing provision on total VMT (and thus GHG emissions). The interpretation of the estimated coefficient on affordable housing shown in the appendix is that a one percent increase in housing units occupied by the lowest income groups is associated with a 0.07 percent decrease in TAZ-level VMT, all else equal. Said another way, the provision of affordable housing within a TAZ has a high probability of being independent of the income level within that same TAZ and the other variables included in the model. This result suggests that an equitable housing distribution results in lower VMT.

D. Conclusion

This memo and MTC’s own analysis indicate that gentrification and displacement of low-income residents are likely outcomes in areas expected to receive transit investments over the course of *Plan Bay Area*. We present evidence correlating inequitable housing distributions with higher VMT, suggesting that investment in affordable housing can help to meet SB 375’s GHG reduction goals while mitigating the risk of gentrification and displacement. Additional transportation policies proposed to achieve GHG targets should not be myopically focused on transportation technology. Strategies such as affordable housing provision can help to meet SB 375’s goals while mitigating other transportation externalities.

E. References

- Association of Bay Area Governments. “Myths & Facts About Affordable and High-Density Housing.” <http://www.abag.ca.gov/services/finance/fan/housingmyths2.htm>.
- Danyluk, Martin, and David Ley. “Modalities of the New Middle Class: Ideology and Behaviour in the Journey to Work from Gentrified Neighbourhoods in Canada.” *Urban Studies* 44, no. 11 (2007): 2195-210.
- Dooling, Sarah. “Ecological Gentrification: A Research Agenda Exploring Justice in the City.” *International Journal of Urban and Regional Research* 33, no. 3 (2009): 621-39.

- Kahn, Matthew E. “Gentrification Trends in New Transit-Oriented Communities: Evidence from 14 Cities That Expanded and Built Rail Transit Systems.” *Real Estate Economics* 35, no. 2 (2007): 155-82.
- Luckey, Kara S. “Assessing the Effectiveness of Approaches to the Allocation of Low-Income Housing Tax Credits in Proximity to Rail Transit.” Paper presented at the 91st Annual Meeting of the Transportation Research Board, Washington, DC, 2012.
- MTC. “Plan Bay Area Equity Analysis Overview and Equity Analysis Scorecard.” <http://www.onebayarea.org/pdf/EquityAnalysisOverview.pdf>.
- . “Travel Model Development: Calibration and Validation (Draft).” Oakland, CA: Metropolitan Transportation Commission, 2011.
- Pollack, Stephanie, Barry Bluestone, and Chase Billingham. “Maintaining Diversity in America's Transit-Rich Neighborhoods.” Dukakis Center for Urban and Regional Policy, 2010.
- Quastel, Noah. “Political Ecologies of Gentrification.” *Urban Geography* 30, no. 7 (2009): 694-725.
- US Census Bureau. “Poverty Data - Poverty Thresholds.” <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>.
- World Bank. “Poverty Analysis - Measuring Inequality.” <http://go.worldbank.org/3SLYUTVY00>.

Appendix

The travel data used to estimate the model shown in Table A 1 were obtained from MTC. Demographic data were also assembled from the 2005-2009 American Community Survey maintained by the US Census.

Table A 1 Spatial error model on the logarithm of total TAZ-level VMT for the 2005 base year.

Variable	Coefficient estimate	Standard error ^a
log(median income)	0.01700	0.00354***
log(housing units in the lowest two income categories)	-0.0647	0.00815***
log(total people of color)	-0.01859	0.00861*
log(total zero vehicle households)	-0.0240	0.00448***
log(total workers)	0.0985	0.01340***
log(total population)	0.993	0.01870***
log(total acreage)	0.0370	0.00519***
Peak transit accessibility ^b	-0.0371	0.00315***
Peak non-motorized accessibility ^b	-0.0475	0.00351***
Lambda (spatial error term)	0.1258	0.00256***
Number of observations = 1441		
Pseudo R ² (Nagelkerke) = 0.96		

^aSignificance is indicated by the following convention: p < 0.001 ***, p < 0.01 **, p < 0.05 *

^bTransit and non-motorized accessibilities are outputs from the travel demand model and are in relative units. They are included merely as controls.

Athena Ullah - RE: language of the suggestion from my testimony

From: Parisa Fatehi-Weeks <pfatehi@publicadvocates.org>
To: Hing Wong <Hingw@abag.ca.gov>, Miriam Chion <MiriamC@abag.ca.gov>
Date: 6/13/2012 7:33 PM
Subject: RE: language of the suggestion from my testimony
CC: Athena Ullah <AthenaU@abag.ca.gov>, Sam Tepperman-Gelfant <stepperman-ge...>
Attachments: PA_MTC_memo 20120524.pdf

Ok, thanks Hing. FYI, I have also attached the memo that I referenced in the testimony.

Here is a brief summary of the memo which shows that equitable distribution of affordable housing can reduce VMT:

This memo by Alex Karner and Deb Niemeier of UC Davis, as well as an analysis by the Metropolitan Transportation Commission and the Association of Bay Area Governments, indicate that gentrification and displacement of low-income residents are likely outcomes in areas expected to receive transit investments over the course of Plan Bay Area. The memo presents evidence correlating inequitable housing distributions with higher vehicle miles traveled (VMT), suggesting that investment in affordable housing can help to meet SB 375's greenhouse gas (GHG) reduction goals while mitigating the risk of gentrification and displacement. Additional transportation policies proposed to achieve GHG targets should not be myopically focused on transportation technology. Strategies such as affordable housing provision can help to meet SB 375's goals while mitigating other transportation externalities.

If you or other ABAG staff are interested in contacting the analyst at UC Davis that wrote it, just let me know and I can introduce you.

Thank you,
Parisa

Parisa Fatehi-Weeks
Public Advocates Inc.

From: Hing Wong [mailto:Hingw@abag.ca.gov]
Sent: Wednesday, June 06, 2012 4:54 PM
To: Parisa Fatehi-Weeks
Cc: Athena Ullah; Sam Tepperman-Gelfant
Subject: Re: language of the suggestion from my testimony

Parisa -

This is fine. Thanks!

Hing Wong, AICP

Senior Regional Planner, Association of Bay Area Governments (ABAG)
Vice President of Public Information, APA California

P.O. Box 2050, Oakland, CA 94604-2050

☎ 510.464.7966 | 📠 510.433.5566 | ✉ hingw@abag.ca.gov

>>> Parisa Fatehi-Weeks <pfatehi@publicadvocates.org> 6/6/2012 3:33 PM >>>
Hing,

Item 6 Appendix

Since you requested, here is the language of the methodology amendment I made in my public comment:

Every jurisdiction with a median income above the Bay Area average should take-on at least as much of the region's lower-income housing need as it did in the 2007-2014 Planning Period. This would mean shifting some lower-income units from lower-income cities to more affluent cities in exchange for higher-income units. The total RHNA number for each jurisdiction would remain the same.

If I can, I will send you the rest of my comments soon, but this was the key part.

Thanks,
Parisa

=====
Parisa Fatehi-Weeks
Staff Attorney
131 Steuart Street | Suite 300 | San Francisco CA 94105
415.431.7430 x305
pfatehi@publicadvocates.org

Public Advocates Inc. | *Making Rights Real* | www.publicadvocates.org

CONFIDENTIAL COMMUNICATION

This email message and any attachments are intended only for the use of the addressee named above and may contain information that is privileged and confidential. If you are not the intended recipient, any dissemination, distribution, or copying is strictly prohibited. If you received this email message in error, please immediately notify the sender by replying to this email message or by telephone. Thank you.



OFFICE OF THE CITY MANAGER

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3212 • FAX: (408) 777-3366

June 13, 2012

Mr. Ken Kirkey
ABAG Director, Planning and Research
Association of Bay Area Government (ABAG)
P.O. Box 2050
Oakland, CA 94604-2050

RE: VTA Cores, Corridors and Station Areas PDA Designation within Cupertino
Dear Mr. Kirkey,

In response to your letter dated April 18, 2012 the City of Cupertino will continue to support the Priority Development Area (PDA) designation for the VTA Cores, Corridors and Station Area along Stevens Creek Boulevard between Highway 85 and the eastern City limits and a portion of North De Anza Boulevard in Cupertino. Our understanding is that this Priority Development Area (PDA) has added an additional 60 units to our Regional Housing Need Allocation (RHNA) but will qualify Cupertino for the One Bay Area Grant (OBAG) funding related to PDAs.

We would like to encourage ABAG and the MTC to allow cities to add PDAs after the current OBAG funding cycle so that an additional Employment Investment Area in the Homestead Road and North Wolfe Road area may be added to Cupertino. We believe that the area meets the qualifications given the increase in employees due to the development of the new Apple campus, a potential redevelopment opportunity at the Vallco regional mall and the development of a large residential project (Rosebowl) in the Vallco area.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amy Chan', is written over a faint, larger version of the same signature.

Amy Chan
Interim City Manager

Cc: Timm Borden, Director of Public Works
Aarti Shrivastava, Director of Community Development

Athena Ullah - Income Distribution

From: Anda Draghici <adraghic@hcd.ca.gov>
To: "Hing Wong" <Hingw@abag.ca.gov>
Date: 6/11/2012 4:05 PM
Subject: Income Distribution

Hi, Hing, Here is the citation I was talking about

Government Code 65584 The regional housing needs allocation plan shall be consistent with all of the following objectives:

...(d)(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

Anda Draghici, Senior Housing Policy Specialist
Division of Housing Policy Development
916.327.2640 / F: 916.327.2643

CA Department of Housing and Community Development
1800 Third Street, Room 430
Sacramento, CA 95811
<http://www.hcd.ca.gov/>

-- ***** This email and any files attached are intended solely for the use of the individual or entity to which they are addressed. If you have received this email in error, please notify the sender immediately. This email and the attachments have been electronically scanned for email content security threats, including but not limited to viruses.



3231 Main Street
Oakley, CA 94561
925 625 7000 tel
925 625 9859 fax
www.ci.oakley.ca.us

June 27, 2012

MAYOR
Kevin Romick

VICE MAYOR
Carol Rios

COUNCILMEMBERS
Pat Anderson
Randy Pope
Jim Frazier

Ezra Rapport, Executive Director
ABAG
Joseph P. Bort Metro Center
101 Eight Street
Oakland, CA 94607-4770

Steve Heminger, Executive Director
MTC
Joseph P. Bort Metro Center
101 Eighth Street
Oakland, CA 94607-4770

RECEIVED

JUL 02 2012

EXECUTIVE DIRECTOR'S OFFICE

SUBJECT: City of Oakley Comments and Request for Revisions to the DRAFT Regional Housing Needs Allocation (RHNA) Methodology and Preliminary Subregional Shares for the fifth cycle: 2014-2012

Dear Mr. Heminger and Mr. Rapport:

The City of Oakley is requesting revisions to the DRAFT Regional Housing Needs Allocation (RHNA) and Methodology that was recently approved by the Association of Bay Area Governments (ABAG) on May 17, 2012. Oakley is concerned with the high number of overall units allocated to the City, specifically the high number of low- and very-low income units. The methodology does not take into account several factors that include the intent of the Oakley Priority Development Areas (PDAs) was to create job and employment centers, the lack of rail transit within Oakley, the number of existing jobs within Oakley, the current RHNA performance relating to the construction of low- and very-low income units, and lastly, the State's recent elimination of Redevelopment Agencies.

When reviewing the draft RHNA and the methodology used to derive the draft allocation, it appears that Oakley has several unique conditions which should necessitate a reduction in the overall number of units that have been preliminarily allocated to Oakley. As stated in previous letters, a majority of the entitled units in Oakley are not located within PDAs. With this said, Oakley's housing projections become misleading, specifically within Oakley's three PDAs. In short, many of the units that have been approved and are not located within PDAs seem to be assumed within the PDA areas by the methodology. Although Oakley still feels it is important to reduce target

emissions through a comprehensive regional strategy, there are several unique conditions to Oakley that need to be reconsidered when looking at the draft RHNA.

The Oakley City Council would like to offer the following comments:

- The objective of the Sustainability Component is to concentrate new development in areas to protect the region's natural resources and reduce development pressures on rural outlying areas. While the City agrees with this objective, it is not applicable to Oakley because Oakley's General Plan already accommodates areas suitable for residential development to accommodate the total household projections in the Jobs-Housing Connection Scenario and Strategy. The original intent of the Oakley PDAs was to designate areas in which employment centers would be created. The need to accommodate more residential development in PDAs is undermining this goal.
- A majority of 798 acres that make up the Oakley "Employment Area" PDA is not suitable for residential development. A large portion of the PDA encompasses 378 acres of land owned by DuPont, in which approximately 170 acres are occupied by wetlands. Other portions of the DuPont property are located within a floodplain, are being remediated and are not currently ready for any type of development, and other portions are designated for Light Industrial land uses. Another portion of that PDA is occupied by 78 acres of land and governed by the River Oaks Crossing Specific Plan. A long-standing deed restriction and the Specific Plan do not allow for residential land uses. The remaining areas in the PDA are either designated for Light Industrial or Business Park land uses which also do not permit residential development. The requirement to provide 70% of the RHNA allocation within the "Employment Area" PDA would create a situation where the City would have to amend the Oakley 2020 General Plan and Rezone hundreds of acres of land to allow for residential land uses. As stated within the first bullet, the intent of the PDA was to create jobs that have been envisioned within the General Plan since 2002 to help support the City's existing, entitled and designated housing.
- The draft RHNA allocated the maximum number of units to Oakley, meaning we have been preliminarily allocated 1.5 times the current

RHNA cycle allocation. This seems to go against the Fair Share Component's objective. Based on the Fair Share Component's objective, several factors should have been taken into account when determining the allocation:

- Oakley does not have a strong transit network. While the City does have ambitions to one day have a strong transit network, there is currently a lack of existing infrastructure for direct rail transit. This should have resulted in a lower Fair Share score.
- There is also a strong desire to bring jobs into the City. This is evident by the City's desire to have three PDAs. However, Oakley is not currently a job rich city and, therefore, we should have received a lower Fair Share score.
- Lastly, the methodology does take into account the most recent RHNA performance, rather the 1999-2006 RHNA cycle was used in the Fair Share scoring. The City of Oakley incorporated in 1999, and did not adopt a General Plan until 2002. Subsequently, a Housing Element was adopted in 2005 for the 1999-2006 cycle, and another Housing Element in 2009 for the current 2007-2014 cycle. The City has been committed to not only making land available to accommodate the RHNA allocation, Oakley has already built almost all of the current cycle's allocation, including exceeding the number of low- and very-low income units required. This past performance should be taken into account and should result in Oakley receiving a lower overall score.
- Oakley is not currently served by direct rail transit. The need for an increased job growth is a priority for Oakley. As previously stated, the PDA areas are intended for jobs, which would ensure the residents of Oakley would not need to commute to inner Bay Area job locations, thereby reducing unit and GHG emissions. The draft RHNA allocations do not take into account that Oakley is predominantly made up of single-family residences, and is an area where that lifestyle is preferred over higher-density development. Almost as important is the fact that Oakley has successfully produced low- and very-low income units to satisfy the current RHNA cycle. This shows Oakley's commitment to provide housing for all income levels. As stated by

June 27, 2012

City of Oakley Comments and Request for Revisions to the DRAFT Regional Housing Needs Allocation (RHNA) Methodology and Preliminary Subregional Shares for the fifth cycle: 2014-2012

Page 4 of 4

other East Contra Costa County cities, job growth should be a priority for East Contra Costa County and a means to reduce greenhouse gas emissions as well as meeting the housing preferences for the region.

- The recent elimination of Redevelopment Agencies further financially burdens local agencies that are already facing fiscal concerns due to the current economy. Oakley is very apprehensive with the draft RHNA allocation as it relates to the economy as it suggests multiple acres of land will need to be rezoned to accommodate a large number of higher density units that might never be built and would occupy land needed to create jobs.

The City of Oakley City Council hopes these comments will be considered and that the draft RHNA for Oakley will be reduced accordingly.

Sincerely,



Bryan Montgomery
City Manager

- C: Oakley City Council
Senator Mark DeSaulnier – 7th District
Assembly Member Joan Buchanan – 15th District



CITY OF SARATOGA

13777 FRUITVALE AVENUE • SARATOGA, CALIFORNIA 95070 • (408) 868-1200

COUNCIL MEMBERS:

*Manny Cappello
Jill Hunter
Emily Lo
Howard Miller
Chuck Page*

Incorporated October 22, 1956

June 05, 2012

Ken Kirkey
ABAG Planning Director
101 Eight Street
Oakland, CA 94607

RE: Comments on the Draft RHNA Methodology

Dear Mr. Kirkey:

Thank you for sending the City of Saratoga the draft Regional Housing Need Allocation (RHNA) Methodology, which we received on May 30, 2012. Based on my review of the proposed methodology, I believe that it does not promote an improved relationship between jobs and housing. I also believe that it would not result in a housing distribution that maximizes the use of public transportation and existing transportation infrastructure.

The projected 60,606 units allocated to Santa Clara County would be very similar to the County's 2007 - 2014 allocation, yet some cities with large employment centers and convenient transit access would be allocated a much smaller number of units in 2014-2022. The draft methodology consequently burdens the smaller and built-out cities that have limited employment and transit opportunities with a much higher housing ratio, up to 1.5 times the 2007 - 2014 allocation.

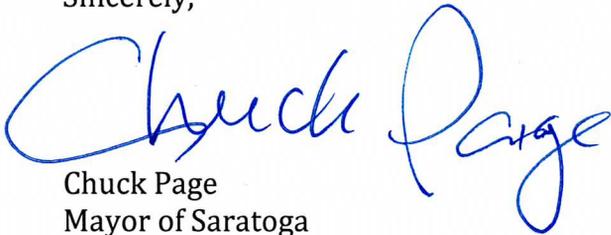
	2014 - 2022 DRAFT RHNA	2007 - 2014 RHNA	Difference (units)
Santa Clara County	60,606	60,338	268
City of Santa Clara	3,812	5,873	(2,061)
Unincorporated	58	1,090	(1,032)
Palo Alto	2,192	2,860	(668)
Los Altos	476	317	159
Saratoga	438	292	146
Los Gatos	616	562	54
Los Altos Hills	122	81	41
Monte Sereno	62	41	21

The use of a minimum housing floor using 40% of household formation growth results in a housing allocation that is clearly inconsistent with the overall objective of Government Code 65584 and Senate Bill 375, to better integrate land-use and transportation planning. Any significant housing growth in smaller bedroom communities that are not supported by employment centers or public transit would increase regional vehicle miles traveled and greenhouse gas emissions.

The draft proposed methodology also penalizes smaller cities that have a lower number of affordable units permitted in the 1999 - 2006 cycle. Cities should be evaluated on the number of affordable units permitted as a percentage of the total units permitted in their jurisdiction. Affordable housing units are being built in smaller built-out cities and those cities should be acknowledged for that effort based on the performance of the local housing market and the total number of permits issued.

I appreciate the opportunity to provide my perspective regarding the proposed methodology. Please include my comments in the feedback provided to the ABAG Executive Board at its July 19, 2012 meeting.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Page". The signature is written in a cursive style with a large, looping initial "C".

Chuck Page
Mayor of Saratoga

1.

Proposal to Modify OneBayArea Grant Proposal

This motion is supported by the 6 Wins Network and Greenbelt Alliance

Proposed Motion Language: MTC directs staff to establish now some core requirements for the next cycle of OBAG funding, FY 2015-16. This will set clear expectations for CMAs and jurisdictions so that they can tailor PDA Growth Strategies and other planning and legislative activities toward meeting these requirements. These include:

1. Distributing funding to reward *local* affordable housing production,
2. Requiring local adoption of policies from a flexible, but clearly articulated, menu of housing and community stabilization policies that correspond to those to be studied and considered in the PDA Growth Strategies

Note: On two occasions, most recently 4/11/12, MTC/ABAG's own advisory groups (Policy Advisory Council, Equity Working Group) passed a motion supporting changes to OBAG. The 4/11/12 motion was as follows:

MTC should adopt guidelines for the CMAs and cities for the next OBAG funding cycle (FY 2015-16) that require:

- *OBAG funding be allocated to the city/jurisdiction level based upon their affordable housing production; and*
- *Cities/jurisdictions have affordable housing and/or anti-displacement policies in place to receive funding. (MTC and ABAG should provide a menu of options and best practice policies for local jurisdictions to choose from.)*

2.

Proposal to Modify the Draft RHNA Methodology

This motion is supported by the 6 Wins Network and Greenbelt Alliance.

Proposed Motion Language: Every jurisdiction with a median income above the Bay Area average should take-on at least as much of the region's lower-income housing need as it did in the 2007-2014 Planning Period. This would mean shifting some lower-income units from lower-income cities to more affluent cities in exchange for higher-income units. The total RHNA number for each jurisdiction would remain the same.

Explanation: The draft RHNA methodology concentrates more housing growth in lower-income cities in the urban core in order to reduce GHG emissions. As a result, some affluent cities that desperately need more affordable housing are seeing sharp declines in their share of the RHNA for low and very-low income units.

With this simple fix, we can achieve both the environmental benefits of focused growth and the equity and economic benefits of planning for enough affordable housing in affluent cities that might not otherwise build it. We can keep the overall focused-growth pattern of the draft RHNA methodology, but also maintain the current, more equitable, distribution of affordable housing in the region.

3.

Proposal to Study Equity Environment and Jobs (EEJ) Scenario

Proposed Motion Language: Study the Equity, Environment, and Jobs (EEJ) Scenario as an alternative in the upcoming environmental impact review (EIR) process. If the EEJ Scenario proves to be the environmentally superior alternative, it should be incorporated into the final RTP/SCS.

Background: ABAG and MTC members supported inclusion of the Equity Environment and Jobs (EEJ) Scenario in the set of SCS alternatives that were evaluated last summer. While the EEJ Scenario did not end up being included in those alternatives, it can and should be added to the set of alternatives to be studied in the Environmental Impact Review process.

4.

Proposal to Study of an Adequate Baseline of Transit Service

Motion: As part of the Preferred Scenario, MTC should study what an adequate baseline of transit service looks like in the Bay Area.

Background: This study would analyze what level of service is needed to connect housing, jobs and other essential destinations to achieve Plan Bay Area's Greenhouse Gas emission and driving reduction goals as well as to ensure basic mobility for all Bay Area residents. This study would build off the research in the Transit Sustainability Project (TSP) and provide needed information to complete Plan Bay Area, such that it plans for the optimal level of transit service and addresses issues of overcrowding, and spatial and temporal service gaps.

Currently, no such study has been done and so we have no sense of: 1) what level of transit service we should be planning for and seeking funding for; and 2) how the recent dramatic cuts to transit service have impacted peoples' mobility, the economy, public health or the amount of VMT or Greenhouse Gas emissions. Our research shows that since 2006 more than 600,000 hours (8%) of bus service have been cut resulting in 20 million fewer transit trips per year. (A Title VI analysis of these cuts does not provide us with information about the bigger picture impact we're proposing be studied.)

Appendix D | 2014-2022 RHNA Schedule

I. RHNA Timeline

Timeline and Next Steps: January 2011 – May 2013

Key Activities

- January 2011 to April 2012 – Housing Methodology Committee
- February 2012 – The State Department of Housing & Community Development (HCD) issued a determination of the Bay Area’s overall housing need for all income levels.
- March 2012 – ABAG Executive Board released preliminary draft Regional Housing Need Allocation (RHNA) Methodology.
- May 2012 – ABAG Executive Board released Draft RHNA Methodology.
- June 2012 – ABAG Regional Planning Committee holds public hearing on Draft RHNA Methodology.
- July 2012 – ABAG adopts Final RHNA Methodology and releases Draft Allocation.
- July 2012 – Revision and Appeals Process begins.
- February-March 2013 – ABAG holds public hearing on appeals by local jurisdictions.
- April 2013 – ABAG issues Final Allocation.
- May 2013 – ABAG adopts Final Allocation.
- June-July 2013 – HCD reviews Final Allocations.

Opportunities for Public Involvement and Local Jurisdiction Input

- In May 2012, ABAG released Draft RHNA Methodology for public comment at a joint meeting of ABAG’s Administrative Committee and MTC’s Planning Committee.
- In June 2012, ABAG holds public hearing on the Draft RHNA Methodology.
- In July 2012, ABAG adopts the Final Methodology and releases the Draft Allocation. Local jurisdictions may request revisions to their Draft Allocations up till September 18, 2012.
- ABAG responds to request for revisions by November 15, 2012. Local jurisdiction may appeal ABAG’s decision on a request for revisions up till January 11, 2013.
- During February-March 2013, ABAG holds public hearing on appeals and responds to comments.
- In May 2013, ABAG adopts the Final Allocation at a public hearing.

Board Action

- Release of draft RHNA methodology (May 2012)
- Adopt RHNA methodology (July 2012)
- Release draft RHNA allocation (July 2012)
- Adopt final RHNA allocation (May 2013)

MEMO

To: ABAG Executive Board
From: Ezra Rapport, Executive Director
Date: July 19, 2012
Subject: Technical Amendment to Draft Jobs-Housing Connection Strategy May 2012

This Technical Amendment clarifies the relationship between the Sustainable Communities Strategy (SCS) and the Regional Housing Need Allocation (RHNA). The staff memo that accompanied the Draft RHNA adopted in May 2012 indicated that sub-regional shares would be the same in the Jobs-Housing Connection Strategy (SCS) and RHNA for the 2014 – 2022 period. The Jobs-Housing Connection Strategy Report made reference to the integration of the SCS and RHNA but inadvertently omitted the feedback relationship.

This feedback relationship has been consistently discussed with the Housing Methodology Committee, Executive Board, RHNA Sub-regions, and local jurisdictions. (See Jobs-Housing Connection Strategy report and Draft RHNA May 2012)

Feedback relationship:

- The Jobs-Housing Connection Strategy (SCS) is an initial input into the RHNA Methodology.
- Once the final RHNA shares are adopted the allocation becomes the Jobs-Housing Connection Strategy (SCS) growth pattern for the period 2014 - 2022. After the final RHNA is adopted, any adjustments to the local jurisdictions growth shares in the SCS will be included before or after the 2014 – 2022 period.

The Jobs-Housing Connection Strategy should be amended to reflect changes to the Draft RHNA Methodology approved in May 2012. The 2022 – 2040 period of the Jobs-Housing Connection Strategy will not change.

M E M O

To: ABAG Executive Board
From: Ezra Rapport, ABAG Executive Director
Date: July 10, 2012
Subject: Investment Area and Priority Development Area Designations

Introduction

This staff report discusses and requests action on two items related to the Sustainable Communities Strategy (SCS) and regional planning program:

- **Rural Community Investment Areas and Employment Investment Areas** (Attachment A)—Proposed land use designations reflecting the unique role of rural communities and employment centers in supporting SCS implementation. These areas replace the previously proposed Rural and Employment Priority Development Area (PDA) place types. Investment Areas would be adopted as part of the Sustainable Communities Strategy with a different set of funding and technical assistance opportunities than Priority Development Areas.
- **Downtown Napa/Soscol Corridor PDA** (Attachment B)—Priority Development Area proposed by the City of Napa to support existing plans, expand housing choices, enhance access, and improve infrastructure in the City’s core. This replaces the City’s previously proposed application for Rural Town Center and Rural Corridor Priority Development Areas. The City proposes that Downtown/Soscol Corridor PDA be designated a Transit Neighborhood place type.

Recommended Action

Staff recommends that the Executive Board take the following actions:

- Adopt Rural Community Investment Areas and Employment Investment Areas as part of the Sustainable Communities Strategy, including designation of the proposed investment areas included in Attachment A, by approving ABAG Resolution No. 11-12 (Attachment C).
- Adopt the Downtown Napa/Soscol Corridor as a Priority Development Area with the Transit Neighborhood place type designation.

Investment Area and Priority Development Area Designations

Attachment A: Rural Community and Employment Investment Areas Background

Summary

This attachment provides background information supporting staff’s recommendation that the Executive Board adopt the Rural Community Investment Areas and Employment Investment Areas as part of the Sustainable Communities Strategy (SCS). A set of guidelines that follow this memo provide greater detail about the purpose of Investment Areas and characteristics of the individual areas proposed for adoption. Full applications for Investment Areas will be available electronically in the FOCUS section of the ABAG website and at the ABAG offices.

1. Process

The process by which Investment Areas were developed is summarized below:

- At its March 7, 2012 meeting, the ABAG Regional Planning Committee (RPC) deferred action on three proposed Priority Development Area (PDA) place types—Rural Town Centers, Rural Corridors, and Employment Centers—until its June 6, 2012 meeting. The Committee requested further study and clarification of these types.
- At its March 15, 2012 meeting, the Executive Board deferred action on rural and employment place types except for approving Downtown Dixon (previously proposed as a Rural Town Center) and Benicia Northern Gateway (previously proposed as an Employment Center) as PDAs. The Board requested that the rural and employment typologies be further refined as designations outside of the PDA planning framework.
- ABAG staff conducted additional analysis of the rural and employment place types to ensure that they contribute to the overall objectives of the adopted Jobs-Housing Connection Strategy and support development in the region’s adopted PDAs. Following review of comments from RPC and Executive Board members and consultation with jurisdictions and stakeholders, staff developed two Investment Areas—Rural Community Investment Areas and Employment Investment Areas—to replace Rural Town Center, Rural Corridors and Employment Center PDAs, and to better align with the Jobs-Housing Connection Scenario.
- At its June 6, 2012 meeting, the RPC recommended that the Executive Board adopt Rural Community Investment Areas and Employment Investment Areas as part of the SCS

outside of the PDA planning framework. The RPC also recommended that the Executive Board adopt Benicia Northern Gateway as an Employment Investment Area.

- Following this meeting, ABAG staff worked with cities to identify any required adjustments to achieve consistency with the Investment Area criteria adopted by the RPC. The Counties of Sonoma and San Mateo adjusted the boundaries of their proposed Rural Community Investment Areas to achieve consistency with criteria. San Mateo divided its proposed MidCoast Investment Area into five areas to meet the criteria, while Sonoma adjusted the boundaries of its previously proposed Investment Areas.

2. Investment Areas Overview

Employment Investment Areas and Rural Community Investment Areas will reinforce the existing PDA planning framework and play a unique and important role in implementing the Jobs-Housing Connection Strategy:

- **Rural Community Investment Areas** are centers and corridors of economic and community activity surrounded by agricultural, resource, or protected conservation lands
- **Employment Investment Areas** are significant centers of economic activity that can be enhanced by local serving retail, “last mile” transportation solutions, and focused growth around transit station areas

Both of the investment areas were conceived in consultation with local jurisdictions as opportunities to address the specific needs of different parts of the region while supporting a larger regional growth pattern that helps meet our GHG reduction targets and achieve environmental, economic, and equity goals. In Sonoma County, for example, Rural Community Investment Areas provide an opportunity to focus the limited growth anticipated in rural parts of the county in walkable places within the urban footprint and to reduce development pressure on the agricultural and conservation lands critical to the economic well-being of these communities and the food supply of the region. In Santa Clara County, investments in Employment areas can improve affordable transit and pedestrian access to places that provide a wealth of job opportunities but are currently poorly linked to communities with limited affordable transportation options. Detailed information about each of the Investment Types is provided in the next part of this attachment.

The county PDA growth strategies that will be completed during the next year will help ensure that both Rural and Employment Investment Areas play an appropriate role in supporting a sustainable growth pattern and strengthening PDAs.

3. Investment Areas Funding Opportunities

Funding for the Investment Areas is currently under consideration.

Rural Community Investment Areas Description, Criteria and Location Data

Description

Rural Community Investment Areas are centers and corridors of economic and community activity surrounded by agricultural, resource, or protected conservation lands. These districts present an opportunity to preserve a rural character and scale while integrating a range of housing types, local retail, and cultural and civic activities. In some cases, these elements are already in place, while in others additional planning and investment can help create a more complete community. In addition to a diversity of land uses and an inviting public realm, strong pedestrian and bicycle connectivity between the area and surrounding neighborhoods are key components of Rural Community Investment Areas.

Role in Regional Growth Strategy

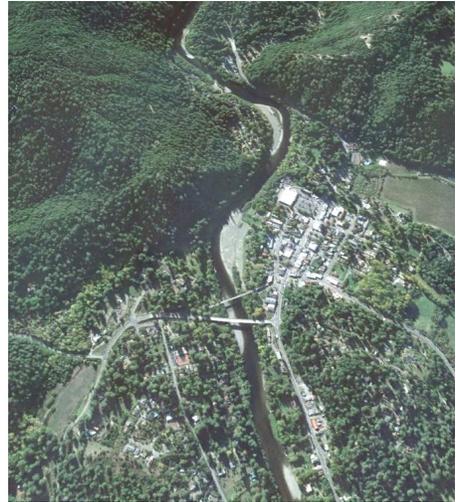
Rural Community Investment Areas join Priority Development Areas (PDAs), Priority Conservation Areas (PCAs), and Employment Investment Areas (pending adoption) as central components of the Jobs-Housing Connection growth strategy and other regional efforts to integrate transportation investments with land use planning. Rural Community Investment Areas differ from PDAs in that they are not intended to draw significant amounts of new jobs and housing, but are critical to maintaining the Bay Area's rural areas and reducing vehicle miles travelled (VMT) in these communities. These areas complement PCAs by accommodating much of the (limited) new economic activity and development anticipated in rural areas, reducing development pressure on the greenbelt.

Criteria for Eligibility

- **Location:**
 - Focal point of a distinct community's social, economic, and civic activity; not contiguous with other urban communities
 - Within an established urban growth boundary or comparable policy protected area (e.g. urban service boundary)
 - Within existing urban footprint (excludes non-urbanized land that is not policy protected)
- **Size:**
 - 20-160 gross acres
- **Land Use Mix** (existing or planned):
 - *Commercial:* local-serving retail; cultural and entertainment activities
 - *Civic:* health and social services; plazas and parks; community centers; schools
 - *Residential:* small lot single-family; townhomes; low-rise multi-family, including some ground floor retail



- **Supportive Local Planning** (existing or planned):
 - Zoning supporting a local-serving commercial and civic/institutional land use mix and a variety of housing options, including senior and affordable housing
 - Identified connectivity improvements, such as pedestrian and bicycle improvements and increased transit service
 - Complete streets ordinance



Funding Opportunities

Funding for projects and technical support in Investment Areas is under consideration. Projects supported by any future funding should improve the pedestrian environment, enhance access for bicyclists and transit riders, and provide innovative ways to reduce VMT. The scale and cost of these projects would be consistent with the existing character and planned densities of the rural communities in which investment areas are located.

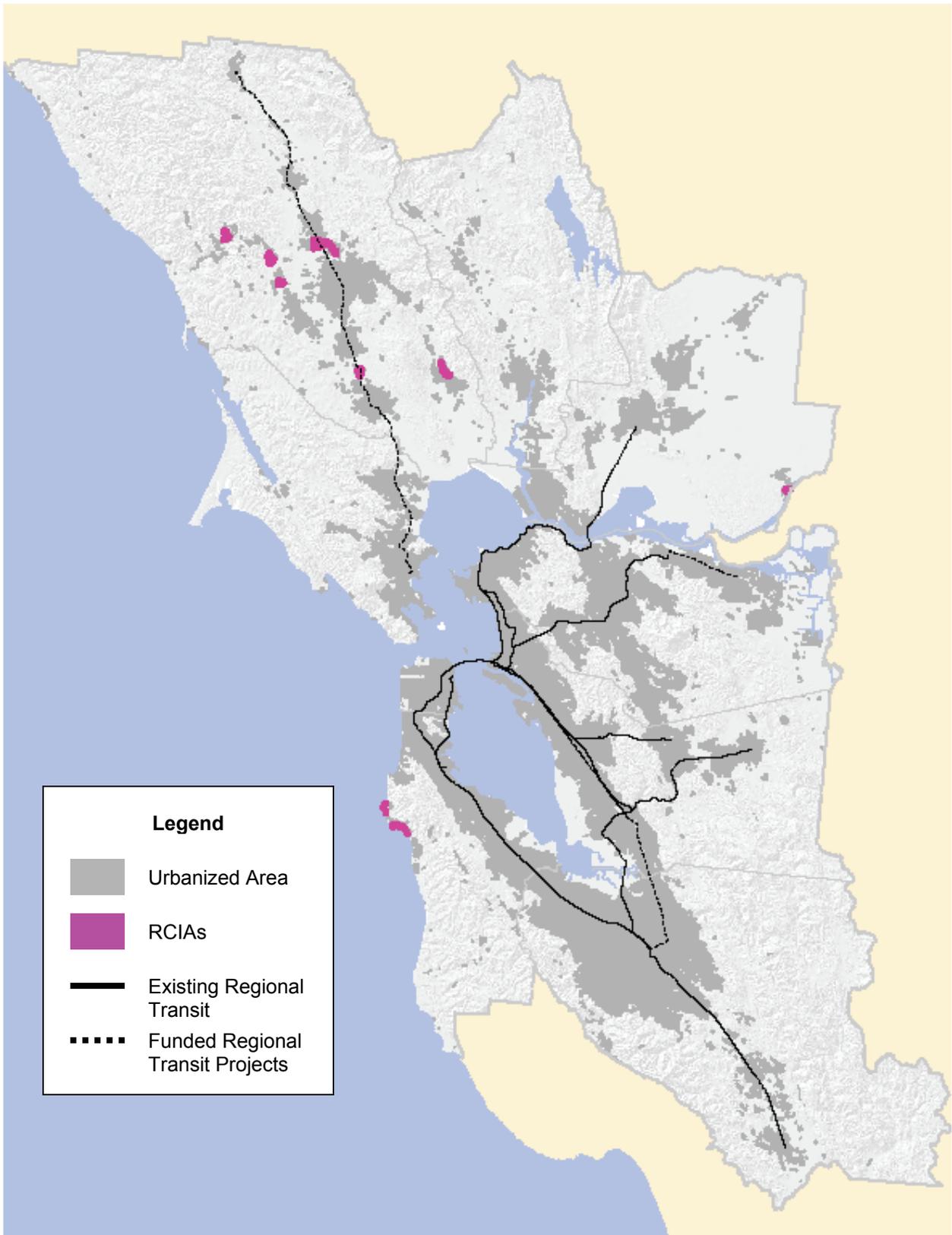


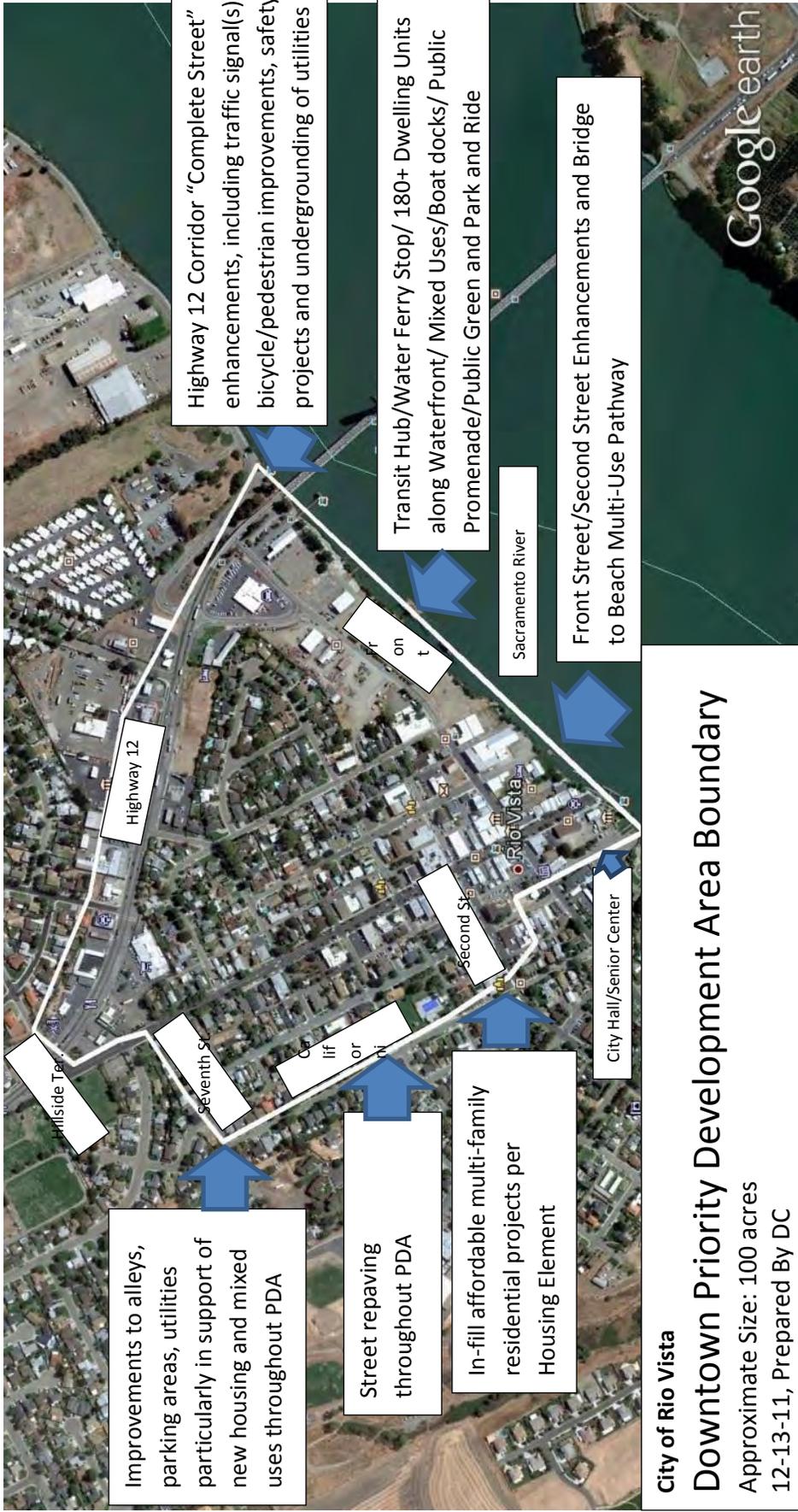
Table 1. Rural Community Investment Areas for Adoption

County	Investment Area	Applicant Jurisdiction	Acres
Solano	Rio Vista	City of Rio Vista	100
Sonoma	Forestville	Sonoma County	160
	Graton		154
	Guerneville		149
	Larkfield		159
	Penngrove		151
	The Springs		159
San Mateo	El Granada	San Mateo County	45
	Mirimar		5
	Montara North		33
	Moss Beach		6
	Princeton		97

A regional map of Rural Community Investment Areas is presented on the next page, followed by maps of each Investment Area.

Rural Community Investment Areas





Improvements to alleys, parking areas, utilities particularly in support of new housing and mixed uses throughout PDA

Street repaving throughout PDA

In-fill affordable multi-family residential projects per Housing Element

Highway 12 Corridor "Complete Street" enhancements, including traffic signal(s), bicycle/pedestrian improvements, safety projects and undergrounding of utilities

Transit Hub/Water Ferry Stop/ 180+ Dwelling Units along Waterfront/ Mixed Uses/Boat docks/ Public Promenade/Public Green and Park and Ride

Sacramento River

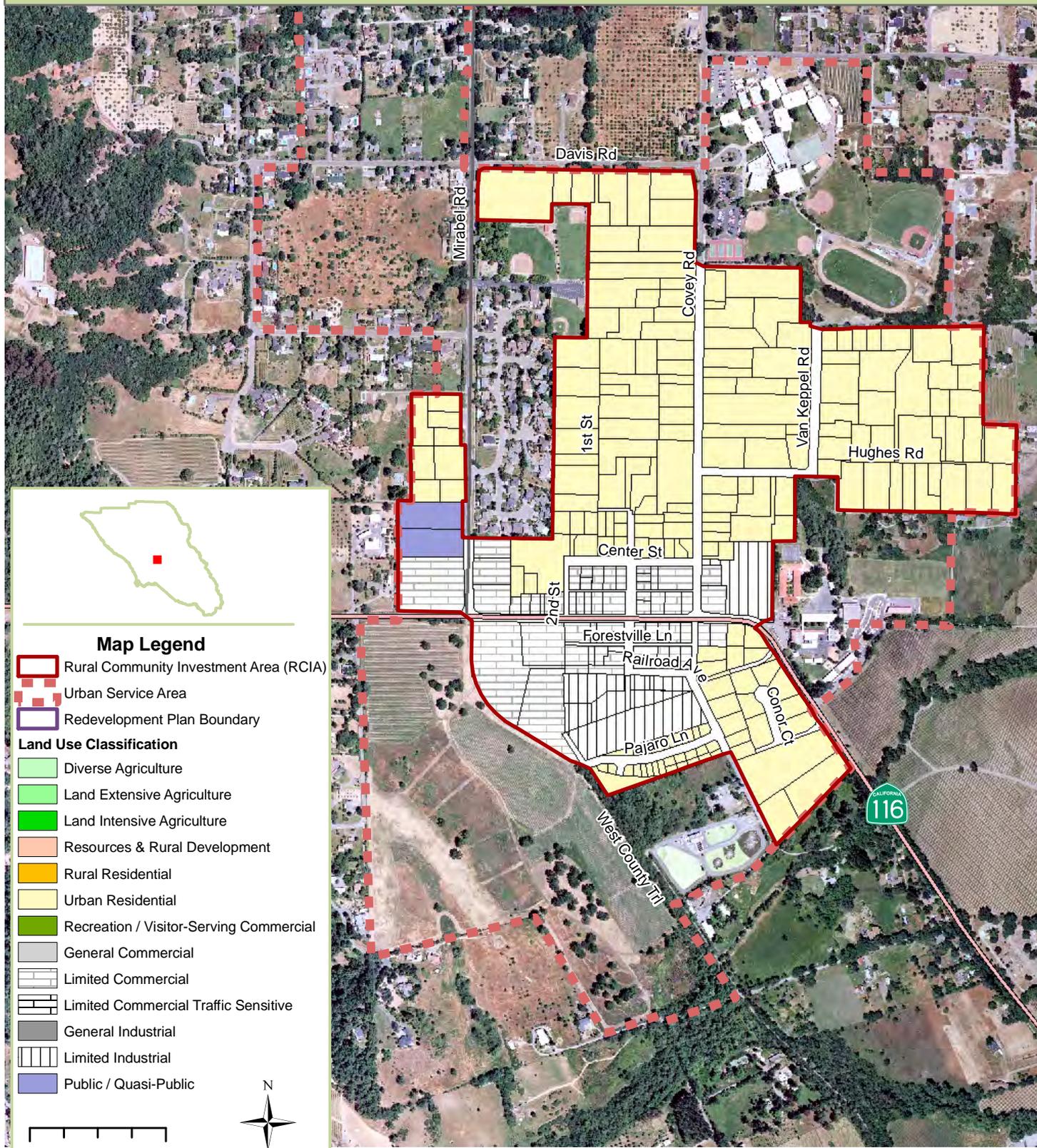
Front Street/Second Street Enhancements and Bridge to Beach Multi-Use Pathway

City of Rio Vista
Downtown Priority Development Area Boundary
 Approximate Size: 100 acres
 12-13-11, Prepared By DC



SONOMA COUNTY

ABAG APPLICATION FOR RURAL COMMUNITY INVESTMENT AREA



Map Legend

- Rural Community Investment Area (RCIA)
- Urban Service Area
- Redevelopment Plan Boundary
- Land Use Classification**
- Diverse Agriculture
- Land Extensive Agriculture
- Land Intensive Agriculture
- Resources & Rural Development
- Rural Residential
- Urban Residential
- Recreation / Visitor-Serving Commercial
- General Commercial
- Limited Commercial
- Limited Commercial Traffic Sensitive
- General Industrial
- Limited Industrial
- Public / Quasi-Public

0 400 800 Feet



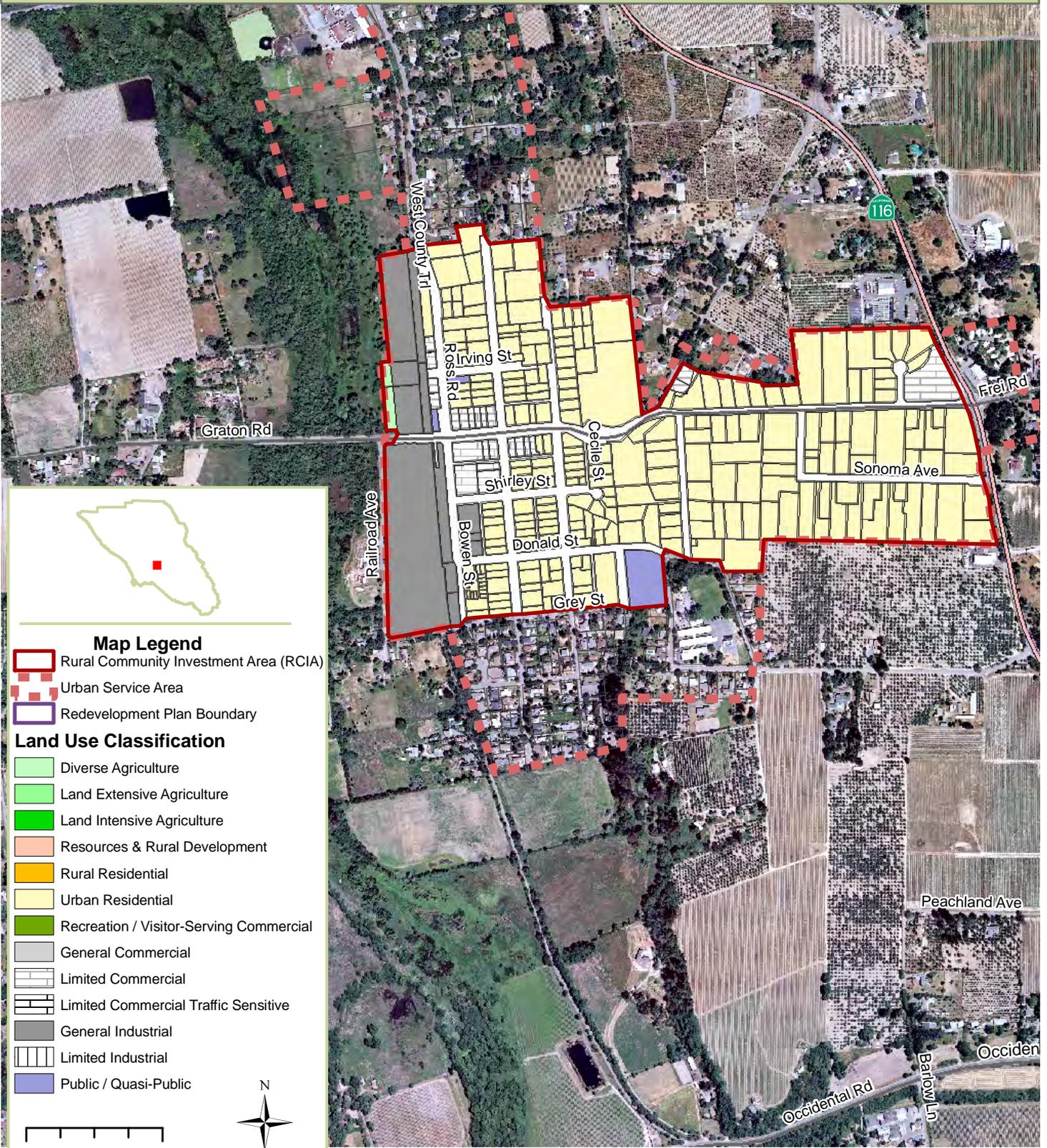
FORESTVILLE LAND USE

JUNE 2012



SONOMA COUNTY

ABAG APPLICATION FOR RURAL COMMUNITY INVESTMENT AREA



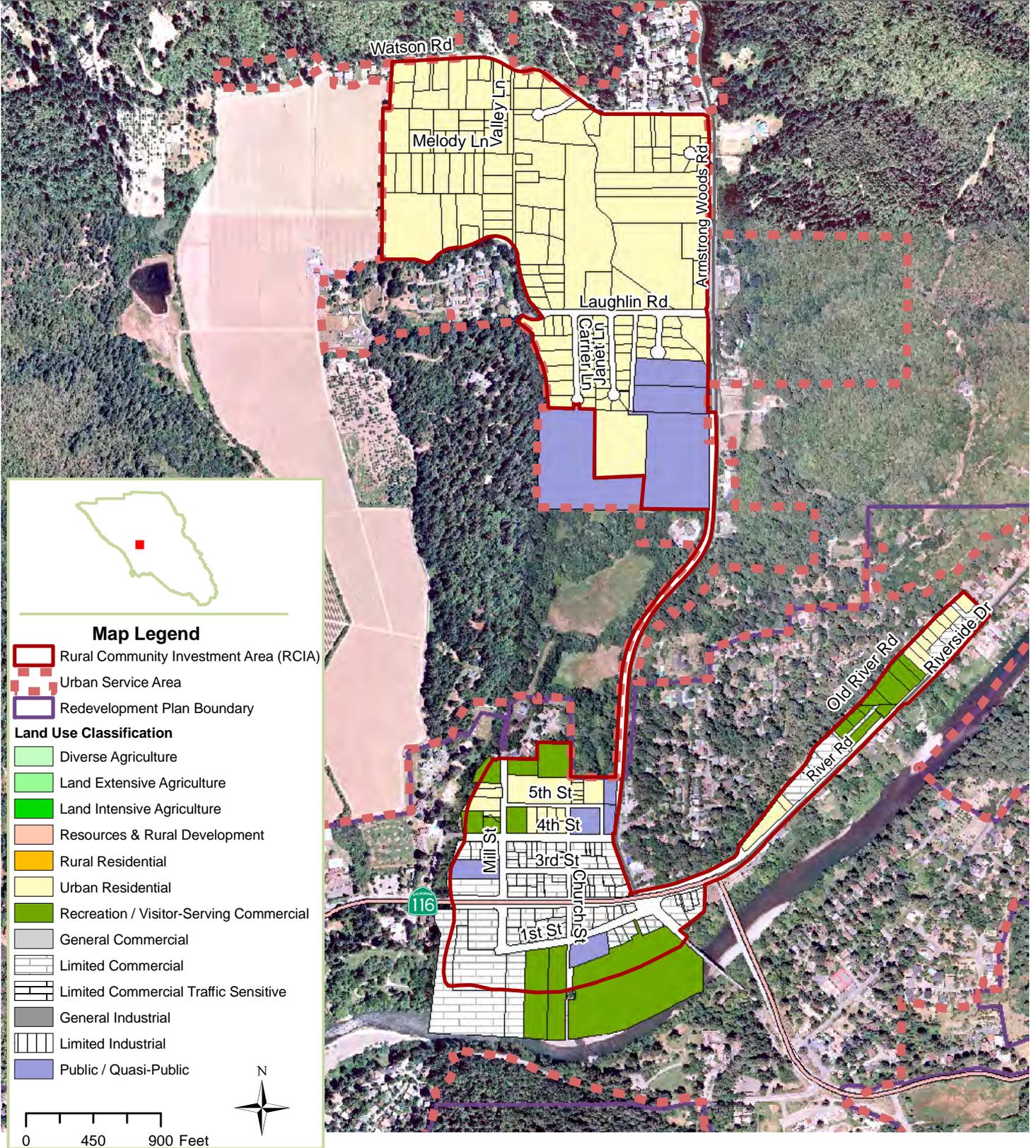
GRATON LAND USE

JUNE 2012



SONOMA COUNTY

ABAG APPLICATION FOR RURAL COMMUNITY INVESTMENT AREA



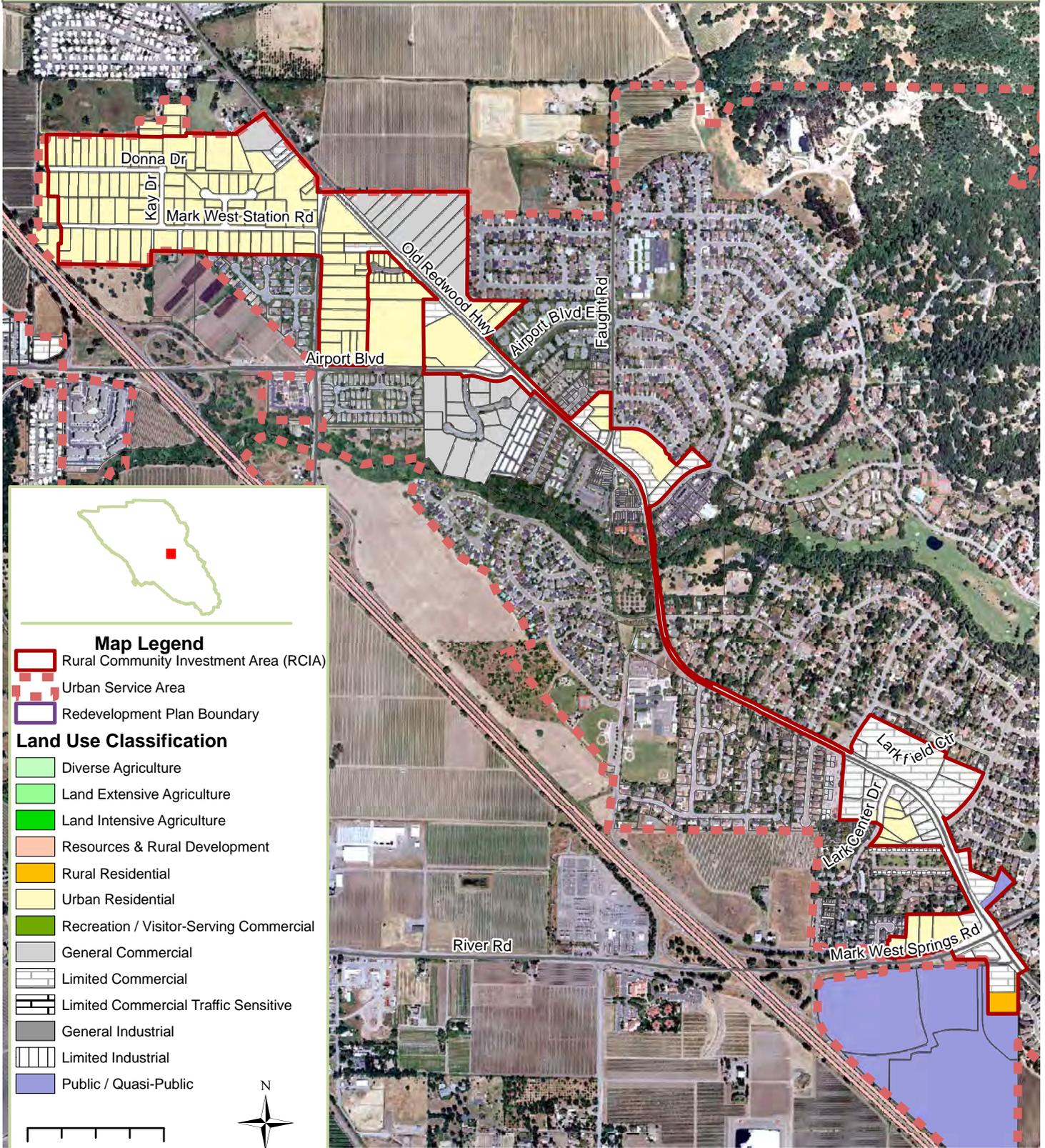
GUERNEVILLE LAND USE

JUNE 2012



SONOMA COUNTY

ABAG APPLICATION FOR RURAL COMMUNITY INVESTMENT AREA



Map Legend

- Rural Community Investment Area (RCIA)
- Urban Service Area
- Redevelopment Plan Boundary

Land Use Classification

- Diverse Agriculture
- Land Extensive Agriculture
- Land Intensive Agriculture
- Resources & Rural Development
- Rural Residential
- Urban Residential
- Recreation / Visitor-Serving Commercial
- General Commercial
- Limited Commercial
- Limited Commercial Traffic Sensitive
- General Industrial
- Limited Industrial
- Public / Quasi-Public

0 625 1,250 Feet



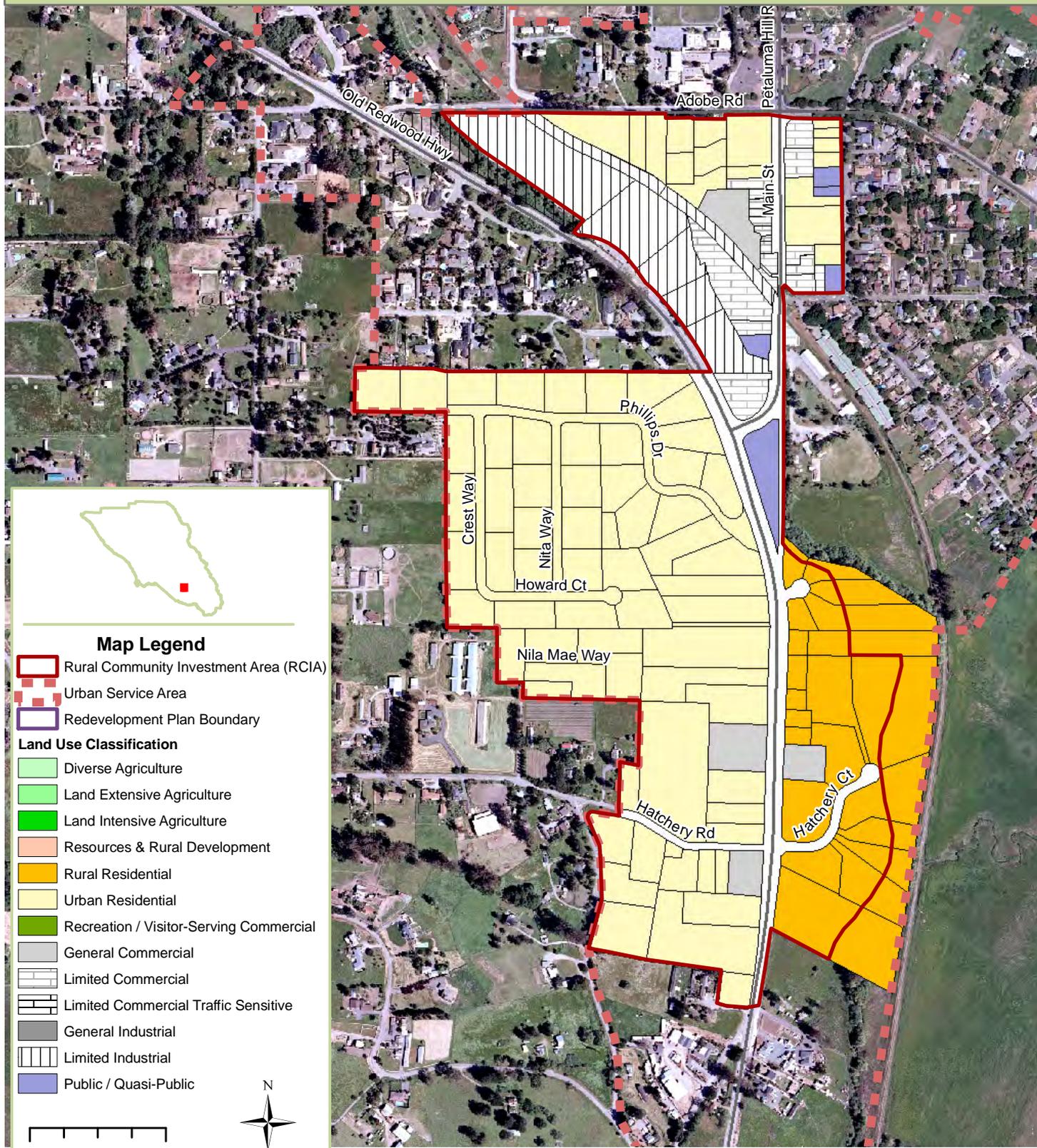
LARKFIELD LAND USE

JUNE 2012



SONOMA COUNTY

ABAG APPLICATION FOR RURAL COMMUNITY INVESTMENT AREA

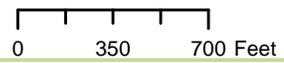


Map Legend

- Rural Community Investment Area (RCIA)
- Urban Service Area
- Redevelopment Plan Boundary

Land Use Classification

- Diverse Agriculture
- Land Extensive Agriculture
- Land Intensive Agriculture
- Resources & Rural Development
- Rural Residential
- Urban Residential
- Recreation / Visitor-Serving Commercial
- General Commercial
- Limited Commercial
- Limited Commercial Traffic Sensitive
- General Industrial
- Limited Industrial
- Public / Quasi-Public



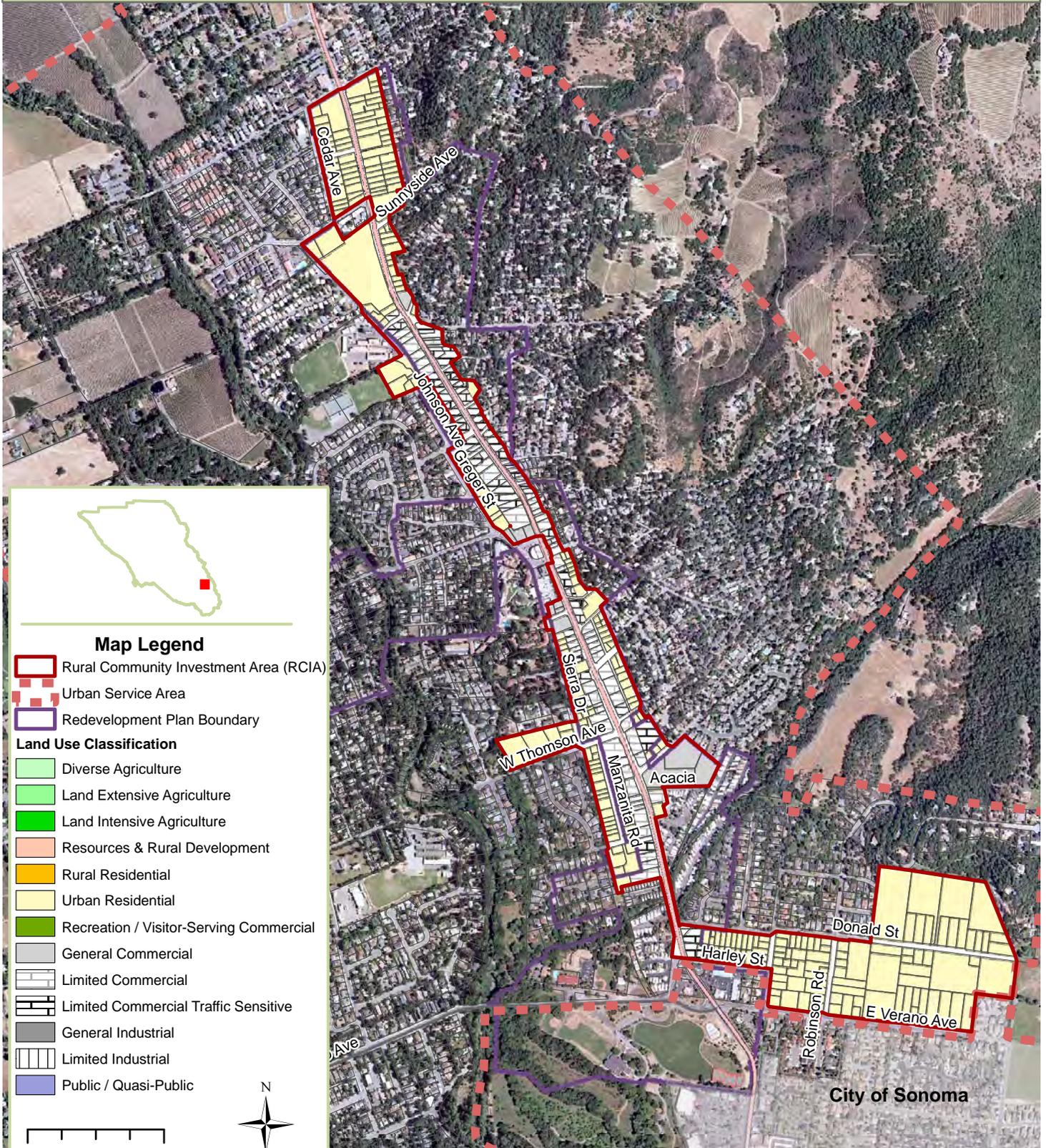
PENNGROVE LAND USE

JUNE 2012



SONOMA COUNTY

ABAG APPLICATION FOR RURAL COMMUNITY INVESTMENT AREA

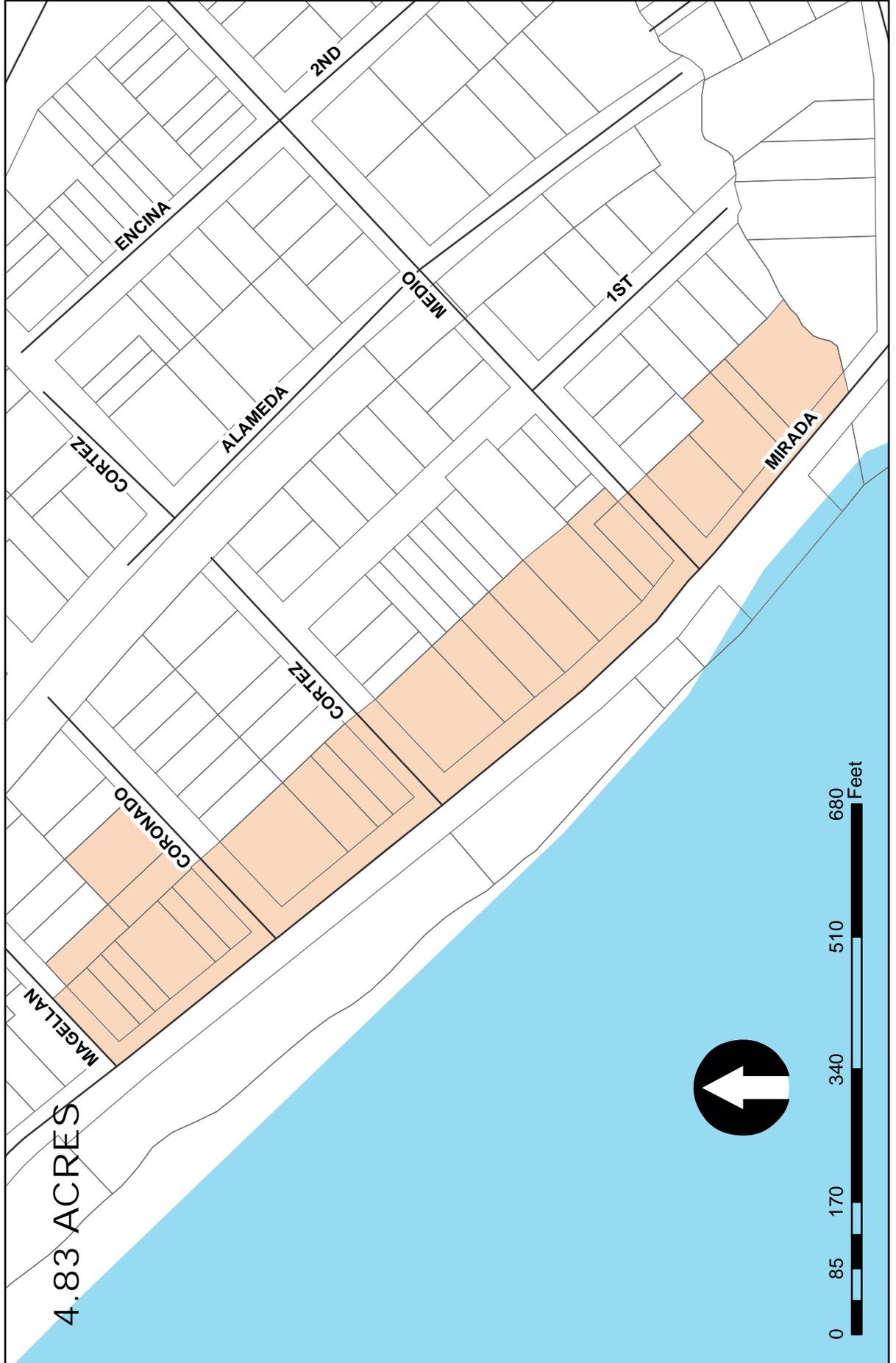


THE SPRINGS LAND USE

JUNE 2012

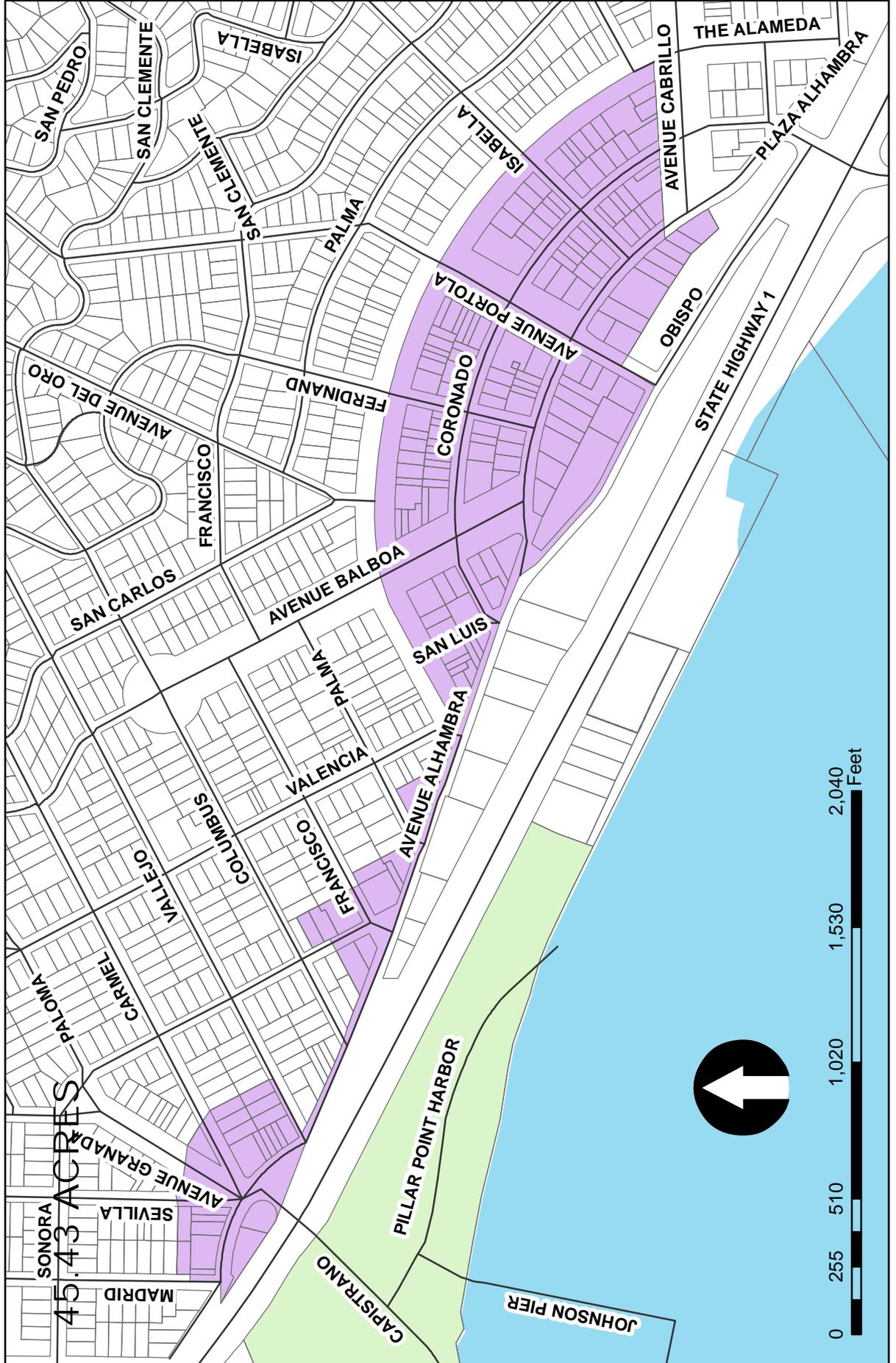
San Mateo County

Midcoast Rural Community Investment Areas - Miramar



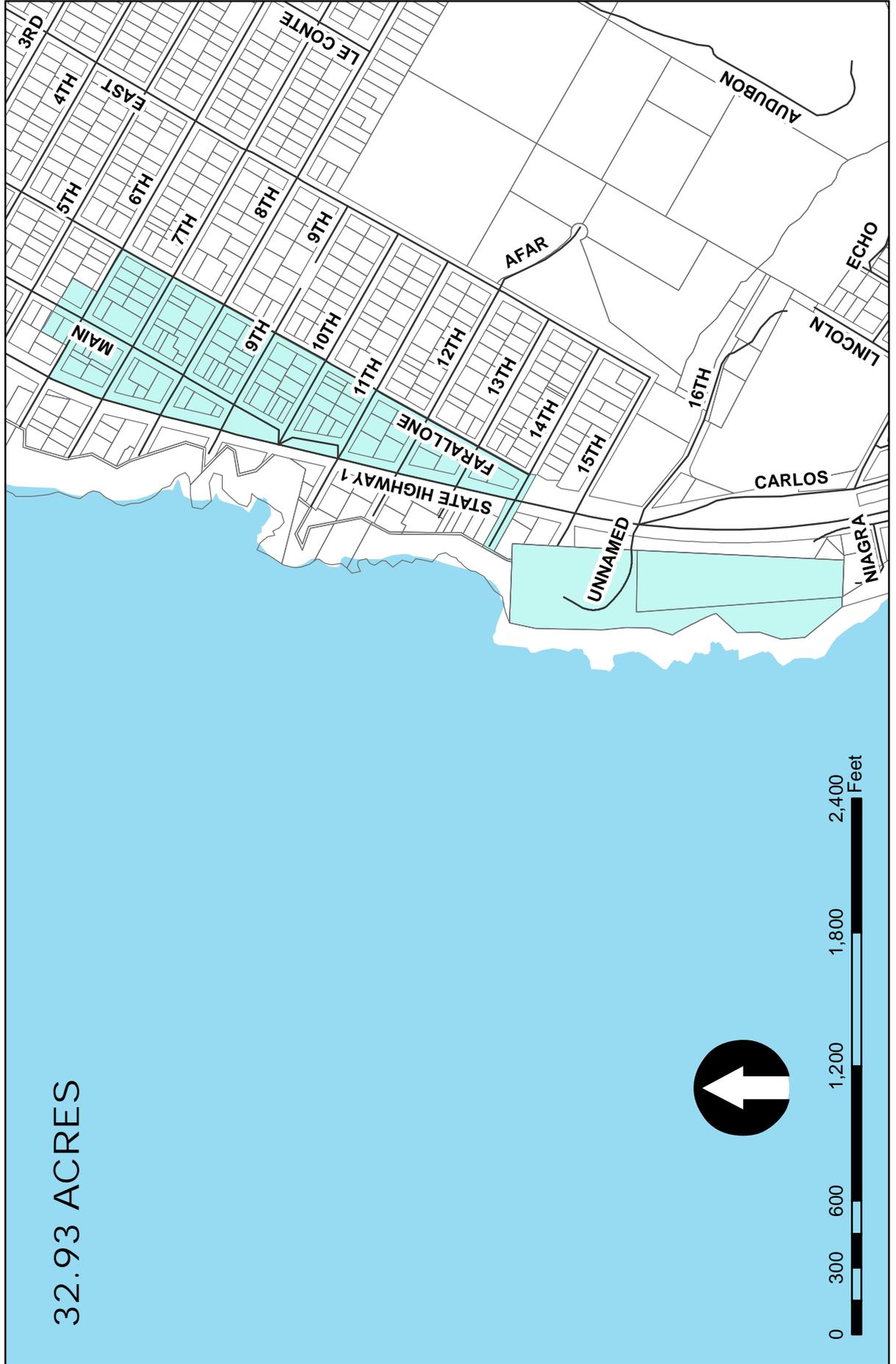
San Mateo County

Midcoast Rural Community Investment Areas - El Granada



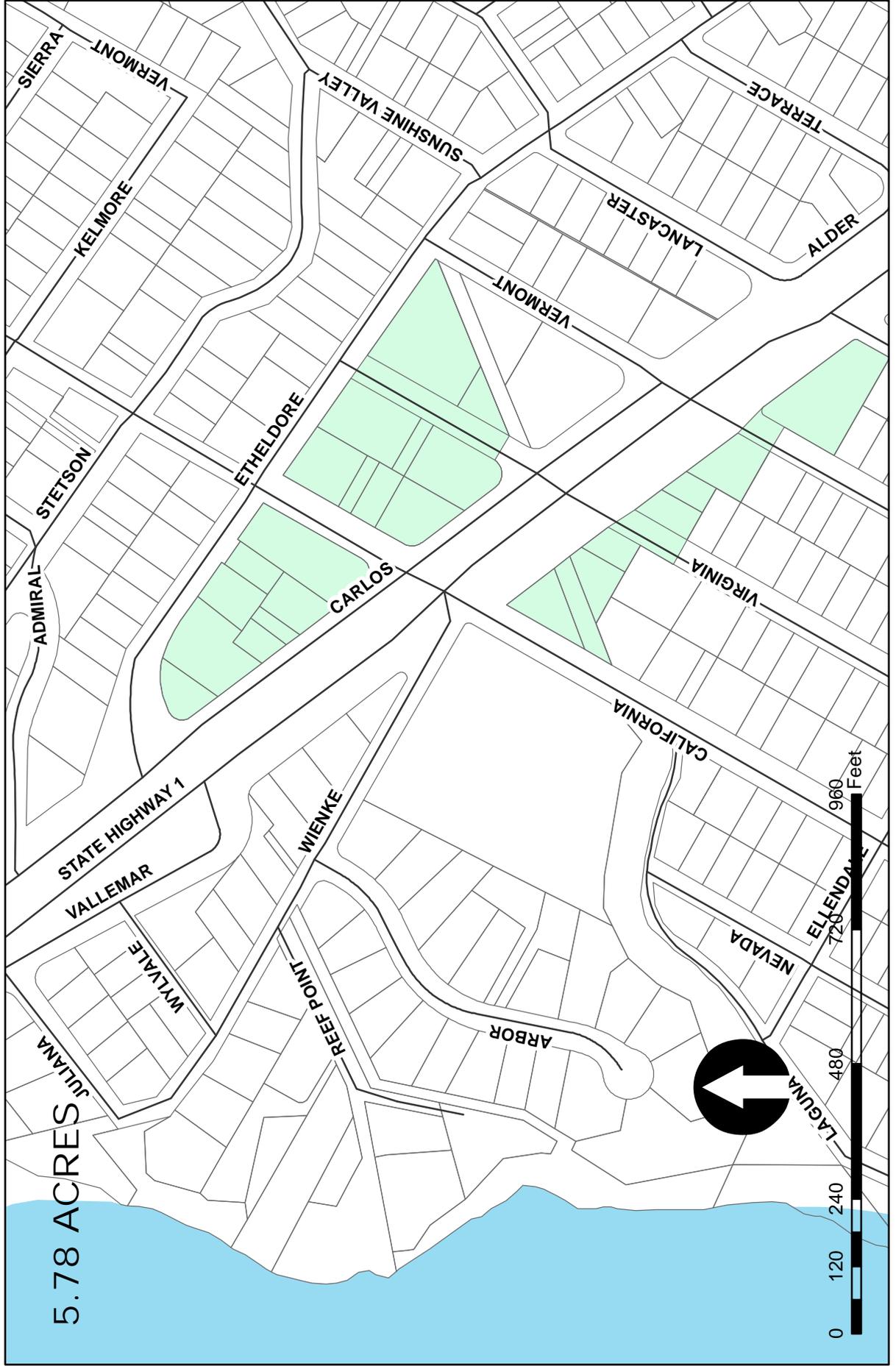
San Mateo County

Midcoast Rural Community Investment Areas - Montara North



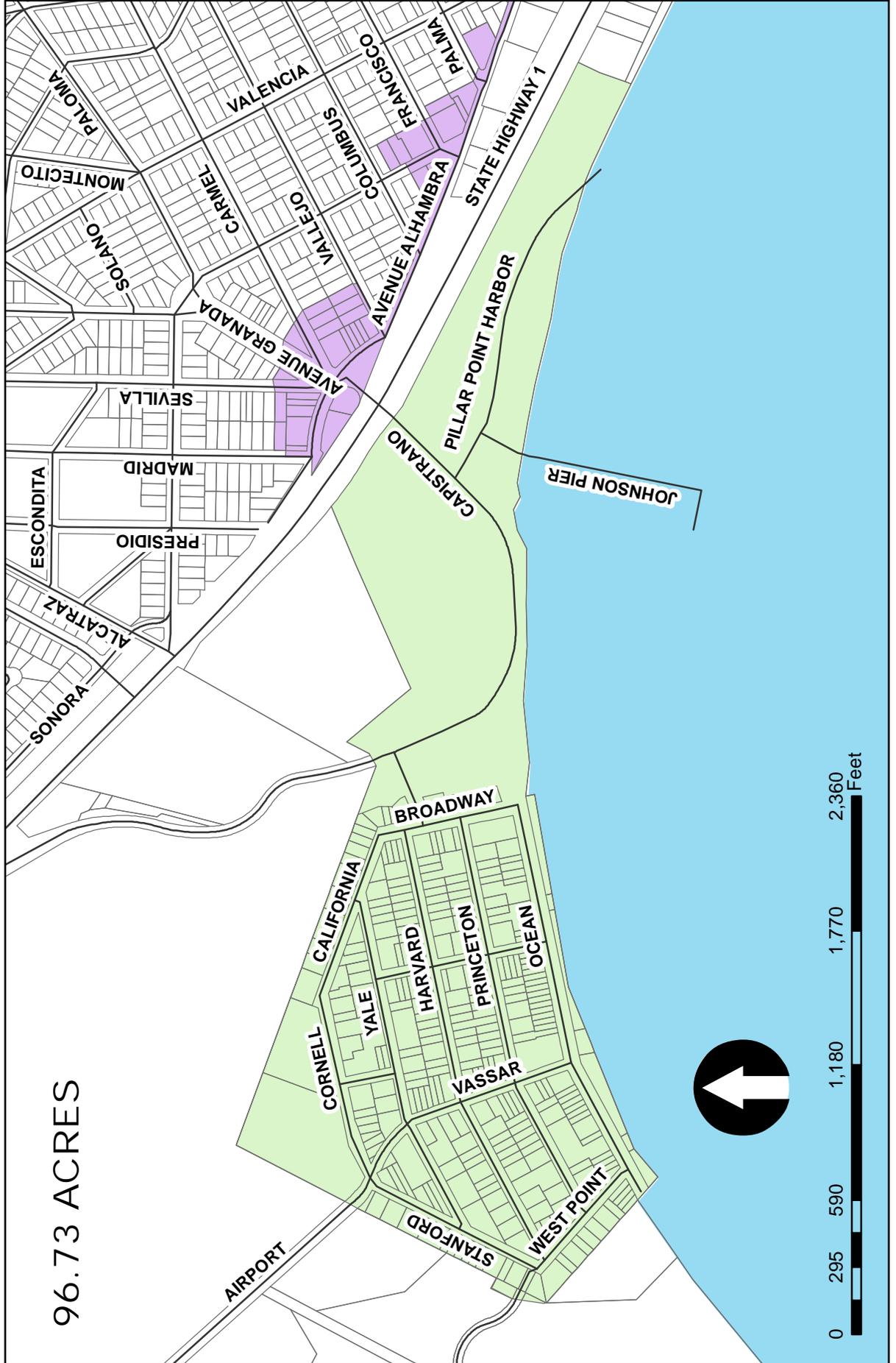
San Mateo County

Midcoast Rural Community Investment Areas - Moss Beach



San Mateo County

Midcoast Rural Community Investment Areas - Princeton



Employment Investment Areas Description, Criteria, and Location Data

Description

Employment Investment Areas are significant centers of economic activity that can be enhanced by local-serving retail, pedestrian and bicycle access improvements, focused growth around station areas, and last mile transportation solutions. Planning for Employment Investment Areas provides an opportunity to increase travel options for commuters, focus new jobs in locations accessible to the region’s workforce—including transit dependent households—and allow employees to walk to daytime destinations, such as restaurants and coffee shops, that today would require auto trips.

Role in Regional Growth Strategy

Employment Investment Areas will join Priority Development Areas (PDAs), Priority Conservation Areas (PCAs) and Rural Community Investment Areas (pending approval) in implementing the Bay Area’s Jobs-Housing Connection growth strategy and other regional efforts to integrate transportation investments with land use planning. The PDA Growth Strategies pursued by Congestion Management Agencies will seek opportunities to support the development of affordable housing along transit corridors with frequent service to Employment Investment Areas and other concentrations of employment.

Criteria for Eligibility

- **Transit Service** (current or planned with dedicated funding):
 - Peak headways of 20 minutes or less within a half-mile, shuttle services with these frequencies connected to a fixed rail station, or planned fixed rail service within a half mile. *Where some portions of an Employment Investment Area do not meet this guideline, funding and technical support opportunities will be available only to projects in only those portions of the Area with service consistent with the guideline.*
- **Land Use Mix** (current or planned):
 - Office or Research and Development; services such as employee-serving food, retail, and health care
- **Density** (current or planned):
 - Floor Area Ratio (FAR) target of 1.5
 - Minimum Floor Area ratio for Investment Area priority project funding: 1.0. *Where portions of an Investment Area do not meet this criterion, only those portions of the area with a permitted FAR of 1.0 or higher will be eligible for funding and technical support opportunities.*



Funding Opportunities

Funding for projects and technical support in Investment Areas is under consideration. Projects supported by any future funding should reinforce the overall PDA growth strategy by expanding access to employment opportunities for households that live in transit-served PDAs (particularly low-income households), increasing the labor pool available to employers, and reducing vehicle miles travelled.

Table 1 Employment Investment Areas for Adoption¹

County	Investment Area	Applicant Jurisdiction	Existing Jobs: 2010	Projected Jobs: 2040	Projected Growth: 2010-2040
Contra Costa	San Pablo - Rumrill Boulevard	City of San Pablo	220	320	100
Santa Clara	East Whisman	City of Mountain View	8,710	12,380	3,670
	International Business Park	City of San Jose	11,650	19,730	8,080
	San Jose – Old Edenville Employment Area		6,900	14,690	7,790
	Moffett Park	City of Sunnyvale	11,420	18,890	7,470
	Peery Park		5,980	7,920	1,940
	Reamwood		3,050	3,720	680
Solano	Benicia – Northern Gateway	City of Benicia	6,780	10,930	4,150
Sonoma	Sonoma County Airport Business Center ²³	Sonoma County	5,000	17,000	12,000

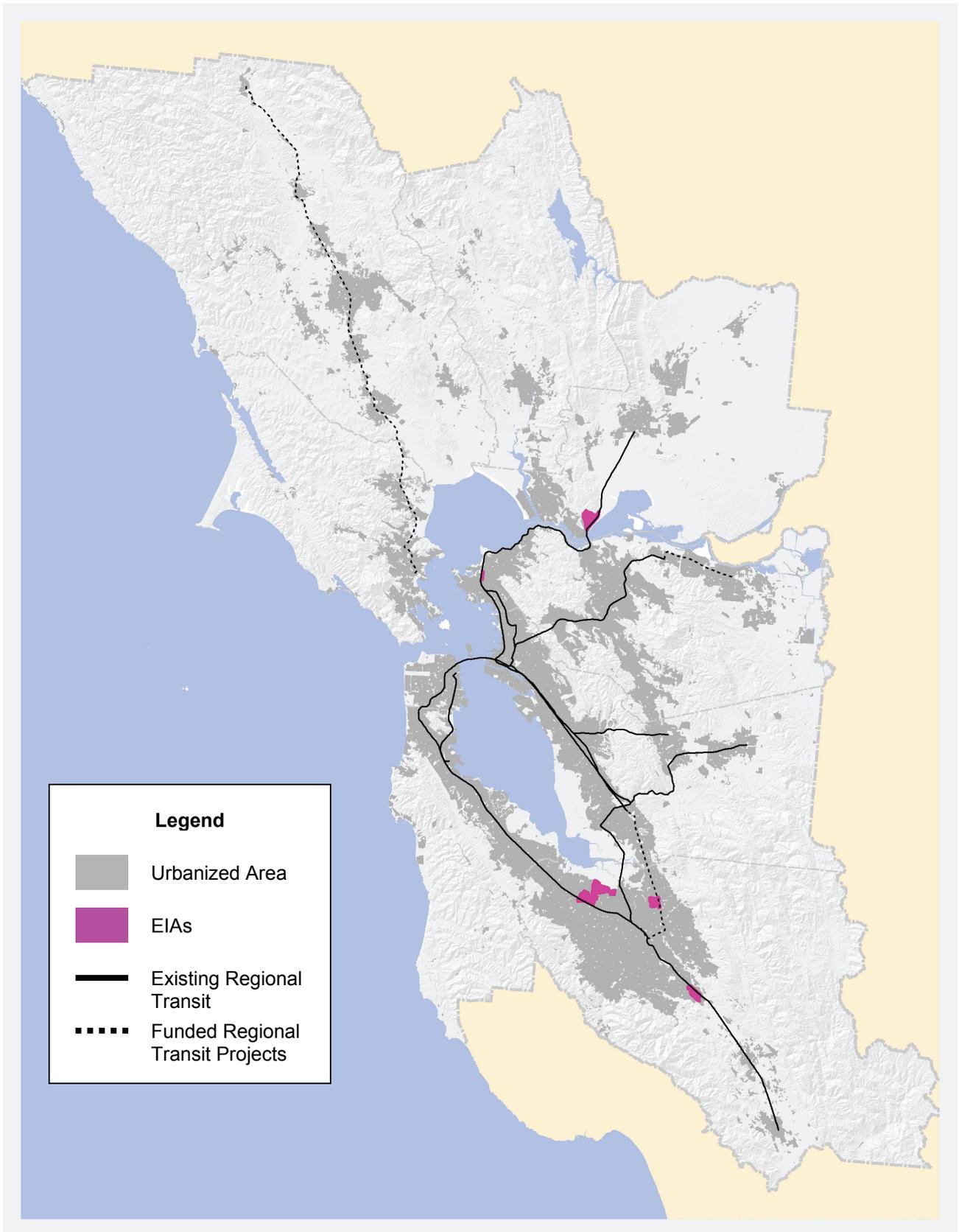
A regional map of Employment Investment Areas is presented on the next page, followed by maps of each Investment Area

¹ Source for job figures, except for Sonoma County Airport Business Center: Appendix A of Jobs Housing Connection Strategy Report, May 16, 2012

² Previously included in a joint application with the Larkfield Rural Town Center.

³ Source for job figures: estimate from Sonoma County, 6/2012

Employment Investment Areas



Rumrill Avenue Priority Development Area



Rumrill Avenue PDA



San Pablo City Limits

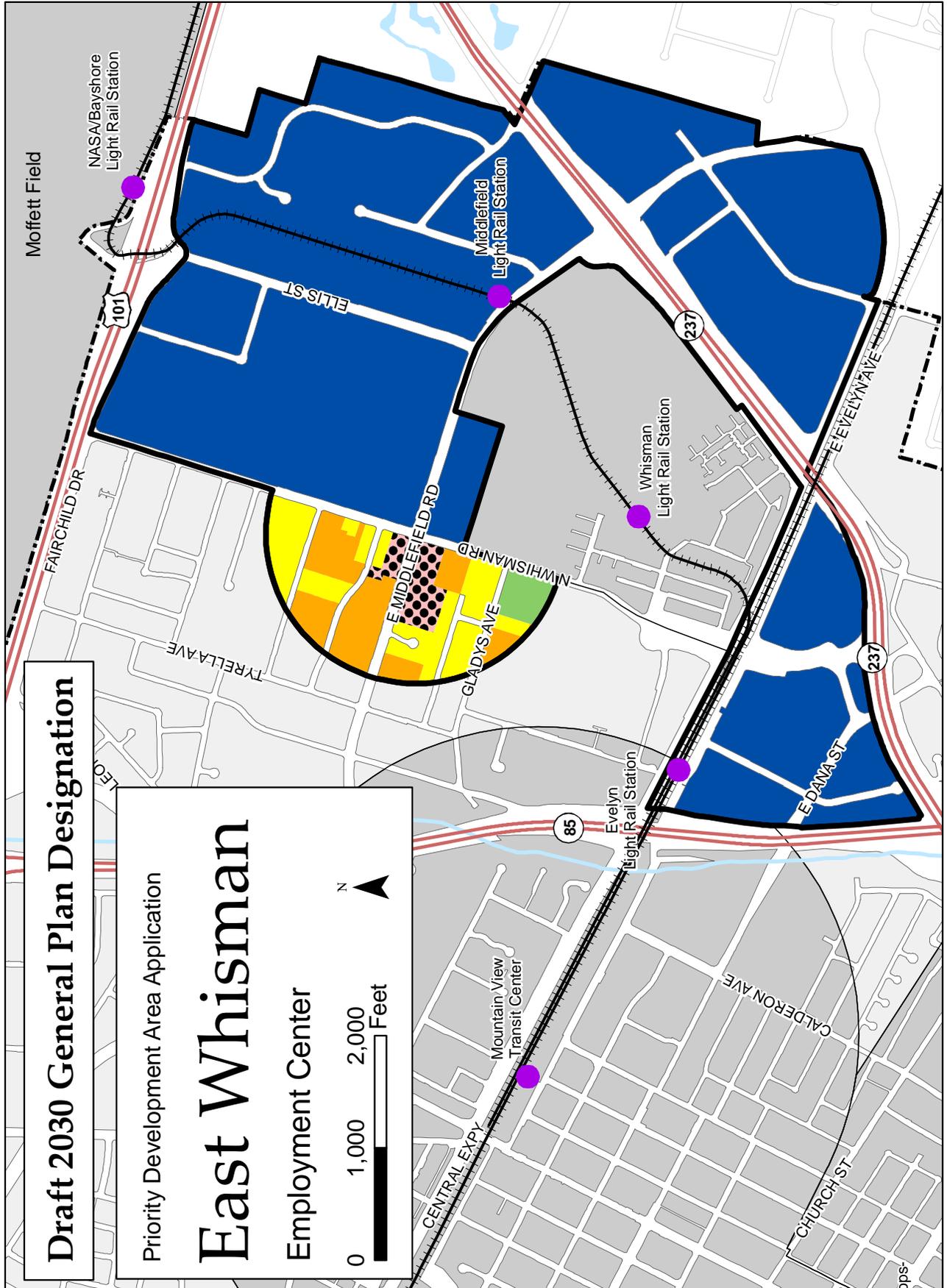


Draft 2030 General Plan Designation

Priority Development Area Application

East Whisman

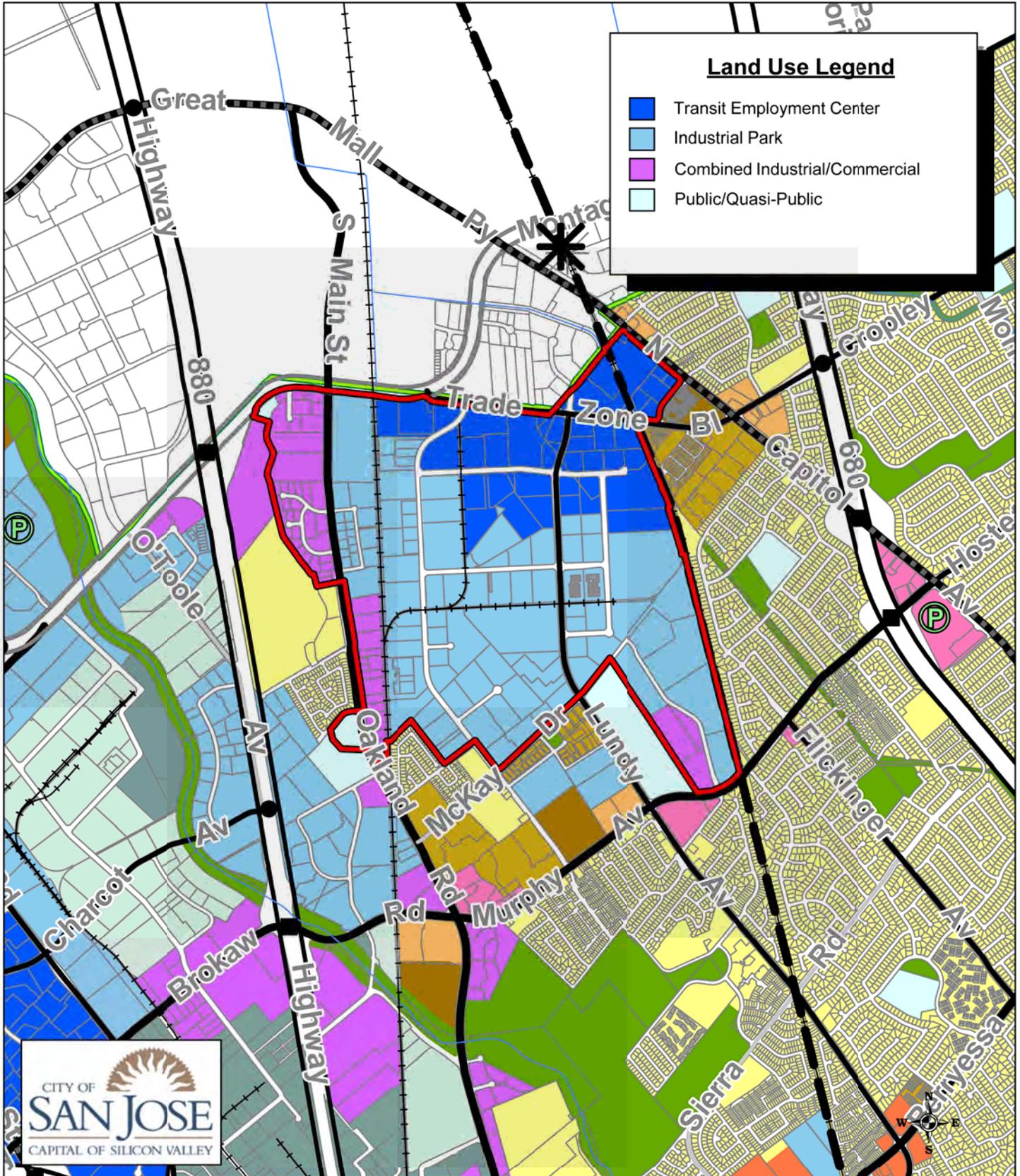
Employment Center



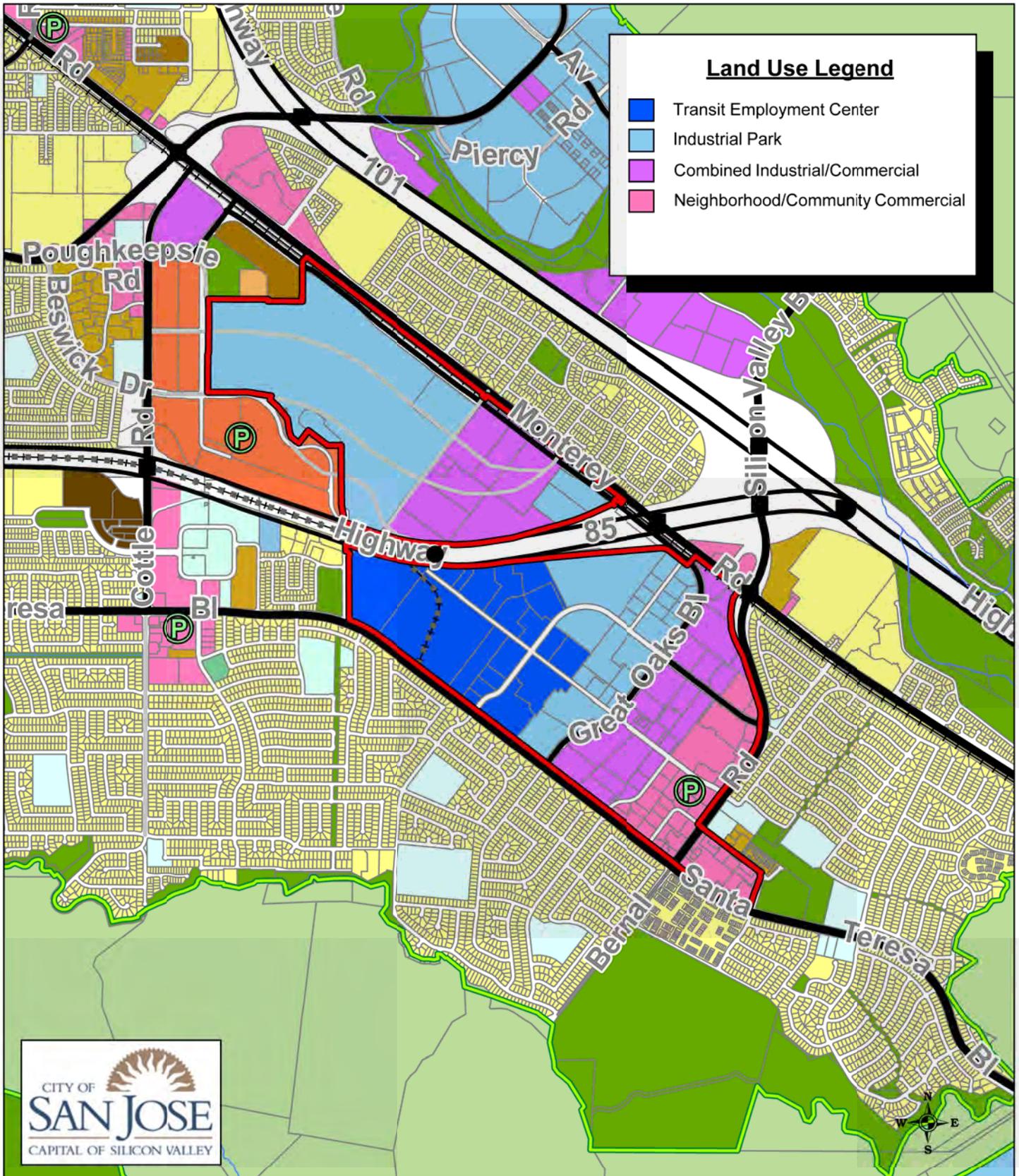
Legend

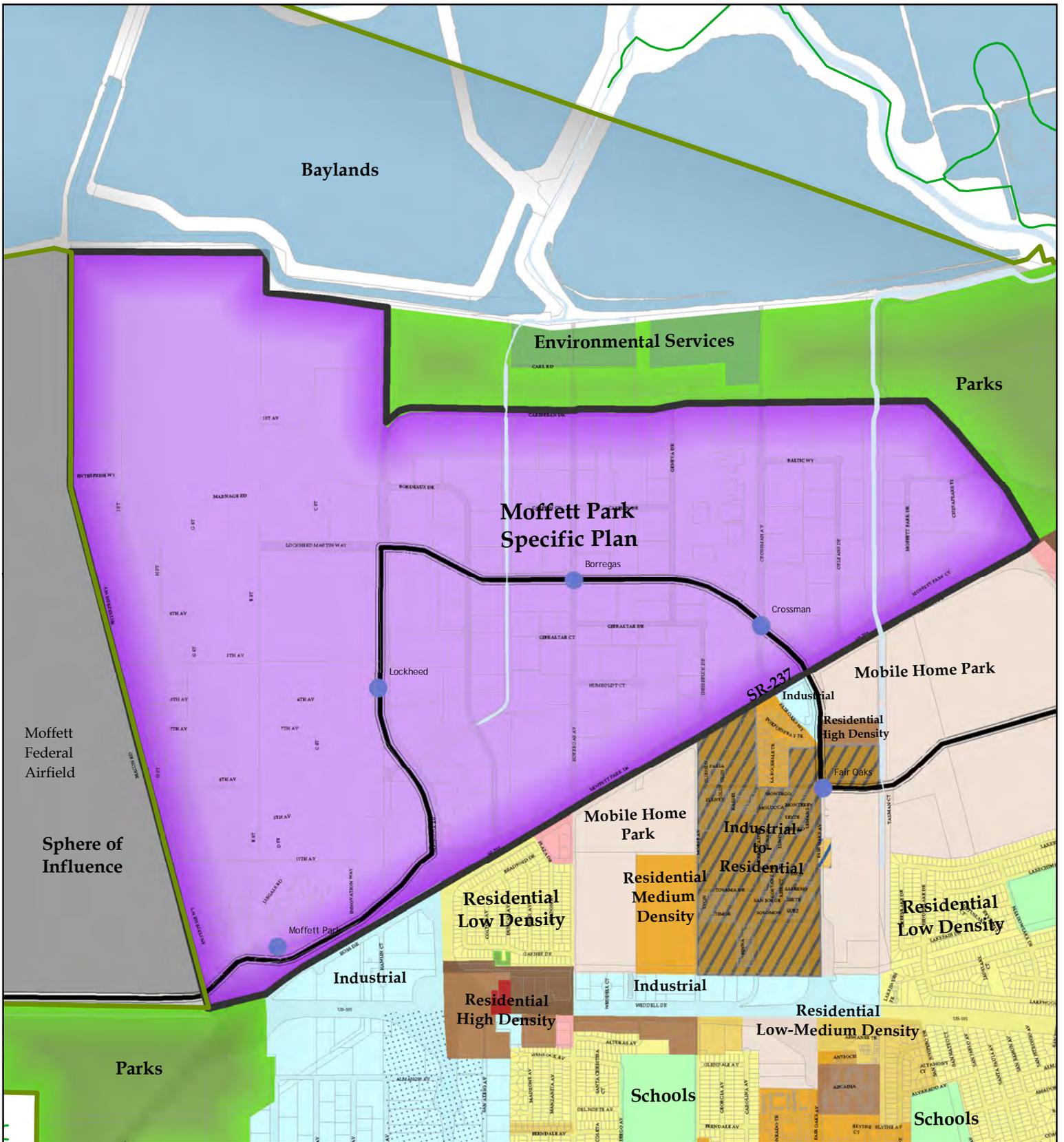
 Transit Stops			
 Rail			
 Freeways			
 Streams			
 City Limits			
 Bodies of Water			
 Other PDA Areas			
 Non-PDA Areas			
 Title PDA			
 Existing Precise Plan			
	Existing General Plan Designation		Draft 2030 General Plan Designation
	 Office: 0.35 FAR	 Office: 0.35 FAR	 Office: 0.35 FAR
	 General Industrial: 0.35 FAR	 General Industrial: 0.35 FAR	 High Intensity Office: Up to 1.0 FAR
	 Industrial Park: 0.35 FAR	 Neighborhood Commercial: 0.35 FAR	 General Industrial: 0.35 FAR
	 Neighborhood Commercial: 0.35 FAR	 General Commercial: 0.4 FAR	 Neighborhood Mixed-Use: 0.35 FAR and 25 DU/ac
	 General Commercial: 0.4 FAR	 Regional Commercial: 0.5 FAR	 General Mixed-Use: 0.5 FAR and 43 DU/ac
	 Regional Commercial: 0.5 FAR	 Linear Comm/Res: 0.35 FAR and 43 DU/ac	 Corridor Mixed-Use: 0.5 FAR and 60 to 70 DU/ac
	 Linear Comm/Res: 0.35 FAR and 43 DU/ac	 Downtown Commercial: 1.0 to 3.0 FAR, 60 DU/ac	 North Bayshore Mixed-Use: 1.0 FAR or 70 DU/ac
	 Downtown Commercial: 1.0 to 3.0 FAR, 60 DU/ac	 Low Density Residential: 1-6 units/acre	 Mixed-Use Center: 0.75 FAR and 70 DU/ac
	 Low Density Residential: 1-6 units/acre	 Medium Low Density Residential: 7-12 units/acre	 Downtown Mixed-Use: 1.0 to 3.0 FAR, 60 DU/ac
	 Medium Low Density Residential: 7-12 units/acre	 Medium Density Residential: 13-25 units/acre	 Low Density Residential: 1-6 units/acre
	 Medium Density Residential: 13-25 units/acre	 Medium High Density Residential: 26-35 units/acre	 Medium Low Density Residential: 7-12 units/acre
	 Medium High Density Residential: 26-35 units/acre	 High Density Residential: up to 80 units/acre	 Medium Density Residential: 13-25 units/acre
	 High Density Residential: up to 80 units/acre	 Mobile Home Park: 7-14 units/acre	 Medium High Density Residential: 26-35 units/acre
	 Mobile Home Park: 7-14 units/acre	 Institutional	 High Density Residential: up to 80 units/acre
	 Institutional	 Parks & Schools	 Mobile Home Park: 7-14 units/acre
	 Parks & Schools	 Regional Park	 Institutional
	 Regional Park	 Agriculture	 Parks & Schools
	 Agriculture		 Regional Park

13. International Business Park Area: General Plan Proposed Priority Development Area (PDA)



12. Old Edenvale Employment Area: General Plan Proposed Priority Development Area (PDA)





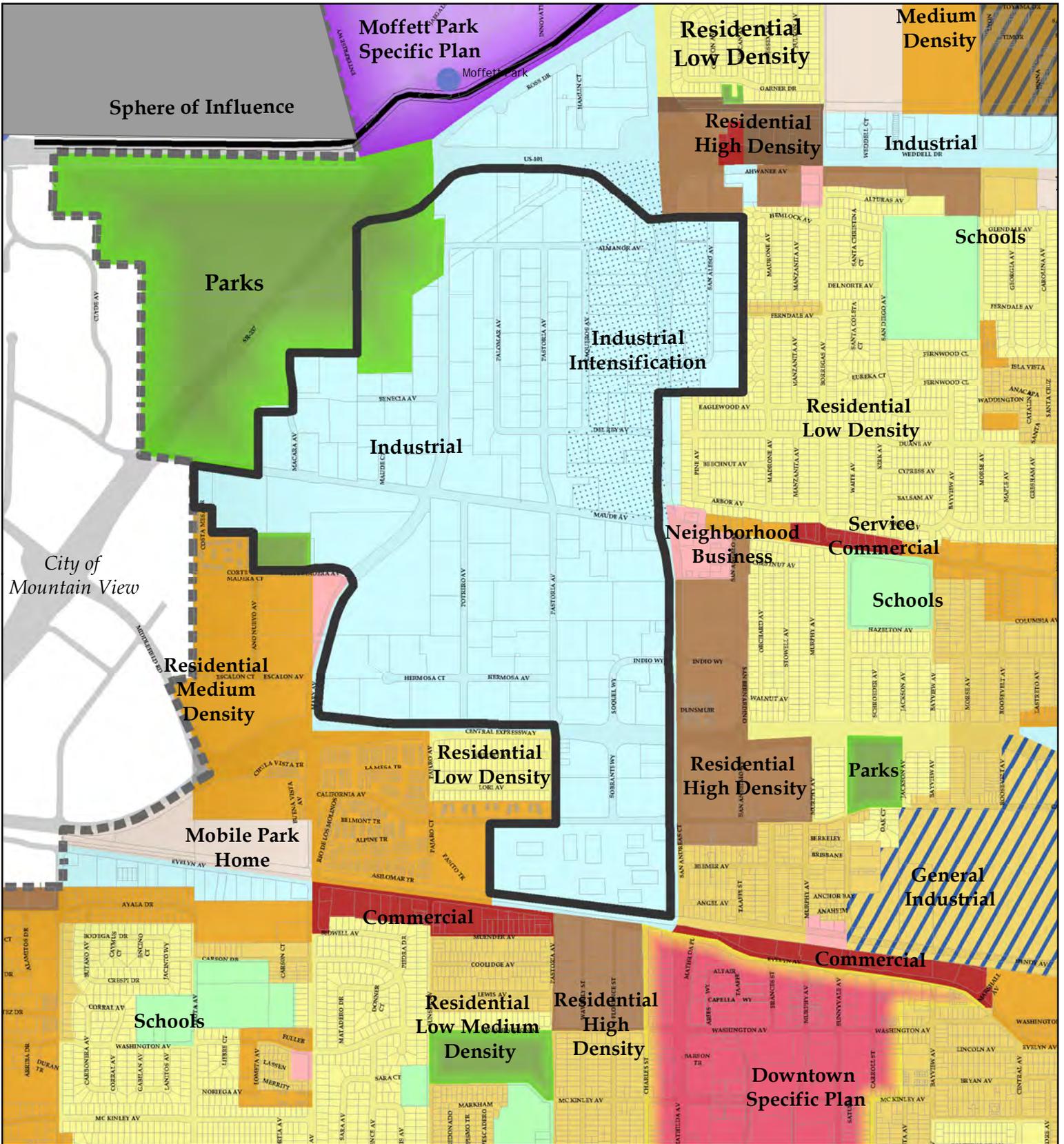
**City of Sunnyvale
Proposed PDA
General Plan**

Moffett Park

-  City Boundary
-  Boundary of Moffett Park
-  Light Rail Stations
-  Light Rail Line



1,000
Feet



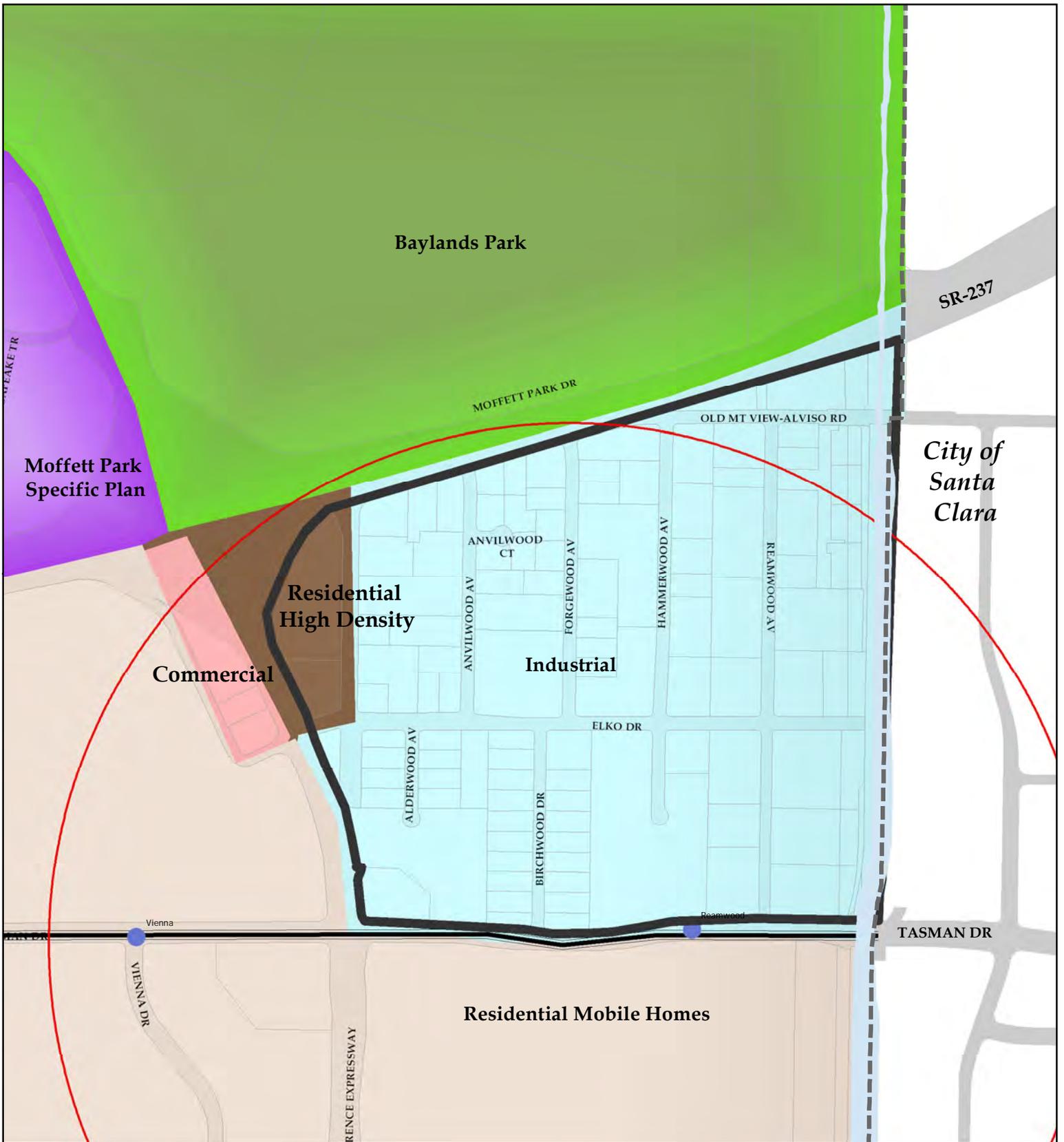
**City of Sunnyvale
Proposed PDA
General Plan**

Peery Park

-  Peery Park
-  Light Rail Stations
-  Light Rail Line
-  City Boundary



1,000
Feet



**City of Sunnyvale
Proposed PDA
General Plan**

Reamwood

-  Reamwood
-  1/2 Mile Buffer around LR Station
-  Light Rail Stations
-  Light Rail Line
-  City Boundary



1,000 Feet

PROPOSED PRIORITY DEVELOPMENT AREA NORTHERN GATEWAY-BENICIA'S INDUSTRIAL PARK



Graphic Scale in Feet

ZONING MAP LEGEND:

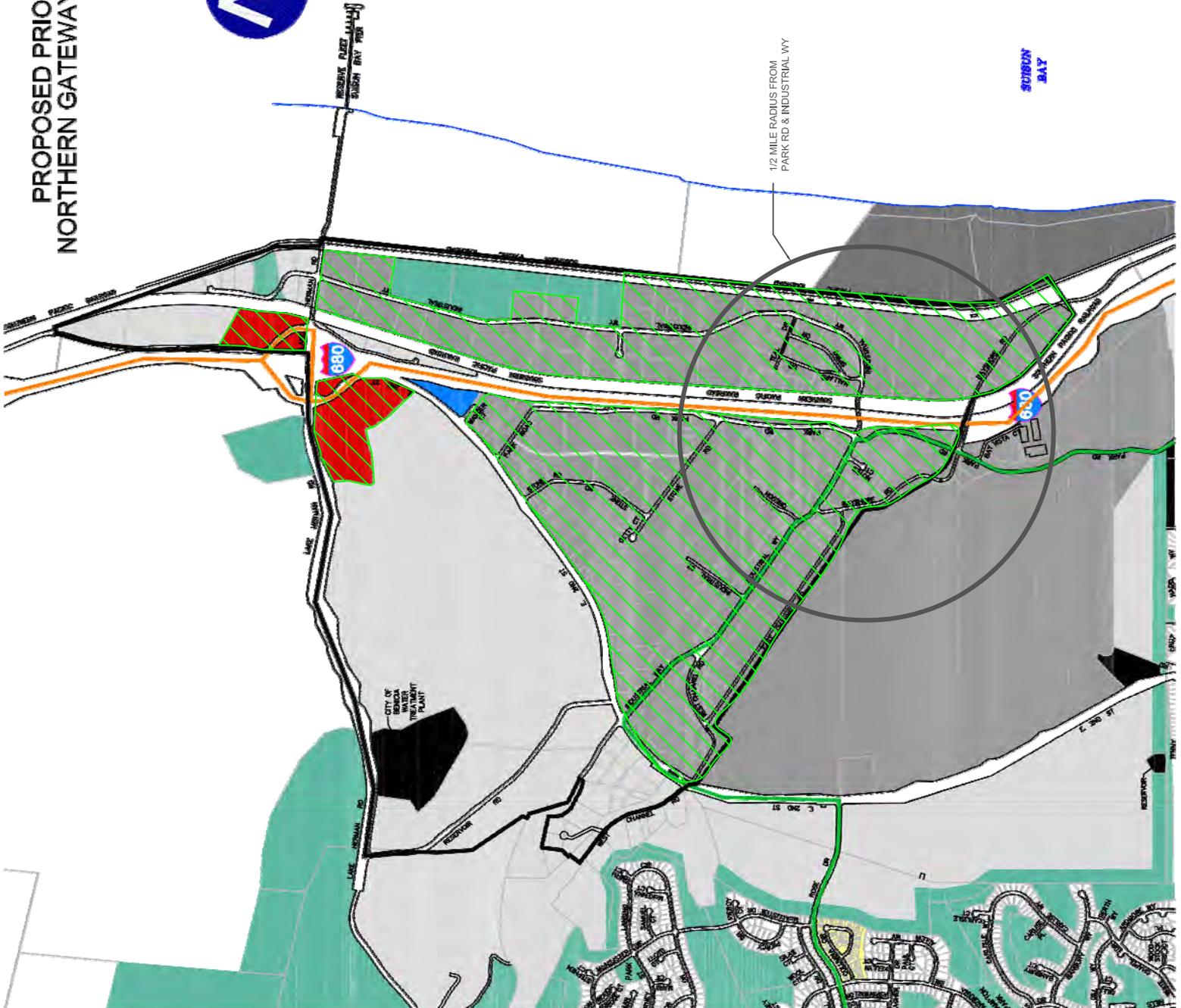
	OS	OPEN SPACE
	PS	PUBLIC & SEMI-PUBLIC
	RS	SINGLE FAMILY RESIDENTIAL - 0 - 7 DU/ACRE
	RM	MEDIUM DENSITY RESIDENTIAL - 8 - 14 DU/ACRE
	RH	HIGH DENSITY RESIDENTIAL - 15 - 20 DU/ACRE
	PD	PLANNED DEVELOPMENT
	CC	COMMUNITY COMMERCIAL
	CO	OFFICE COMMERCIAL
	CG	GENERAL COMMERCIAL
	CD	DOWNTOWN COMMERCIAL
	CW	WATERFRONT COMMERCIAL
	IL	LIMITED INDUSTRIAL
	IG	GENERAL INDUSTRIAL
	IW	WATER RELATED INDUSTRIAL
	IP	INDUSTRIAL PARK
		FAR 1.0 OR MORE

GENERAL LEGEND:

	PROPOSED BOUNDARY
	LOT / PROPERTY LINE
	STREET / ROAD / HIGHWAY RIGHT-OF-WAY LINE
	SHORE LINE / EDGE OF WATER BODY
	NORTHEAST BENICIA CITY RICE (ROUTE 92)
	FARFIELD/SUBURBAN TRANSIT SYSTEM SOLANO EXPRESS (ROUTE 40)

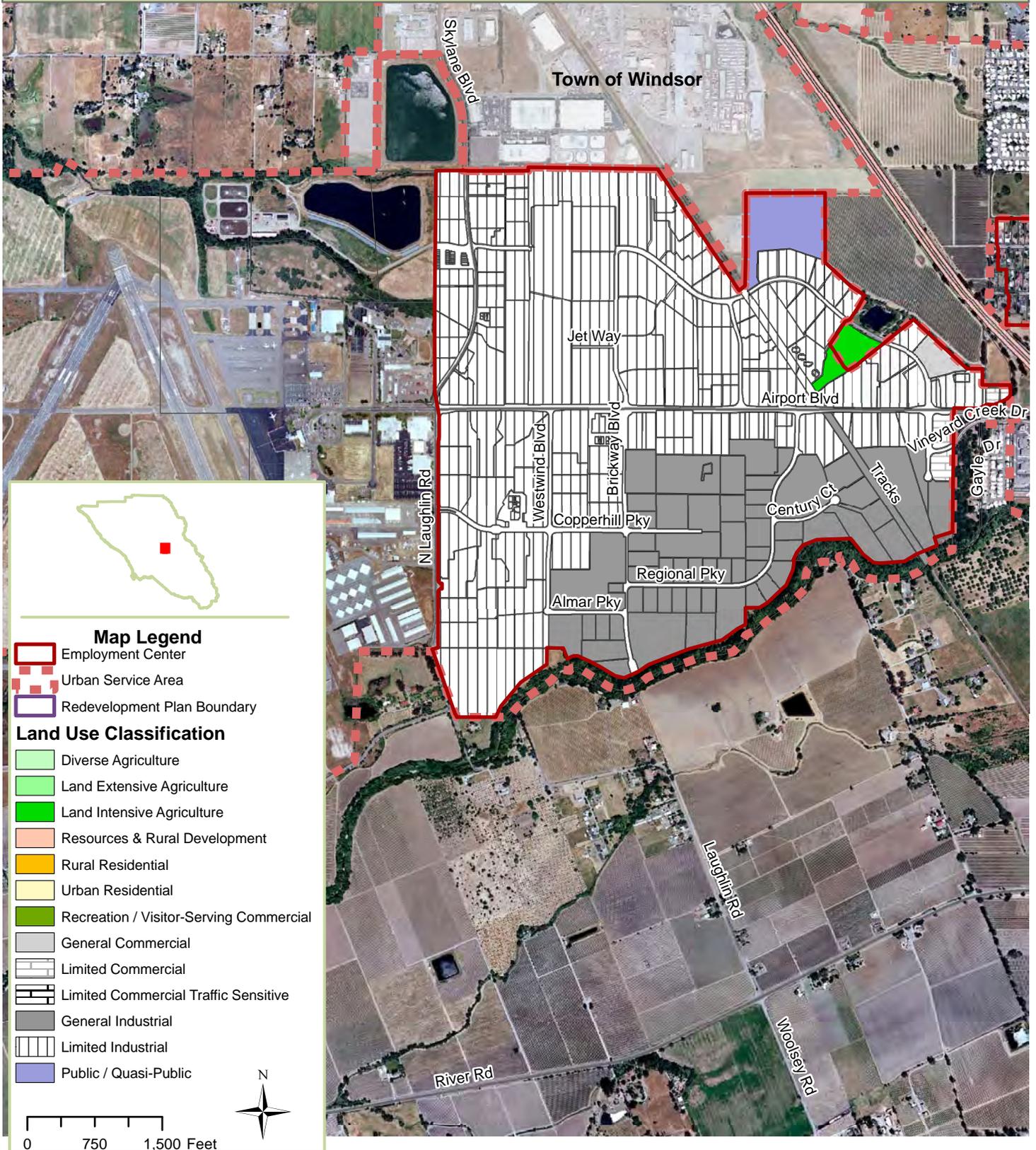
**SUBURBAN
BAY**

1/2 MILE RADIUS FROM
PARK RD & INDUSTRIAL WY





SONOMA COUNTY ABAG APPLICATION FOR EMPLOYMENT CENTER

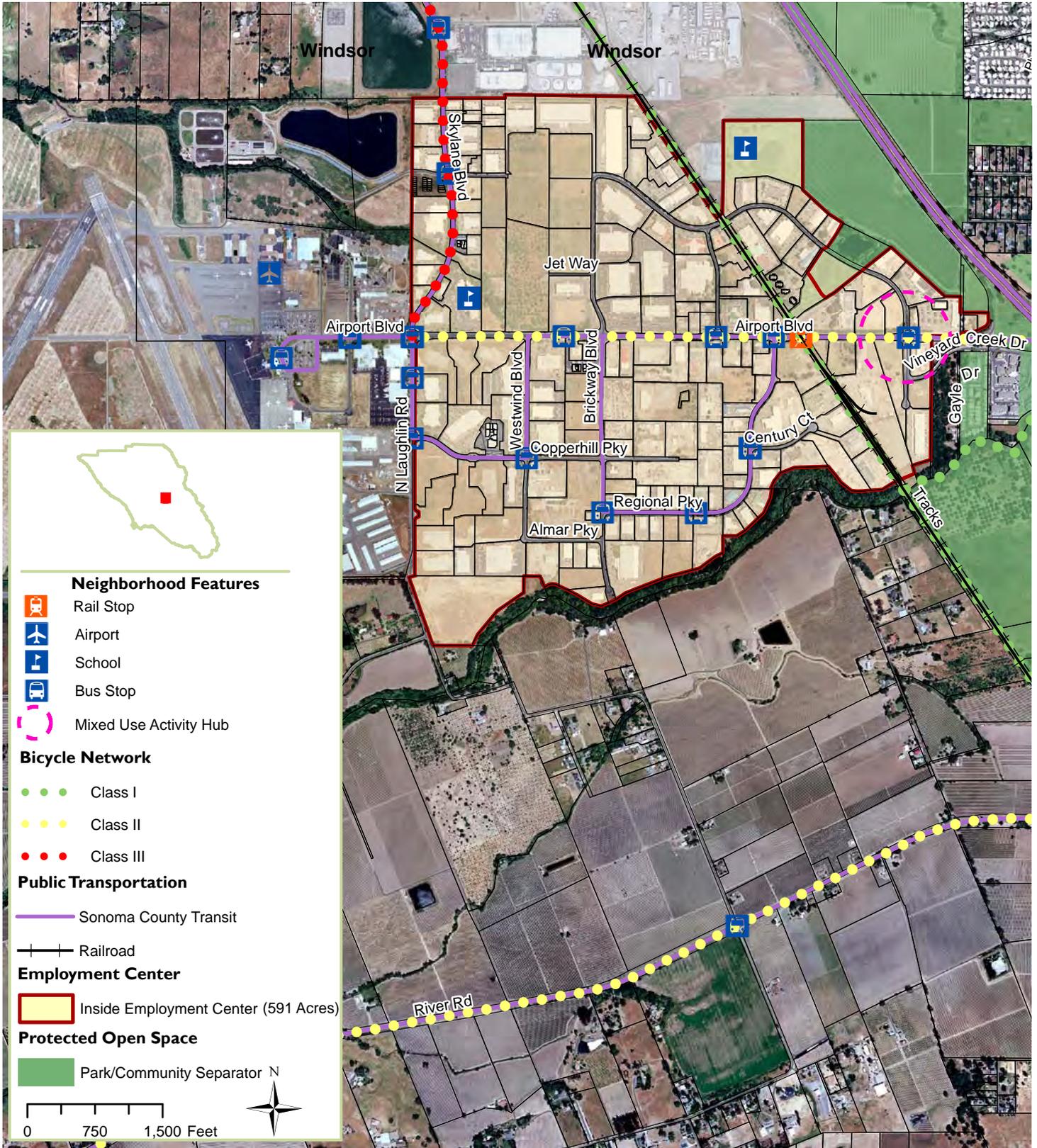


AIRPORT INDUSTRIAL AREA LAND USE

JUNE 2012



SONOMA COUNTY ABAG APPLICATION FOR EMPLOYMENT CENTER



**AIRPORT INDUSTRIAL CENTER
AREA OVERVIEW**

JUNE 2012

Investment Area and Priority Development Area Designations

Attachment B: Downtown Napa/Soscol Corridor Transit Neighborhood Priority Development Area (PDA) Background

Summary

This attachment provides background information supporting staff’s recommendation that the Executive Board approve the City of Napa’s application for a Priority Development Area (PDA) in the Downtown /Soscol Corridor area.

1. Process

A substantial amount of discussion and deliberation has shaped the City of Napa’s current PDA proposal. This is summarized below:

- The City of Napa submitted an application for two Priority Development Areas—Downtown Napa and Soscol Corridor in December 2011. The City proposed that these areas be designated as a Rural Town Center and Rural Corridor PDA place type respectively.
- The ABAG Executive Board voted at its March 2012 meeting to defer action on proposed Rural Town Center and Rural Corridor PDAs, and requested that these place types be revised outside of the PDA framework.¹ In response, ABAG staff developed a Rural Community Investment Area designation outside of the PDA Framework to replace Rural Town Centers and Rural Corridors. As discussed in Appendix A, Investment Areas are eligible for a different set of funding opportunities than PDAs.
- The criteria for Rural Community Investment Areas are not consistent with the existing and anticipated future character and density of Downtown Napa and the Soscol Corridor. The City of Napa requested that the Downtown Napa and Soscol Corridor areas be combined into a single PDA with a proposed Transit Town Center place type designation. Based upon consistency with the PDA Application Guidelines for this place

¹ The Executive Board adopted one proposed Rural Town Center—Downtown Dixon—as a PDA, and one proposed Employment Center—Benicia Northern Gateway—as a PDA, but did not adopt the Rural or Employment Center Place Types or the other proposed PDAs under these designations.

type,² staff requested that the RPC recommend that the Executive Board adopt Downtown/Soscol Corridor as a Transit Town Center PDA.

- At its June 6, 2012 meeting, the RPC voted to reject the City of Napa's request to designate the Downtown/Soscol Corridor as a PDA. Concerns raised at the meeting and in correspondence following the meeting are described in the next section. This was the first time that the RPC did not adopt a proposed PDA that met all other designation criteria.
- City of Napa elected officials and staff, ABAG staff, and Napa County supervisors serving on the ABAG board met and corresponded electronically and by phone in an effort to resolve concerns about the proposed Downtown/Soscol Corridor PDA.
- The City of Napa has revised its request for the Downtown/Soscol Corridor PDA to propose that it be adopted with a Transit Neighborhood place type.
- Downtown/Soscol Corridor meets not only the required PDA criteria, but is also projected by the Jobs Housing Connection Strategy to meet the suggested housing unit guideline for the Transit Town Center place type (by 2040).
- ABAG staff recommends that the Executive Board adopt Downtown/Soscol Corridor as a PDA with the Transit Neighborhood place type designation.

2. Key Concerns and Discussion

Concerns about the designation of Downtown/Soscol Corridor as a PDA raised at the June RPC meeting by Napa County Supervisors and in subsequent correspondence are highlighted below, followed by discussion:

- *Concern—Housing unit requirement:* The 2007 Station Area Planning Manual³ identifies 3,500-7,000 housing units as a potential range for PDAs designated as Transit Town Centers. The Napa/Soscol Corridor is not projected to reach the 3,500 figure in either the Jobs-Housing Connection Strategy or the City's application.

Discussion: The potential housing unit ranges in the Station Area Planning Manual are not used to evaluate PDA applications, and many PDAs are not proposed to meet the reach identified in the Planning Manual for its place type. For example, Moraga Center and Downtown Vacaville, both adopted Transit Town Centers, are projected to have 660

² The PDA Application guidelines are available at the following location:

http://www.bayareavision.org/pdaapplication/ApplicationGuidelines_OCT2011_FINAL.pdf

³ The Station Area Planning Manual is available at the following location:

http://www.bayareavision.org/pdaapplication/Station_Area_Planning_Manual_Nov07.pdf

and 970 units, respectively. This reflects variations in the size and the timing of development among the PDAs within each place type. However, in response to concerns, the City of Napa is now requesting that Downtown/Napa Soscol Corridor be designated a Transit Neighborhood PDA, which has a potential housing unit range of 1,500 in the Planning Manual—below the total of 1,730 projected in the Jobs-Housing Connection Strategy for the area by 2040. It is important to note that designation of this area as a PDA does not establish a commitment by the City to permit or facilitate the development of a specific number of housing units. The City’s current plans project a total of approximately 1,300 dwelling units by 2030 for the area, which is supportive of the expectations of this designation.

- *Concern—Limited political and market support for development:* Local opposition exists to development in the Downtown/Soscol Corridor area, and development in this area may also have limited support from the real estate market.

Discussion: Numerous plans have been adopted in the past several years by City of Napa elected officials for the area included in the proposed Downtown/Soscol Corridor PDA—including a Downtown Specific Plan adopted unanimously by City Council in May 2012 calling for higher housing densities and a greater mix of land uses. In addition, several projects are currently permitted or in the planning phase for the area.

- *Concern—Responsibility for Future Housing Production:* If Downtown/Soscol Corridor is adopted as a PDA, the City of Napa will become responsible for a higher level of housing production than would otherwise be required by Regional Housing Needs Assessment (RHNA) and potentially other regional programs such as the One Bay Area Grant (OBAG).

Discussion: RHNA does not use the housing unit ranges in the Station Area Planning Manual or the PDA Application Guidelines as inputs to its allocation process. Designation as a PDA does not represent an agreement to meet the growth targets in the Planning Manual or the densities in the Application Guidelines. The number of housing units projected in the Jobs-Housing Connection Strategy for the Downtown/Soscol Corridor (which already exceed the place type designation requested by the City) will not change as a result of its adoption of a PDA.

- *Concern: Rural character*—The City of Napa is a rural community. A PDA could compromise the character of the City and County and its non-urbanized land

Discussion: By applying for a PDA, the City of Napa follows traditional town centers throughout the North Bay—such as Windsor, Cloverdale, and Dixon—that aim to accommodate the limited amount of new growth in their communities in a mixed-use, walkable environment, helping reduce pressure on agricultural and conservation lands while increasing housing options. This approach is intended to help preserve the overall rural character of surrounding communities in the county.

3. Evaluation of Revised Downtown/Soscol Corridor PDA

Factors considered in the evaluation of the City of Napa’s revised request for a PDA for Downtown/Soscol corridor include:

- **Designation Criteria** (*required*). The application meets the designation criteria in the PDA Application Guidelines:
 - o *Location within an existing urbanized area.* The proposed Downtown/Soscol Corridor PDA is located within the core of the City of Napa.
 - o *Plans for a significant increase in housing units, including a minimum density⁴ of the selected place type and affordable units.* The Downtown/Soscol Corridor area has an average permitted density of more than 30 dwelling units/net acre, above the 20 units/net acre standard for Transit Neighborhoods. Recently adopted plans support significant new housing development at these densities.
 - o Served by a transit with peak headways of 20 minutes or less during peak commute periods. The proposed PDA is served by transit with 20 minute peak headways , including local and regional routes.

Table 1. Comparison: Downtown/Soscol Corridor and PDA Designation Criteria

PDA Designation Criteria		Downtown/Soscol Corridor
Minimum Average Housing Density (Transit Neighborhoods)	≥20 du/net acre	30 du/net acre
Within an Existing Urbanized Community	Required	Yes
Peak transit headways (minutes)	≤20	20

- **Sustainability and Quality of Life.** In addition to adopted plans and momentum toward development, Downtown/Soscol Corridor is already a mixed-use, pedestrian-friendly center of commercial, residential and civic activity, playing a unique role in Napa County. The area is home to cultural and retail activities that reflect local character and draw community members and visitors throughout the year. The area also anchors the county’s transit and bicycle networks.
- **Relationship to PDA and Regional Programs.** The designation of PDAs is a key component of the distribution of regional funding and the structure of regional planning

⁴ Calculated as the average of permitted densities across the PDA in net dwelling units per acre.

programs. No PDA application that meets the designation criteria in the Application Guidelines has ever been rejected by the Executive Board.

Like other North Bay Counties, 50% of Napa County's One Bay Area Grant (OBAG) funding is dedicated to PDAs. Currently, the County has one PDA—Highway 29 Corridor in American Canyon, which does not have plans in place comparable to those adopted for the Downtown/Soscol Corridor PDA. While American Canyon accounts for 14% of the county's population, the City of Napa accounts for 56% of this total. Meeting the infrastructure needs of the City's proposed PDA will have substantial benefits for not only the immediate community by the county at large.

A revised application for the proposed Downtown/Soscol Corridor PDA is provided on the pages that follow. This includes a letter from the City Manager describing action by Napa City Council directing him to revise the City's application to a Transit Neighborhood Place Type.



CITY of NAPA

CITY MANAGER
955 School Street
Mailing Address:
P.O. Box 660
Napa, California 94559-0660
(707) 257-9501
FAX (707) 257-9534

July 11, 2012

Ken Kirkey, Planning Director
Association of Bay Area Governments (ABAG)
Post Office Box 2050
Oakland, CA 94604-2050

Dear Mr. Kirkey:

On July 10, 2012 the City Council was provided an update on the City of Napa's Priority Development Area (PDA) application. After considering the issues, the Council directed me to revise our PDA application to the "transit neighborhood" place type. This place type provides a strong fit with the characteristics that define Downtown Napa and the Soscol Gateway Corridor, including low to moderate density residential organized around a transit station providing multiple bus lines. Napa County Transportation and Planning Agency's intermodal transit station, located in the relative center of the PDA at Fourth and Burnell streets, is under construction and scheduled for completion in 2013. Moreover, Downtown Napa and Soscol Gateway Corridor serve as retail hubs in the historic center of the community which provide opportunities for well-planned growth. Significant community-based planning has already been completed in the adopted Soscol Gateway Implementation Plan, Gasser Master Plan and recently adopted Downtown Specific Plan. These plans provide for approximately 1,300 housing units consistent with the underlying place type characteristics as envisioned in ABAG's *Station Area Planning Manual*.

Please note that by submitting this application for a PDA, regardless of the place type identified in our application or ABAG's *Station Area Planning Manual*, the City understands that the PDA designation does not establish a commitment by the City to permit or facilitate the development of a specific number of housing units. As noted above, the City's current plans in this area project a total of approximately 1,300 dwelling units by 2030, which is supportive of the expectations of this designation.

Thank you for your continued recognition of the City's role in supporting the FOCUS program and its goals. If you have any questions, please do not hesitate to contact me.

Sincerely,

Mike Parness
City Manager

cc: Mayor Techel and Council Members

Enter information in the spaces provided and submit the requested attachments.

Part 1 - APPLICANT INFORMATION & AREA DETAILS		
<u>Attach</u> resolution showing local support for involvement in FOCUS		
a. Lead Applicant -City/County	City of Napa	
Contact Person	Rick Tooker	
Title	Planning Manager	
Department	Community Development Department - Palnning Division	
Street Address	1600 First Street	
City	Napa	
Zip Code	94559	
Phone Number	(707) 257-9530	
Fax Number	(707) 257-9522	
Email	rtooker@cityofnapa.org	
b. Area Name and Location	Downtown Napa/Soscol Gateway Corridor -- The Priority Development Area (PDA) is located generally in the downtown bounded by Polk, Clinton an Caymus Streets to the north, Jefferson Street to the west, Division Street to the south and extends east across the Napa River to Silverado Trail and south to Imola Avenue (see map with PDA bouandaries)	
c. Area Size (<i>minimum acreage = 100</i>)	585 Acres	
d. Public Transit Serving the Area (existing and planned). From this list, please identify at least one route that has minimum 20-minute headways.	The Napa County Transporation and Planning Agency (NCTPA) operates the countywide and regional fixed-route transit (VINE), the main hub of which is currently in Downtown Napa within the PDA. NCTPA is constructing a new multi-model transit center on the southwest corner of Fourth and Burnell Streets which is also located within the PDA in its relative center. This new transit center will be completed in 2013 and will provide more space for VINE's pulse transfer system (where multiple buses arrive and depart at the same time), and the planned PDA will provide 20-minute headways in the area.	
e. Place Type (Identify based on the Station Area Planning Manual or from others in Application Guidelines)	Transit Neighborhood	
	Current Conditions (Year: 2006)	Future Goal (Horizon Year: 2037)
f. Total Housing Units	298	1,274
g. Total Jobs	3,184	5,689

FOCUS is a regional, incentive-based development and conservation strategy for the San Francisco Bay Area. FOCUS is led by the Association of Bay Area Governments and the Metropolitan Transportation Commission in coordination with the Bay Area Air Quality Management District and the Bay Conservation and Development Commission. It is partially funded by a regional blueprint planning grant from the State of California Business, Transportation, and Housing Agency.

<p>h. Net Project Density (New Housing)</p>	<p>Existing density ranges are variable in the area by land use designation ranging from 20 - 40 du/ac in the Downtown Commercial area, 10 - 40 du/ac on the Mixed Use sites in the Soscol Gateway area; and 3 - 8 du/ac on the sites set aside for limited single-family residential development.</p>	<p>Within the Downtown Specific Plan area, density ranges have been increased to 20 - 60 du/ac in the core (Downtown I designation), remain at 20 - 40 du/ac in the downtown edge (Downtown II designation), and 10 - 25 du/ac in the transitional area between the downtown and the surrounding neighborhoods (Transition designation)</p> <p>Within the Soscol Gateway area densities are revised by converting 5.3 acres to Mixed Use, 16.9 acres to Transit Village, assigning 2.5 acres at the Napa Expo site to Mixed Use, and applying the mid-range of the number of units assumed in the 1998 General Plan for the area. The density ranges in the Soscol Gateway area are 10 - 40 du/ac on the Mixed Use sites and 3 - 8 du/ac on the limited number of low density residential sites in the area.</p> <p>These revisions provide for 1,274 housing units or 976 net new units in the PDA with approved planning and environmental review (no additional planning is required).</p>
<p>i. Minimum/Maximum FARs (New Employment Development)</p>	<p>1.25 - 4.0 FAR in the Downtown Specific Plan area for commercial use and .35 FAR for Residential/Offices.</p> <p>.35 - .95 FAR in the Soscol Gateway area</p>	<p>The FAR has been increased with the adoption of the Downtown Specific Plan to 5.0 Downtown I designation), 4.0 (Downtown II) and 3.0 (Transition).</p> <p>Within the Soscol Gateway area the FAR is .35 - .95, although far more land is now zoned for multi-family use as part of the Mixed Use designation.</p>

<p>Part 2 – ADDITIONAL AREA INFORMATION</p>		
	<p>Yes</p>	<p>No</p>
<p>a. Is the proposed priority area currently recognized in the General Plan (i.e., called out as TOD, infill etc.)?</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>

<p>b. Have other plans (any targeted planning efforts including specific plans, precise plans, area plans, and supporting environmental studies) been developed within the last 15 years that cover the priority area? Note: If yes, please attach brief list of individual planning efforts and date completed (including web links to electronic versions if available). In the list, identify the primary plan for the area.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>c. Is the proposed priority area within the boundaries of a redevelopment area?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part 3 – MAPS OF PRIORITY DEVELOPMENT AREA

Attach map(s) showing the proposed boundaries, land use designations and zoning, major transit services, and any other relevant information about the proposed priority area. In your electronic submission, please include GIS files of the PDA boundaries, if available. Photos of current conditions in the priority area are optional.

Part 4 – NARRATIVE

Attach separately a maximum two-page (8½ x 11 with 12 point font) narrative that addresses the following questions and provides any other relevant information.

- What is the overall vision for this area? How does the vision align with the place type selected (See Place Type Development Guidelines p. 18-19 in Station Area Planning Manual)?
- What has to occur in order to fully realize this vision and place type? What has occurred in the past 5 years?
- Describe relevant planning processes, and how community members were involved in developing the vision and/or plan for the area.
- Describe how this priority area has the potential to be a leading example of smart growth for the Bay Area.

Part 5 – POTENTIAL ASSISTANCE REQUESTED (check all that apply)

Note: Assistance is not being offered at this time. This information will aid the development of tools and incentives for designated areas.

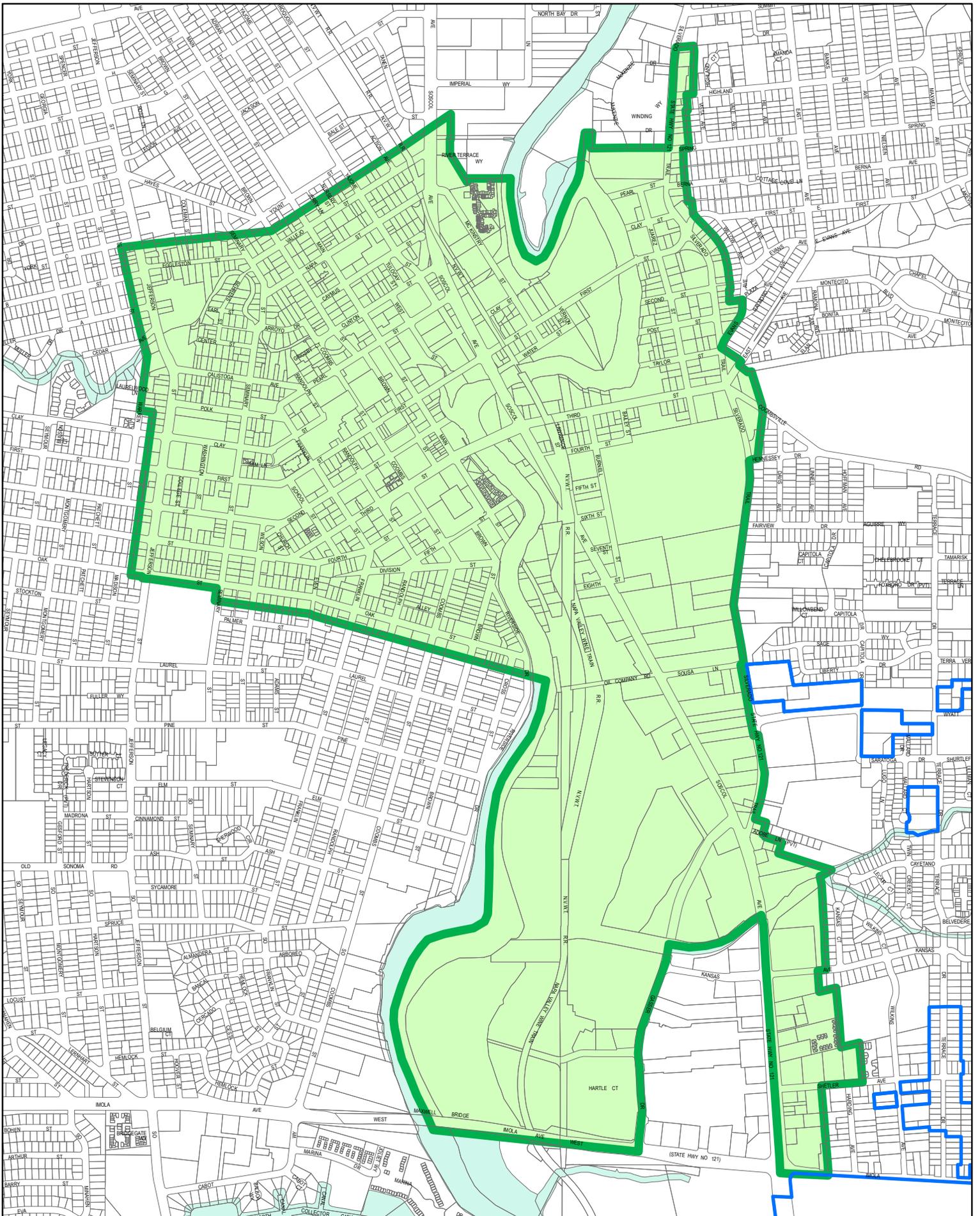
TECHNICAL ASSISTANCE	REQUEST FOR PLANNING GRANTS	REQUEST FOR CAPITAL GRANTS
<input type="checkbox"/> Assistance with policies to implement existing plan <input type="checkbox"/> Assistance with photo- simulations to depict future conditions <input type="checkbox"/> Assistance with local workshops and tours <input type="checkbox"/> Other:	<input type="checkbox"/> Funding for new area-wide specific plan or precise plan <input type="checkbox"/> Funding to update existing area-wide specific plan or precise plan <input type="checkbox"/> Funding for EIR to implement existing area-wide plan <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Funding for transportation projects (including pedestrian/bicycle) <input checked="" type="checkbox"/> Funding for housing projects <input checked="" type="checkbox"/> Funding for water/sewer capacity <input type="checkbox"/> Funding for parks/urban greening <input checked="" type="checkbox"/> Funding for streetscape improvements <input type="checkbox"/> Other:

Part 6 – INFRASTRUCTURE BUDGET FOR PRIORITY AREA

Attach a completed Excel file on the FOCUS website for entering information about infrastructure needs and funding sources.

Part 7 – FOR EMPLOYMENT CENTER PLACE TYPE PROPOSALS <u>ONLY</u>		
Please provide the following information for the <u>entire jurisdiction</u> .		
	Current Conditions (Year:)	General Plan (Horizon Year:)
Total Jobs		
Total Households		
Total Employed Residents		

E-mail this completed application form and attachments requested to FOCUS@abag.ca.gov, and mail one hard copy of this application and attachments requested to the Association of Bay Area Governments, Attn: Jackie Reinhart, P.O. Box 2050, Oakland, CA 94604-2050. Please contact Jackie Reinhart, ABAG Regional Planner, at JackieR@abag.ca.gov or 510-464-7994 with questions about the application.



0 200 400 800 1,200 1,600 Feet



City of Napa Proposed PDA



Item 8

Map by City of Napa GIS Services

M:\GIS\Map_S\BAMD\Planing\GIS_Social_Gateway\MXD
PDF File Location: P:\GIS_Maps\PDF_Maps\Planing\GIS_Social_Gateway\PDF
Printer: 10/20/20

Area Overview - The City of Napa is a community of approximately 77,000 residents located in the northern part of the San Francisco Bay Area. It is the largest of five incorporated cities in Napa County, serving as the County seat and providing a gateway to the world famous Napa Valley. The City of Napa in its own right has become a world class destination that offers a unique environment of entertainment, culinary and wine-related experiences in a modest-sized urban environment that is surrounded by agriculture and open space.

Since 2000, Napa has experienced significant growth. This is particularly true in Downtown Napa and along the Soscol Gateway corridor—a significant connection between Downtown Napa, Highway 29 and the greater Bay Area. Several mixed use commercial-residential and hotel developments have been constructed in these areas in recent years reflecting Napa's smart growth principles and strong city-centered planning practices. To retain existing commercial uses and encourage new commercial and residential development in the downtown and its environs, Napa prepared comprehensive master plans for Downtown Napa and the Soscol Gateway area. These comprehensive plans propose 1,274 housing units (976 net new units) in the 20 to 30 year horizon. Although development recently slowed resulting from the national recession, the vision remains as a solid foundation for attracting and retaining new local-serving uses, hotels and residential development in the future.

Area Vision - The Downtown Napa/Soscol Gateway area will guide public and private investment in this area, which is being transformed by the Napa River Flood Protection Project. As outlined in adopted plans for the area, the vision provides an overall framework for land use, circulation, open space, and the foundation for new neighborhoods and revitalization of existing neighborhoods. The Soscol Gateway Corridor Plan contains 376 acres, including 24.7 acres of land rezoned to accommodate the transit center and mixed residential-commercial uses, a 2.5-acre portion of the Napa Expo, and the 80-acre Gasser site. Construction is underway for the NCTPA transit center and Gasser South development which includes a 12-screen movie theater and 30,000 square feet of associated commercial-retail space in an entertainment village. Also, community-serving facilities are either near completion or are completed, including a 60-bed homeless shelter and 24 units of transitional housing, and 30,000 square feet of office space for non-profit organizations is planned. Future development of Gasser North includes Tulocay Village and Tulocay Square —a mixed-density residential neighborhood with 80,000 square feet of commercial-retail space. Within the Soscol Gateway Corridor, a minimum of 458 new housing units are planned at densities up to 40 du/acre, including 20% affordable housing to lower-income residents. These neighborhoods will connect to 13 acres of open space and wetlands through a network of public use trails linking the commercial development, Napa River trails and Downtown Napa.

Similarly, the Downtown Specific Plan enhances Napa's unique, colorful and historically significant Downtown to meet the needs of existing and new residents, while continuing to draw visitors from around the region and world. The pursuit to prepare the Downtown Napa Specific Plan, which began in 2009 and was adopted by the Napa City Council in May 2012, will provide the guiding framework for realizing the vision of a vibrant, healthy and balanced pedestrian-oriented city center. To help achieve its objectives, the Specific Plan outlines a set of recommended improvements to cultivate a physically attractive, economically healthy and socially animated city center where people choose to live and visit. This includes establishing an appropriate mix, density and orientation of residential and commercial uses to improve the business environment and provide people with more opportunities to live, work and play in Downtown Napa. It also entails enhancing the auto, transit and bicycle circulation network and pedestrian streetscape. Such improvements will allow people to have easy and efficient access into and out of Downtown, as well as great mobility options throughout the city core.

Both the approved Soscol Gateway Corridor vision and the Downtown Napa Specific Plan help to achieve Napa's overall community vision of protecting farmland and vineyards surrounding the community while focusing development inside the Rural Urban Limit (RUL). This helps support citizen-initiated efforts to provide efficient, well-designed use of land by mixing jobs and housing in one place. Additionally, this vision provides opportunities to create neighborhoods close to services, including countywide and regional transit, and to integrate open space into the community fabric.

Public transit is a significant part of Napa's future plans for success. The NCTPA operates Napa's fixed route transit service (VINE) which serves greater Napa County and destinations in Solano and Sonoma Counties. Napa's existing transit hub is located in Downtown Napa, less than one-quarter mile from the Soscol Gateway area. Scheduled to be completed in 2013, a new intermodal Transit Center is currently under construction on the southwest corner of Fourth and Burnell Streets. The new Transit Center will be centrally located one block east of Downtown Napa, one block south of the Oxbow Public Market, and immediately adjacent to the Napa County Expo and Soscol Gateway area and will provide transit with 20-minute headways with access to light rail and commuter services, as well as close proximity to a future boat dock capable of ferry service as future opportunities arise.

Planned Priority Development Area - The Downtown Napa/Soscol Gateway PDA generally follows the boundaries the Soscol Gateway Corridor as outlined in Napa's adopted Soscol Gateway Vision (2004) and the Soscol Gateway Redevelopment Project Area (2007). The Downtown Specific Plan area boundaries include the Napa River on the east, Division and Third Streets on the south, and Jefferson Street on the west. The northern boundary generally follows the zigzagging edge of the existing "Downtown Commercial" zoning area boundary adjacent to northern residential neighborhoods along Polk and Caymus Streets west of Soscol Avenue. The boundaries extend east to include the Oxbow Public Market and former Copia site east of Soscol Avenue. The Planning Area encompasses approximately 58 acres.

Napa County is a predominantly agricultural community and the City of Napa, along with the four other incorporated cities within the County, are served by Highway 29 and Silverado Trail (from Napa north to Calistoga) which extends through the vast agricultural and open space lands ubiquitous in Napa Valley. Much of this land is protected by voter initiative (Measures J and P and the City's RUL) and by recognized conservation areas that cannot be developed in the future, except when specifically associated with agricultural activities or a vote of the people. The Downtown Napa/Soscol Gateway PDA provides for compact, mixed-use development of substantial new residential and commercial uses that will serve existing residents and new residents in the 976 new dwelling units planned for the area. These residential neighborhoods or "villages" will be walkable, located near services and transportation, connected by trails to recreation and open space, and located in and near Napa's historic downtown.

To fully realize and implement the vision of the PDA, resources are necessary to address infrastructure deficiencies, including those primarily related to drainage and circulation (e.g., street, bicycle and pedestrian improvements). General upgrades to roads, road maintenance and traffic delays at key intersections have been identified as deficiencies needing to be addressed with future development. The total cost associated with all infrastructure needs in the Soscol Gateway area is approximately \$50 million. However, many improvements are already underway. New Hartle Court is presently under construction as part of the Gasser Theater Project, and improvements at the Imola/Gasser (Kansas) Street intersections will be completed as part of this project. Within the Downtown Specific Plan area the infrastructure needs are approximately \$38 million, which will create more than 1,600 jobs and bring more than 1,400 people to the Downtown. Densities and floor area ratios are increased along with the creation of flexibility in building height, parking requirements and similar strategies to accommodate the vision for a city-centered, sustainable Downtown with residents living near services. Collectively, these strategies provide increased housing and transportation alternatives to the community and align with regional goals for creating a complete community and planning for land use, transportation and the environment.

Community Involvement – Planning and developing the vision for the Soscol Gateway Corridor involved significant opportunities for community involvement since 2002 when the planning effort began with the visioning process for the Flood Protection Project intended to attract a new river edge and open up previously flood-prone land for development. Numerous planning documents were prepared and each of these documents reflects the public process and numerous opportunities for public input. This includes adoption of the Soscol Corridor/Downtown Riverfront Development & Design Guidelines (2000), Soscol Gateway Vision (2004), Soscol Gateway Implementation Plan (2006), Soscol Gateway Redevelopment Plan and EIR (2007),

Soscol Gateway/East Napa Historic Context Statement and Survey Report (2010), and the Preliminary Drainage Plan for Interior Drainage within the study area, which is now complete and final design is underway. The public process supported the regional Vine Trail and citywide River Trail, which will connect through the area and are embraced as key recreational and economic assets to the area. These connections help achieve the objective of providing resources to residents and visitors of the planned PDA. Additionally, the Napa Countywide Bicycle Plan identifies several key routes and links throughout the county, including connections through the planned PDA.

As part of the Downtown planning effort, the City led a broad community-based process that engaged local stakeholder agencies, business and property owners, neighborhood representatives, elected and appointed officials, and members of the public. In order to garner input from the widest range of participants, the community outreach and engagement process was broad in its approach. The process included large community workshops, stakeholder interviews and focus groups, meetings of a steering committee, City Council and Planning Commission sessions, and special outreach events to specific segments of the Napa community such as youth and Latinos. Technical tools, including a comprehensive website and surveys, were also utilized. A 15-member Downtown Steering Committee was also created to bring together representatives from the community to help guide the planning process and provide input on specific tasks. The varied perspectives of the committee members brought a depth and breadth of knowledge and interests to all aspects of the Specific Plan. Over 30 meetings were held as part of this process, and more meetings are scheduled through to completion of the project in April 2012.

Leadership in Planning - The Downtown Napa/Soscol Gateway PDA illustrates leadership in planning by consolidating complex issues into a comprehensive mixed-use development plan for the area to achieve a vision of revitalized existing commercial and residential uses with access to a variety of transportation opportunities, creation of new residential neighborhoods. The PDA establishes the foundation for how mid-sized rural towns can plan for city-centered growth in a way that protects both a community's unique natural and built resources and provides a place for people to live, work and visit. Destination communities do not have to be pristine places to look but not touch. Napa is positioned in the next 20 years to provide leadership in planning for land use, transportation and the environment with the Bay Area region and beyond.

RESOLUTION R2012 4

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE SUBMITTAL OF APPLICATIONS TO ABAG TO DESIGNATE DOWNTOWN NAPA AND SOSCOL GATEWAY CORRIDOR AS PRIORITY DEVELOPMENT AREAS

WHEREAS, the Association of Bay Area Governments (“ABAG”) and the Metropolitan Transportation Commission in coordination with the Bay Area Air Quality Management District and Bay Conservation and Development Commission (collectively, the “regional agencies”) are undertaking a regional planning initiative called FOCUS; and

WHEREAS, FOCUS program goals support a future regional development pattern that is compact and connected; and

WHEREAS, the regional agencies seek local government partners to create a specific and shared concept where growth can be accommodated in Priority Development Area (“PDAs”) in the region; and

WHEREAS, PDAs must be within an existing community, near existing or planned fixed transit (or served by comparable bus service) and planned for more housing (or is undergoing a planning process for more housing); and

WHEREAS, local governments in the nine county San Francisco Bay Area are eligible to apply for designation of an area within their community as a PDA; and

WHEREAS, the regional agencies are committed to securing incentives and providing technical assistance to designated PDAs so that positive change can be achieved in communities working to advance focused growth; and

WHEREAS, Downtown Napa represents a potential PDA which is characterized as the planning area boundaries of the City’s Downtown Specific Plan including generally Polk, Clinton, Caymus Streets to the north, Jefferson to the west, Division and Third Streets to the south, and the Napa River to the east; and

WHEREAS, Soscol Gateway Corridor also represents a potential PDA which is located in the southern part of Napa generally between Silverado Trail and Soscol Avenue south of Silverado Trail to the east, the Napa River to the west, Highland Drive to the north, and Imola Avenue to the south.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

ATTACHMENT C

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 11-12

**RESOLUTION ADOPTING AND DESIGNATING
INVESTMENT AREAS**

WHEREAS, the Executive Board of the Association of Bay Area Governments (ABAG) has previously approved designation of Priority Development Areas (PDAs) nominated by local jurisdictions: infill development opportunities within existing communities, near existing or planned fixed transit or served by comparable bus service, and planned for more housing; and

WHEREAS, pursuant to SB 375, the Executive Board approved a draft Jobs-Housing Connection Strategy (Strategy) as part of the draft Sustainable Communities Strategy (SCS) which uses PDAs as a foundation for the forecasted development pattern in the SCS; and

WHEREAS, in a memorandum dated July 10, 2012, ABAG staff recommends the creation of Investment Areas to address the unique challenges of implementing the SCS in rural communities and communities with high levels of single-use employment centers and to designate specific areas as Investment Areas.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby creates Investment Areas and designates the following specific areas as Investment Areas, all as recommended by the ABAG staff in the staff memorandum dated July 10, 2012:

1. Rumrill Boulevard Employment Investment Area
2. East Whisman Employment Investment Area
3. International Business Park Employment Investment Area
4. Old Edenville Employment Investment Area
5. Moffett Park Employment Investment Area
6. Peery Park Employment Investment Area
7. Reamwood Employment Investment Area
8. Benicia Northern Gateway Employment Investment Area
9. Sonoma County Airport Business Center Employment Investment Area
10. Rio Vista Rural Community Investment Area
11. Forestville Rural Community Investment Area
12. Guerneville Rural Community Investment Area
13. Larkfield Rural Community Investment Area
14. Graton Rural Community Investment Area
15. Penngrove Rural Community Investment Area
16. The Springs Rural Community Investment Area
17. El Granada Rural Community Investment Area

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 11-12**

- 18. Mirimar Rural Community Investment Area
- 19. Montara North Rural Community Investment Area
- 20. Moss Beach Rural Community Investment Area
- 21. Princeton Rural Community Investment Area

The foregoing adopted by the Executive Board this 19th day of July, 2012.

Mark Luce
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 19th day of July, 2012.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

SUMMARY MINUTES

Special Joint Meeting
ABAG Executive Board and MTC Commission
No. 386, May 17, 2012
Oakland Marriott City Center
1001 Broadway, Oakland, California

1. CALL TO ORDER AND ROLL CALL

Napa County Supervisor Mark Luce, President, ABAG Executive Board, and San Mateo County Supervisor Adrienne Tissier, Chair, Metropolitan Transportation Commission, called the special joint meeting to order at approximately 7:00 p.m.

President Luce announced that a quorum of the Executive Board was present.

Representatives and Alternates Present

Supervisor Susan L. Adams
Mayor Jack Batchelor
Councilmember Desley Brooks
Councilmember Jane Brunner
Councilmember Dave Casas
Supervisor Carmen Chu
Councilmember Kansen Chu
Supervisor Malia Cohen
Supervisor David Cortese
Mayor Pro Tem Pat Eklund
Jason Elliott, Dir, Leg/Gov Affairs
Mayor Jack Gingles
Supervisor John Gioia
Councilmember Pedro Gonzalez
Councilmember Susan Gorin
Mayor Mark Green
Supervisor Scott Haggerty
Councilmember Dave Hudson
Councilmember Beverly Johnson
Councilmember Rebecca Kaplan
Supervisor Barbara Kondylis
Councilmember Sam Liccardo
Supervisor Mark Luce
Supervisor Eric Mar
Supervisor Karen Mitchoff
Councilmember Julie Pierce
Supervisor Dave Pine
Councilmember Joe Pirzynski
Supervisor David Rabbitt
Councilmember A. Sepi Richardson
Supervisor Mike Wasserman
Malcolm Yeung, Office of the Mayor

Jurisdiction

County of Marin
City of Dixon
City of Oakland
City of Oakland
City of Los Altos
County of San Francisco
City of San Jose
County of San Francisco
County of Santa Clara
City of Novato
City of San Francisco
City of Calistoga
County of Contra Costa
City of South San Francisco
City of Santa Rosa
City of Union City
County of Alameda
City of San Ramon
City of Alameda
City of Oakland
County of Solano
City of San Jose
County of Napa
County of San Francisco
County of Contra Costa
City of Clayton
County of San Mateo
Town of Los Gatos
County of Sonoma
City of Brisbane
County of Santa Clara
City of San Francisco

Representatives Absent

Supervisor Rose Jacobs Gibson
Councilmember Ash Kalra
Vice Chair Terry Young

Jurisdiction

County of San Mateo
City of San Jose
RWQCB

Chair Tissier directed Rosy Leyva, MTC Commission Secretary, to conduct the roll call of the Commission; Leyva reported that a quorum of the Commission was present.

2. COMPENSATION ANNOUNCEMENT

Chair Tissier directed Leyva to make the compensation announcement.

3. PLEDGE OF ALLEGIANCE

President Luce and Chair Tissier led the ABAG Executive Board, MTC Commission, and the audience in the Pledge of Allegiance.

4. PLAN BAY AREA

A. Combined Preferred Land Use Scenario and Transportation Investment Strategy

Steve Heminger, MTC Executive Director, made introductory remarks about Plan Bay Area and efforts by both agencies to adopt a Sustainable Communities Strategy, including strengthening the connection between housing, jobs and transportation; growing the regional economy; building on the legacy of visionary leadership and investments; ensuring stewardship of scenic and natural resources; and reducing the region's impact on global climate change. He described how Plan Bay Area reinforces land use and transportation integration per SB 375, and integrates regional planning for land use, transportation, and housing. He noted the input received on Plan Bay Area and reviewed the Plan Bay Area schedule.

Kenneth Kirkey, ABAG Planning and Research Director, reported on the preferred land use scenario, called the Jobs-Housing Connection Strategy, including a review of the region's growth; feedback received on the jobs-housing connection scenario and staff responses; a review of household and employment growth; a review of historic regional growth patterns and future regional growth patterns; and a description of Priority Development Areas and place types. He described the policy framework, including the goals of creating jobs to maintain and sustain a prosperous and equitable society; increasing the amount, accessibility, affordability, and diversity of housing; creating a network of complete communities; and protecting the region's unique natural environment.

Doug Kimsey, MTC Planning Director, reported on the preferred transportation investment strategy, including a review of revenue forecasts and a summary of Plan Bay Area investment. He described the six strategies for addressing the Three Es (economy, equity, and environment): closing the greenhouse gas gap; Fix-It First; OneBayArea Grant framework; funding high performers; efficiencies from existing system; and a sustainable transit system.

Board and Commission members discussed, under the Recommended Climate Policy Initiatives, moving \$70 million from Smart Driving Strategy to PDA planning and implementation; the effect of increasing costs of Car Sharing; per capita CO2 emissions reductions and cost per GHG ton reduced under Climate Initiatives Innovative Grants; studying baseline transit service for the Bay Area;

Appendix A-6, PDA Investment Growth Strategy; and New Starts/Small Starts reserve.

Solano County Supervisor Jim Spering, MTC Commissioner, suggested changes to the staff recommendation regarding the New and Small Starts reserve. Board and Commission members discussed the staff recommendation and the suggested changes.

Board and Commission members discussed, under the Climate Policy Initiatives, the staff recommendation to Fund Vehicle Buy-Back and Purchase Incentives; selection process of alternatives to the preferred land use scenario to be evaluated under the EIR; competition for New and Small Starts funding.

Board and Commission members discussed, under strategies considered, the Regional Bicycle Sharing program; and funding for planning and implementation under Climate Initiatives Innovative Grants.

Public comments were heard from the following individuals: Manolo Gonzalez Estai, Transform, on greenhouse gas gap, BART-Metro project, and express lanes; Jeff Hobson, Transform, on investment in Fix It First, planning housing near transit, climate innovative grants, and prioritizing New and Small Starts; Clayton Smith on the energy shortage and energy crisis; Owen Murphy on pass through of state collected tax revenue to local municipalities; Mimi Steele on the visioning sessions and housing affordability; Glenn Gelineau on public input, visioning sessions and polling; Matt Grocott, Mayor, San Carlos, on citizen participation at public meetings; Sue Brandau on totalitarianism and the respect of individuals; Bea Phillips on regional government agencies dictating policies over land use, housing, and transportation; Janet Macarona on unelected positions on quasi-dictatorial board, the visioning sessions, and the Orinda Transit Center; Debra Tavares on the Iron Mountain report ; Orlan Quehle on central planning, totalitarian regimes and Portland; Linda Best, Contra Costa Council, on support for AB 32 and SB 375 goals, having the final scenario be realistic, achievable and promote global competitiveness, jobs and housing concentration in urban core, decentralized nodes of job growth, Bay Area Business Coalition recommendation to conduct economic and feasibility assessment as part of EIR process; Robert Allen on a five-county rapid transit including BART around the Bay; John Wilson on local government, central planning government, and single family homes.

Sheryl Wilson spoke on anti-regionalism; Louis Tavares on federal, state and county deficits; Barbie Baretta on utopian master plans; Stephanie Reyes on housing affordability and housing choices; Matt Van Der Slice on green house gas reduction and walk-able and healthy region; Lena Gammer on Redwood City and walk-able neighborhoods; Nancy Schafer on support of preferred alternative; Robert Piper on senior communities; Cerle Whitney on density and single family housing, environment and existing sustainable communities, population growth, and carbon emissions; Pauli Amering on senior communities, accessible and available transportation; Bill Pinkham, East Bay Bicycle Coalition, on the importance of Plan Bay Area, mass transit, accommodating bicycles, and safety pedestrian safety; Heather Gass on unelected regionalism, communism,

Summary Minutes
Special Joint Meeting
ABAG Executive Board and MTC Commission
No. 386, May 17, 2012

social engineering, and the Brown Act; Pam Farley on bureaucracy and house-sharing; Greg McConnell, Jobs and Housing Coalition, on making PDAs feasible and accomplishable, local level entitlements and impediments and incentives; Sean Acle on republican government and freedom, regional governance formation, and PDAs; Pamela on the Harvard study, Portland, and property rights; Marlane Hofakur on unelected boards, scientific evidence and improving the environment, economy, and equity; Carl Anthony, Breakthrough Communities, on social inequality and racial integration; Paloma Pawel, Breakthrough Communities, on the importance of environment, equity and job scenarios.

Parisa Fatahi Weeks spoke on civil rights, environment, health, and jobs; Warren Cushman on affordable housing and bus service; Amy Fishman on affordable housing, sustainability and equity; Davila Irwin on displacement and affordable housing; Frank Gallo, Ditching Diesel Collaborative, on existing health impacts from freight movement; Earl Kotine on stewardship; Elezear Mendoza on bus transportation system; Brenda Baron on transportation issues, bus and BART investments; Pamela Tapia on affordable housing, transit oriented development, gentrification and displacement; Tanica Olguin on gentrification of neighborhoods and public meetings; Woody Little on economic segregation; Malcolm Defrense on affordable housing and low income families; Ben Lemond on greenhouse gas emissions and commuting; Christina McGee on investment without displacement and affordable housing; Jill Ratner on affordable housing and reliable transportation; Ozebucke Aqaba on public health, meeting public participation, infrastructure and walk-able communities; Carl Levy on metropolitan development, effects of urban renewal and displacement; Nathaniel Arnold on displacement, affordable housing, and bus transportation; Catherine Lyons, Bay Area Council, on infill and transit oriented development and regulatory environment; Ann Durham on republican form of government and rule of law; James Bennett on social engineered polarity and the U.S. Constitution; Laura Stout, improving public health; David Pepper on biking and walking benefits and community health.

Paul Inieto, Building Industry Association, spoke on PDA market feasibility and alternative scenario; Marlene Melander on regional government; Pat Ferguson on race, gender, youth and seniors, and education; Charles Cagnen on regional planning process and regulation; Paul Nedo on economics; Susanne Tringale on voter approval of Plan; Joel Bernhardt on mass transit villages; Pam Drew on Department of Finance numbers; Fred Volking on Agenda 21, Socialism, Communism, and global warming; William Smith on multi-family housing, affordable housing and economic development; Andy Katz on regional planning and clean air, livable communities, protecting climate, express lanes, and equity issues; Carrie Knecht on affordable housing and transit; Pat Schwinn on Fix It First and affordable and transit friendly housing; unidentified speaker on public input and meeting participation, demographics, infill development, and global warming.

The following individuals submitted speaker cards but were not present when their names were called: Pat Ferguson, Vincent Macarona, Lee Lawrence,

Myesha Williams, Emily Radler, Bea Phillips, Paul Campos, Chelsea Worms, Audie Bock.

MTC Executive Director Heminger spoke about the New Starts funding. Ashley Crocker, CEQA Counsel, described the EIR process for the project and alternatives. Ken Kirkey spoke on the EIR schedule.

Board and Commission members discussed including distribution of affordable housing among alternatives considered in the EIR process; the ABAG Executive Board and MTC Commission selection of alternatives to include in the EIR process; operations and maintenance under the Plan Bay Area investments; and Climate Initiatives Innovative Grants.

President Luce recognized a motion by Supervisor Spering, which was seconded, to accept the staff report on the transportation investment strategy as amended by changing the word "received" to "appropriated."

President Luce recognized a substitute motion by San Francisco Supervisor Scott Weiner, MTC Commissioner, and seconded by San Jose Councilmember Sam Liccardo, MTC Commissioner, to accept the staff report on the transportation investment strategy, in addition to the change proposed in the original motion, the following text: "If no projects from the East Bay or North Bay emerge that meet FTA criteria, then other New/Small starts projects may be supported regardless of geography." MTC Commissioners spoke on the substitute motion.

Staff was directed to include the equity, environment and employment scenario among the alternatives to be considered by the ABAG Executive Board and MTC Commission.

By a roll call vote of the MTC Commission on the substitute motion, the aye votes were four (4), and the nay votes were ten (10). The substitute motion failed.

By a roll call vote of the MTC Commission on the original motion, the aye votes were fourteen (14), the nay votes were none. The original motion passed.

President Luce recognized a motion by Contra Costa County Supervisor John Gioia, ABAG Executive Board Representative, and seconded by Alameda County Supervisor Scott Haggerty, ABAG Executive Board Representative, to approve the transportation investment strategy as amended by changing the word "received" to "appropriated." By a vote of the ABAG Executive Board, the aye votes were unanimous. The motion passed.

President Luce recognized a motion by Supervisor Haggerty, MTC Commissioner and ABAG Executive Board Member, and seconded by Union City Mayor Mark Green, MTC Commissioner and ABAG Immediate Past President, to move \$70 million of funds from Smart Driving Strategy to PDA planning and implementation, including health issues, and which will be administered by ABAG and MTC. Board and Commission members and staff spoke on the motion. By a roll call vote of the ABAG Executive Board, the aye votes were twenty-seven (27), and the nay

votes were five (5); the motion passed. By a roll call vote of the MTC Commission, the motion passed.

President Luce recognized a motion for the MTC Commission by Supervisor Haggerty, and seconded by Orinda Councilmember Amy Worth, MTC Commission Vice Chair, and a motion for the ABAG Executive Board by Green, and seconded by Solano County Supervisor Barbara Kondylis, ABAG Executive Board Representative, to approve the release of the preferred land use scenario and the transportation investment strategy, as modified. Staff was directed to consider a baseline study of transit services in the Bay Area. By a vote of the ABAG Executive Board, the aye votes were unanimous; the motion passed. By a vote of the MTC Commission, the aye votes were unanimous; the motion passed.

President Luce recessed the special joint meeting for a ten minute break at approximately 10:30 p.m.

Chair Tissier reconvened the special joint meeting at approximately 10:40 p.m.

B. One Bay Area Grant Program

MTC Executive Director Heminger made introductory remarks about MTC Resolution No. 4035 which adopts the project selection policies and programming for the Federal Cycle 2/One Bay Area Grant Program which was considered at a special combined meeting of the MTC Planning Committee and the ABAG Administrative Committee on May 11th.

Supervisor Spering, MTC Planning Committee Chair, gave a report on the One Bay Area Grant Program/MTC Resolution No. 4035. The resolution was forwarded to the MTC Commission for approval by unanimous vote of the MTC Planning Committee with changes as noted in the staff report.

MTC Chair Tissier recognized a motion by Supervisor Spering, which was seconded by Rohnert Park Mayor Jake Mackenzie, MTC Commissioner, to accept the committee report as amended by adding at the beginning of Appendix A-6: PDA Investment and Growth Strategy the following: "MTC shall consult with the CMAs and amend the scope of activities identified below as necessary to minimize administrative work load and to avoid duplication of effort. This consultation may result in specific work elements shifting to MTC and/or ABAG. Such changes will be formalized through a future amendment to this appendix."

Public comments were heard from the following individuals: Marty Martinez spoke on Safe Routes to Schools funding and Complete Streets requirement; Jill Ratner on affordable housing funds for cities that produce affordable housing; Parisa Fatehi Weeks on PDA growth strategies and displacement and affordable housing concerns; Sam Tepperman Gelfant on jurisdictions that produce affordable housing near transit and create healthy communities; Jim Bitter on the source of money for grants; David Grabill on grants for affordable housing near transit and range of affordability near transit.

The following individuals submitted speaker cards but were not present when their names were called: Clayton Smith, Mimi Steele, Glen Gelineau, Matt Grocott, Sue Brandau, Bea Phillips, Pat Ferguson, Orlean Kuehle, Debra Torres, Mia Yoshitane, John Wilson, Sheryl Wilson, Luis Tavaras, Amy Fishman, Heather Gass, Glen Gelineau, Marlane Hofecker, James Bennett, David Pepper, Susan Tringale, Ralph Fernandez, Audie Bock, Robert Allen.

Supervisor Spring spoke on the MTC Planning Committee recommendations regarding One Bay Area Grant Program/MTC Resolution No. 4035 and the motion to accept the committee report as amended with the addition at the beginning of Appendix A-6: PDA Investment and Growth Strategy.

Commission members discussed monitoring development of work force and low income housing and developing guidelines for the next OBAG funding cycle.

By a vote of the MTC Commission, the aye votes were unanimous. The motion passed.

C. Approve Release of Draft Regional Housing Need Allocation (RHNA) Methodology and Sub-regional Housing Shares

Miriam Chion, ABAG Assistant Planning and Research Director, reported on the Regional Housing Need Allocation, including feedback received and staff responses; a Sustainable Communities Strategy growth forecast overview; the RHNA methodology process; coordination of regional efforts; the proposed methodology as related to focused growth, fair share, and housing diversity and affordability; the Regional Housing Need Determination as determined by the State Housing and Community Development; and the staff recommendation to release the draft RHNA methodology and sub-regional housing shares for public comment.

Board members discussed a RHNA performance credit and the methodology model weighting factors; equitable distribution of affordable housing given that no guaranteed funding is available to jurisdictions with disproportionate share of affordable housing; the 40 percent household growth formation minimum.

Chion commented on the housing allocation for Oakland, the 40 percent household growth formation minimum, and the availability of RHNA documents.

President Luce recognized a motion by Clayton Councilmember Julie Pierce, ABAG Executive Board Vice President, and seconded by San Ramon Councilmember Dave Hudson, ABAG Executive Board Representative, to approve the release of the draft Regional Housing Needs Allocation methodology and the sub-regional housing shares.

Supervisor Haggerty asked staff to continue working with the City of Dublin staff on its housing and jobs numbers.

San Francisco County Supervisor Eric Mar, ABAG Executive Board Alternate, proposed that every jurisdiction with median income above the Bay Area

average should take on at least as much of the region's lower income housing need as it did in the 2007-2014 planning period. This would mean shifting some lower income units from lower income cities to more affluent cities in exchange for higher income units. The total RHNA number for each jurisdiction would remain the same.

Public comments were heard from the following individuals: David Grabill spoke on Napa County and affordable housing; Evelyn Stivers on final RHNA adjustments, Dublin and Pleasanton; Parisa Fatahi Weeks on the motion on the allocating lower income housing between jurisdictions; Sam Tepperman Gelfant on motion Mar, readjusting income allocations and equitable affordable housing allocation; Jerry Grace on Section 8 housing.

The following individuals submitted speaker cards but were not present when their names were called: Nico Calavita, Joel Devalcourt, Chris Shilt, Clayton Smith, Mimi Steele, Glen Gelineau, Matt Grocott, Sue Brandan, Bea Phillips, Pat Ferguson, Debra Tavares, Orlean Kuehle, John Wilson, Sherry Wilson, Luis Tavaras, Amy Fishman, Heather Gass, Marlane Hofecker, James Bennett, Ralph Fernandez, Susanne Tringale, Pamela, Audie Bock, William Smith, Andy Katz.

San Jose Councilmember Sam Liccardo, ABAG Executive Board Representative commented on housing allocations and jobs.

Ken Klrkey spoke on the proposed methodology regarding focused growth, fair share and housing diversity and affordability.

President Luce recognized a substitute motion by Supervisor Mar, and seconded by Oakland Councilmember Rebecca Kaplan, ABAG Executive Board Representative, to include in the draft RHNA methodology that every jurisdiction with median income above the Bay Area average should take on at least as much of the region's lower income housing need as it did in the 2007-2014 planning period. This would mean shifting some lower income units from lower income cities to more affluent cities in exchange for higher income units. The total RHNA number for each jurisdiction would remain the same.

Board members discussed the distribution of low and non-low income housing need in the current cycle.

By a vote of the ABAG Executive Board on the substitute motion, the aye votes were four (4), and the nay votes were twenty-one (21); the motion failed.

Board members discussed having staff respond to the concerns raised around the draft RHNA methodology before returning for final adoption, including the RHNA performance after the 40 percent.

By a vote of the ABAG Executive Board on the original motion, the original motion passed by consensus, with two nay votes.

Mayor Green commented on construction costs by building type.

5. PUBLIC COMMENT

There was no public comment.

6. MTC COMMISSION ADJOURNMENT

Chair Tissier adjourned the meeting of the MTC Commission at approximately 10:55 p.m.

7. ABAG CONSENT CALENDAR

President Luce recognized a motion by Contra Costa County Supervisor John Gioia, ABAG Executive Board Representative, and seconded by Calistoga Mayor Jack Gingles, ABAG Executive Board Representative, to approve the ABAG Executive Board Consent Calendar. The motion passed by consensus, with Novato Mayor Pro Tem Pat Eklund, ABAG Executive Board Representative, abstaining from voting on Items related to the U.S. Environmental Protection Agency.

A. Approval of Executive Board Summary Minutes**

Approved Summary Minutes of Meeting No. 385 held on March 15, 2012.

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. Adoption of Resolution No. 07-12 and authorization to submit grant application and enter into contract with the Metropolitan Transportation Commission (MTC) for Bridge Toll Funds to support the San Francisco Bay Trail Project**

Authorized submission of a grant application and enter into contract with MTC to fund the Bay Trail Project. Executive Board adoption of Resolution No. 07-12 is requested.

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

Authorized renewal of 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. 08-12 Expressing Interest and Concern That the health of the San Francisco Bay Delta System be adequately Considered as part of Water Supply Planning Processes Underway for Delta facilities, Delta Area Planning, State Water Resource Control Board Plans, and in Other Important Bay-Delta Planning Programs**

Adopted Resolution No. 08-12.

F. Authorize Payment of a *Per Diem* for Meetings of the Newly Created Co-Location Subcommittee of the Administrative Committee Retroactive to May 9, 2012

Authorized payment of *per diem* for meetings of the Co-location Subcommittee.

G. Authorization to Amend Contract with the California Department of Boating and Waterways (DBW)**

Authorized the Executive Director or designee to amend the DBW/ABAG contract by increasing the not to exceed amount to \$2,721,101, an increase of \$184,000, and approve the resolution.

8. ABAG ANNOUNCEMENTS

There were no announcements.

9. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**

Committee Chair Julie Pierce, ABAG Executive Board Vice President and Councilmember, City of Clayton, reported on Committee activities and asked Board approval of Committee recommendations, including approval of minutes of January 19; consideration of legislation: SB 1149 (DeSaulnier), Bay Area Regional Commission, oppose and withdraw; SB 1366 (DeSaulnier), Firearms: Lost or Stolen—Reports, support with amendments; SB 1151 (Steinberg), Sustainable Economic Development and Housing Trust Fund: Long-range Asset Management Plan, support; SB 1156 (Steinberg), Community Development and Housing Joint Powers Authority, support; AB 1627 (Dickinson), Energy: Vehicle Miles Traveled, oppose; AB 2231 (Fuentes), Sidewalks: Repairs, oppose; AB 1951 (Atkins), Housing Bonds, support; AB 2447 (Skinner and Perez), California Neighborhood Revitalization Partnership Act of 2012, watch; AB 1672 (Torres), Housing-Related Parks Program, support; SB 986 (Dutton), Redevelopment: Bond Proceeds, support; AB 1555 (Norby), Redevelopment: Debt Forgiveness Agreements, watch; SB 1335 (Pavley), Redevelopment: Brownfield Sited, support; and recommend re-instating funding and support for American Communities Survey and the Census Program.

President Luce recognized a motion by Committee Chair Pierce and seconded by Solano County Supervisor Barbara Kondylis, ABAG Executive Board Representative, to accept the committee report. The motion passed by consensus, with Green not in opposition to SB 1149.

10. FINANCE & PERSONNEL COMMITTEE REPORT**

Committee Vice Chair Sepi Richardson, ABAG Executive Board Representative and Councilmember, City of Brisbane, reported on Committee activities and asked Board approval of Committee recommendations, including approval of minutes of March 15; a report on financial reports for February 2012 and March 2012; an update on ABAG membership; and noted a closed session on anticipated litigation.

President Luce recognized a motion by Committee Vice Chair Richardson, and seconded by Mayor Gingles, to accept the committee report. The motion passed unanimously.

Public comments were heard from Jerry Grace who spoke on the special meeting of the ABAG Executive Board and the MTC Commission.

11. CLOSED SESSION

There was no closed session.

12. ABAG EXECUTIVE BOARD ADJOURNMENT

President Luce adjourned the meeting of the ABAG Executive Board at approximately 11:40 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.

Blank Page

MEMO

Submitted by: Judy Kelly
Director, San Francisco Estuary Partnership

Subject: Authorization to Submit a Full Proposal and Accept a Grant from the U.S. EPA Bay Water Quality Improvement Fund to Advance Climate Change Resiliency through Ecologically Beneficial Flood Channel Design and Management

Date: July 17, 2012

Executive Summary

SFEP/ABAG was selected as a finalist to receive funding from the 2012 San Francisco Bay Water Quality Improvement Fund and has been requested U.S. EPA to submit a full proposal application for the project, “*Flood Control 2.0: Rebuilding Habitat and Shoreline Resilience through a New Generation of Flood Control Design and Management*” to develop and implement a set of innovative approaches to flood control management along the San Francisco Bay shoreline. A broad local-regional partnership leverages flood control agency resources to significantly improve the amount, quality, and long-term resilience of Bay Area tidal wetlands, beaches and mud flats, and major creeks. The project will facilitate the efforts of local flood control agencies to solve a suite of expensive and time-consuming technical, financial, and regulatory challenges related to excessive in-channel sedimentation. The four-year project addresses two complementary approaches to transform sediment problems into resources: channel redesign where sufficient land use flexibility exists, and sediment reuse for highly constrained channels. Three demonstration projects will represent different parts of the Bay, providing an ideal suite of case studies to inform a regional approach.

Partners include: San Francisco Estuary Institute, San Francisco Bay Conservation and Development Commission, San Francisco Bay Joint Venture, San Francisquito Creek Joint Powers Authority, Committee for Green Foothills, Marin County Flood Control and Water Conservation District, and Contra Costa County Flood Control and Water Conservation District.

The total project cost is \$3,122,000. The total amount of federal funding expected under this grant is \$1,577,000. Match funds of approximately 50% of the project total will be provided by the partners. The expected award date is August, 2012.

Recommended Action

The Board is requested to authorize approval of submittal of a Full Proposal to U.S. EPA and for the Executive Director or designee to sign an agreement with U.S. EPA to accept a grant for the *Flood Control 2.0* project. The project assists with implementation of the CCMP for the San Francisco Estuary.

Blank Page

MEMO

TO: ABAG EXECUTIVE BOARD

FROM: Judy Kelly, Director, San Francisco Estuary Partnership

DATE: July 6, 2012

**RE: Request for Authorization to Enter into an Interagency Agreement with
The County of Marin, the Marin County Flood Control and Water Conservation
District and the Sonoma-Marín Area Rail Transit District to Provide Technical
Support for Permit Processing**

Executive Summary

Approval is requested for a new Interagency Agreement to fund a full time ABAG staff member to assist with processing applications for 401 Water Quality Certifications, Waste Discharge Requirements, programmatic maintenance, and Industrial Stormwater permits, and other County administered water quality protection activities under the County's National Pollutant Discharge Elimination System Stormwater permit and waivers and other RWQCB authorizations required for projects and activities in the jurisdiction of the funding agencies cited above.

The agreement is estimated to cost \$ 325,013 and the agreement period is for two years. No ABAG match is required. The project will assist with implementation of the Comprehensive Conservation and Management Plan for the San Francisco Estuary.

Recommended Action

Authorization is requested for the Executive Director or designee to enter into an interagency agreement with The County of Marin, the Marin County Flood Control and Water Conservation District and the Sonoma-Marín Area Rail Transit District to provide technical resources to the San Francisco Bay Regional Water Quality Control Board (RWQCB).

Blank Page



MEMO

Submitted by: Judy Kelly
Director, San Francisco Estuary Partnership

Subject: Authorization to Contract with Wilsey-Ham, Inc for San Pablo Avenue Green Stormwater Spine Project Design Services

Date: July 19, 2012

Executive Summary

The San Francisco Estuary Partnership (SFEP) wishes to contract with Wilsey-Ham, Inc., as the prime consultant for land surveying, civil engineering, and landscape design services for the San Pablo Avenue Green Stormwater Spine project. The Wilsey-Ham team includes Nevue Ngan Associates, specializing in green infrastructure; and Quadriga Landscape Architecture, Inc., specializing in landscape design. The team was selected using a competitive procurement process.

The Request for Qualifications process began on March 26, 2012 with an RFQ invitation posted on the ABAG website. 32 firms attended a mandatory pre-submittal conference on April 3, 2012. The invitation to submit Statements of Qualifications closed on April 27, 2012. SFEP received 13 submittals, which were pre-screened and ranked by staff. The top five submittals were evaluated and scored by a Review Committee comprised of SFEP, Water Board, and Emeryville and El Cerrito city staff. The Review Committee interviewed the top two scoring teams on June 12, 2012. The Wilsey-Ham team consistently scored the highest at each phase of selection process due to its extensive green infrastructure design experience in the public right-of-way, approach to project management, and ability to articulate a holistic vision of the project.

This Stormwater Spine project will create a series of demonstration green stormwater treatment facilities in the public right-of-way along San Pablo Avenue in seven of the cities within Alameda and Contra Costa Counties. The project assists in the implementation of the Comprehensive Conservation Management Plan for the San Francisco Estuary, while contributing to greener infill development and more sustainable, livable communities.

Recommended Action

Authorization is requested for the Executive Director or designee to enter into a contract on behalf of ABAG/SFEP with Wilsey-Ham for design services. The contract amount will not exceed \$255,000 for a term from August 1, 2012 through March 30, 2014. \$215,000 for design and engineering services for the Stormwater Spine project is available in the ABAG agreement with the U.S. Environmental Protection Agency from its San Francisco Bay Water Quality Improvement Fund. \$40,000 for the design team to assist in the bid process for construction and to provide support services during and post construction is available from the ABAG agreement with the California Department of Water Resources for Regional Green Infrastructure.

Next Steps

Upon authorization, SFEP and ABAG Legal Counsel will draft a contract for execution by the Executive Director or his designee.

Blank Page

MEMO

Submitted by: Judy Kelly
Director, San Francisco Estuary Partnership

Subject: Authorization to Submit Urban Greening Grant Application, Accept Grant Award, Negotiate, and Enter into Contract Agreement with State of California Strategic Growth Council.

Date: July 19, 2012

Executive Summary

The San Francisco Estuary Partnership (SFEP) has applied for and received notification of award for a Proposition 84-funded grant from the Urban Greening for Sustainable Communities Program of the State of California's Strategic Growth Council. The guidelines of the Urban Greening Project grant program require a resolution by the applicant's governing body to apply, which did not occur at the time of submittal. The Urban Greening Project grant will fund the design and implementation of a green stormwater treatment retrofit project on San Pablo Avenue in the City of El Cerrito. This project builds on the successful El Cerrito Green Streets rain gardens pilot project that was completed in the summer of 2010 and will be an additional site for the current San Pablo Avenue Green Stormwater Spine project managed by SFEP.

This Stormwater Spine project will create a series of demonstration green stormwater treatment facilities in the public right-of-way along San Pablo Avenue in seven of the cities within Alameda and Contra Costa Counties. The project assists in the implementation of the Comprehensive Conservation Management Plan for the San Francisco Estuary, while contributing to greener infill development and more sustainable, livable communities.

Recommended Action

Adopt Resolution 10-12 approving the grant application, and authorizing the Executive Director, or his designee to accept the Grant Award and to negotiate and enter into agreements necessary to carry out the project with the State of California on behalf of ABAG/SFEP. The contract amount will not exceed \$717,692 for a term from August 1, 2012 through July 30, 2015.

Next Steps

Upon authorization, ABAG will enter into a grant agreement with the State of California on behalf of SFEP and SFEP will implement the project.

Blank Page

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 10-12

RESOLUTION OF THE EXECUTIVE BOARD OF THE ASSOCIATION OF BAY AREA GOVERNMENTS APPROVING THE APPLICATION, ACCEPTING GRANT AWARD, AND NEGOTIATING AND ENTERING INTO A GRANT AGREEMENT WITH THE STATE OF CALIFORNIA FOR GRANT FUNDS FOR THE URBAN GREENING GRANT PROGRAM UNDER THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006 (PROPOSITION 84)

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

WHEREAS, the Strategic Growth Council has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the Strategic Growth Council require a resolution certifying the approval of application by the applicant's governing board; and

WHEREAS, the applicant, has been selected, accepts the award and will enter into an agreement with the State of California to carry out the Project; and

WHEREAS, the San Francisco Estuary Partnership, as a program of the Association of Bay Area Governments, will manage the project under the direction of its Executive Director.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby:

1. Approves the filing of an application for the San Pablo Avenue Green Stormwater Spine project (El Cerrito 3); and
2. Certifies that applicant understands the assurances and certifications in the application; and
3. Certifies that applicant or title holder will have sufficient funds to operate and maintain the project consistent with the land tenure requirements; or will secure the resources to do so; and
4. Certifies that it will comply with the provisions of Section 1771.8 of the State Labor Code regarding payment of prevailing wages on Projects awarded Proposition 84 funds; and
5. If applicable, certifies that the project will comply with any laws and

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 10-12**

regulations including, but not limited to, legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable permits will have been obtained; and

6. Certifies that applicant will work towards the Governor's State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1; and
7. Appoints the Executive Director, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project.

The foregoing adopted by the Executive Board this 19th day of July, 2012.

Mark Luce
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 19th day of July, 2012.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

ASSOCIATION OF BAY AREA GOVERNMENTS

Celebrating 50 Years of Service to the Region



To: Finance & Personnel Committee (F&P) and
Executive Board via F&P
Fr: Kenneth K. Moy
Dt: July 6, 2012
Re: Joining *Amicus Curiae* Brief in *Cole v Town of Los Gatos*

Summary and Requested Action: A recent appellate court decision in a case covered by the ABAG PLAN Program has the potential to significantly increase defense costs and liability exposure for all public entities. The Town of Los Gatos (Town) requests that ABAG join an *amicus curiae* brief if the California Supreme Court decides to an appeal. The ABAG staff that serves the program and I concur. There will be no costs to ABAG. Request authorization to join *amicus curiae* brief.

Background and Analysis: ABAG operates a self funded municipal liability pool (ABAG PLAN Program) on behalf of the thirty (30) cities that are members of ABAG and participate in the program, including the Town. In 2007, the Town tendered and ABAG accepted a claim brought by Cole based on the alleged 'dangerous condition' of a portion of Blossom Hill Road that is in the Town. However, the direct cause of the injury to Cole was a drunk driver who struck Coleman as she was loading or unloading a bicycle from the back of her SUV which was parked off Blossom Hill Road. Cole does not state how the alleged 'dangerous condition' caused the drunk driver to injure Cole. Relying on precedent, a motion for summary judgment based on Cole's failure to make the causal linkage was filed. The motion was granted by the trial court but was overturned on appeal.

The appellate court held that Cole does not need to articulate a causal connection between the alleged 'dangerous condition' and the actions of the drunk driver who directly caused the injury.¹ This decision increases litigation costs and liability exposure for all public entities. For this reason, the ABAG PLAN Program is negatively impacted by the decision.

The Cole decision is also in conflict with precedent in other California appellate districts. This conflict makes the decision ripe for review by the California Supreme Court and an appeal has been filed. If the Supreme Court decides to hear the appeal, the office of the County Counsel for San Diego County is prepared to draft an *amicus curiae* brief. The League of California Cities (LCC) and the California State Association of Counties (CSAC) have already decided to join the County of San Diego on the *amicus curiae* brief. The Town has requested that ABAG join in the *amicus curiae* brief. The ABAG staff that serves the program and I concur and proposes that we do so citing our role in the ABAG PLAN Program.

¹ In order to align its decision with precedent, the appellate court also held that a causal connection between the alleged 'dangerous condition' and the third party that is the direct cause of the injury if that third party was engaged in 'violent conduct'.

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

Blank Page

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

DT: July 6, 2012

TO: ABAG Executive Board

FM: Gerald Lahr, Energy Programs Manager

RE: Bay Area Regional Energy Network

Action: Adopt a resolution ratifying the submittal of a proposal to the California Public Utilities Commission (CPUC) for the creation of a San Francisco Bay Area Regional Energy Network (Bay REN).

Background. Over the years ABAG has been very involved in a variety of energy-related programs. These have included:

- ABAG POWER. Aggregated purchasing of electricity and natural gas for local government facilities.
- ABAG Energy Watch. Technical assistance to local governments to increase the efficiency of their facilities.
- Energy Benchmarking. Assistance benchmarking energy use in municipal facilities.
- GHG Emissions Inventories. Assistance to local governments in the completing local government operations (LGO) and community-wide GHG emissions inventories.
- Electric Vehicle (EV) Programs.
 - EV Planning – *Ready, Set, Charge California!*
 - EV Corridor – EV charger installations in publically accessible locations.
- Retrofit Bay Area (Energy Upgrade California). An \$11 million ARRA-funded program in collaboration with eight Bay Area counties. The program provided marketing and outreach, workforce development, and homeowner incentives to increase energy efficiency retrofits in the residential sector.

In addition, ABAG has been a participant in the Local Government Sustainable Energy Coalition (LGSEC)¹ which has advocated to the CPUC that local governments be given more responsibility and authority over public funds set aside for energy efficiency programs. (Traditionally these funds have been administered by investor owned utilities such as Pacific Gas & Electric Company (PG&E).) As part of this effort, in February the LGSEC submitted a motion to the CPUC requesting that Regional Energy Networks (RENs) comprised of local government entities be given access to public funding to implement energy efficiency programs for their constituents. In early May the CPUC formally approved a decision covering energy efficiency programs for the 2013-14 period, and included in this decision an order that allows

¹ The LGSEC is a statewide membership organization of cities, counties, special districts, councils of government, and non-profit organizations that support government entities. A list of members can be found at www.lgsec.org.

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax:
(510) 464-8468 info@abag.ca.gov Joseph P. Bort MetroCenter 101 Eighth Street
Oakland, California 94607-4756

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

local governments to submit proposals to the CPUC for regional energy pilots during this program cycle.²

As a result of this CPUC decision, ABAG convened a steering committee of local government agency staff representing the nine Bay Area counties³, as follows:

- Alameda County Waste Management Authority (StopWaste.Org)
- City and County of San Francisco
- City of Suisun City (Representing Solano County)
- County of Contra Costa
- County of Marin
- County of Napa
- County of San Mateo
- County of Santa Clara
- Sonoma County Regional Climate Protection Authority

This group agreed to submit a collaborative proposal for a Bay Area REN with ABAG as the lead agency. The proposal is now going through the final preparation process and will be submitted on the due date. It is expected that the total 2-year program budget will be approximately \$44,000,000, and the main program elements will include:

- Energy Efficiency Retrofits for Single Family Residential
- Energy Efficiency Retrofits for Multi-family Residential
- Promotion of Energy Efficiency Codes and Standards
- Financing Programs that Promote Energy Efficiency Projects

The draft resolution was discussed at ABAG's Regional Planning Committee meeting in June. The Committee ultimately approved a recommendation for approval of the resolution, although the Committee also expressed some concerns due to the lack of detailed program information at the time. With the near completion of the proposal the attached summary is provided to give additional details on the program elements.

Recommendation. ABAG requests that the ABAG Executive Committee approve a resolution ratifying submittal of the REN proposal.

Attachment: (A) Proposal Summary
(B) Proposed Resolution

² CPUC Decision 12-05-015. Proposals were initially due on July 2, 2012, although this deadline was ultimately extended to July 16th.

³ ABAG is also coordinating with two other regions in the state that are planning to submit REN proposals.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

cc: Pat Jones, Acting Executive Director

Attachment A

San Francisco Bay Area Regional Energy Network (BayREN)

Background

To meet the aggressive goals set by the California Public Utilities Commission (Commission) as part of the Long Term Energy Efficiency Strategic Plan, the Commission recognized the need to collaborate with local governments to achieve market transformation toward energy efficiency. In addition, in the Decision on 2013–2014 Energy Efficiency Portfolios, the Commission recognized the role of Regional Energy Networks (RENs) in achieving the following goals:

- Provide missing technical resources that will get more projects implemented
- Include more public agencies in project implementation
- Leverage existing local government partnerships to implement these resources
- Provide centralized, regional program management and administration by local governments

Additionally, it is the opinion of the BayREN that local governments can play key roles in the market penetration of energy efficiency programs through the following activities:

- Identifying market barriers;
- Increasing the cost-effectiveness of market transformation programs (such as Energy Upgrade California) in the long-term by identifying and testing pilots that address those market barriers;
- Partnering with utilities for program implementation, especially including outreach and education activities.

The proposed BayREN subprograms are designed to address key cost, process, workforce, and other market barriers that adversely affected the market penetration of the Energy Upgrade California Programs in 2010-2012. These activities include:

- Enhance the investor owned utilities' (IOUs') Energy Upgrade California Single-Family Program through marketing efforts, incentives, alternative upgrade packages, increased homeowner decision-making support, and options for greater saturation across socio-economic consumer bases
- Enhance IOU-offered single-measure and whole-building upgrade programs for multi-family properties through targeted outreach and technical support to multi-family property owners, offering new incentives to support deeper multi-measure upgrades, and provide technical assistance to address the split-incentive divide that currently exists between property owners and renters.
- Leverage local governments' unique position to influence adoption and enforcement of local codes and standards to ensure upgrades comply with existing energy efficiency codes, as well as providing "reach codes" to increase energy savings
- Standardize training and enhance enforcement skills for intra- and inter-government agency personnel

- Provide regional implementation of a statewide financing program to ensure that upgrades are financially accessible to more homeowners.

The partners in the BayREN are well positioned to deliver on these subprograms. Through the management of American Recovery and Reinvestment Act (ARRA) programs, including Energy Efficiency Block Grant (EECBG) and State Energy Program (SEP) grants, the BayREN partners have already taken the initial steps to effectively develop and deliver energy efficiency programs to support the Commission's long-term strategic goals through a San Francisco Bay Area REN. These steps include:

- Developed and refined the governance structure to manage a regional energy program;
- Gained experience managing a variety of energy efficiency incentive programs and pilots;
- Established models for successful programs, including program delivery, participant recruitment, contractor development, training, and mentoring, and customer marketing and leads generation program elements;
- Developed robust partnerships with Investor Owned Utilities (IOUs), State agencies, key local and regional stakeholders such as workforce and real estate organizations;
- Developed solid relationships with local building professionals and trade associations;
- Identified market barriers associated with whole-house energy efficiency upgrades.

The BayREN will build upon this initial groundwork to effectively deliver all subprogram elements in the 2013-2014 period.

Description of subprogram elements

Single-Family Upgrade Subprogram

The BayREN Single-Family subprogram will increase the number of customers performing energy efficiency upgrades and will attract moderate income customers. The subprogram will boost the number of multi-measure upgrades by lowering costs and overcoming technological and education barriers for participants, as well as by reducing costs for participating contractors through streamlined program design and implementation.

Key subprogram elements include the addition of an alternative upgrade package incentive, enhanced marketing efforts, development of targeted assessment incentives, streamlined enrollment and reporting systems, integration of improvements related to the water-energy nexus, and the implementation of energy advisors to support homeowners through the Energy Upgrade process.

Subprogram Elements:

- Incentives to homeowners for energy efficiency assessments/audits
- Incentives to homeowners for retrofits (Flex Path)
- Technical assistance to homeowners related to energy efficiency retrofits (Energy Advisor)
- Contractor Training

- Marketing and outreach for energy efficiency programs (Energy Upgrade California)

Multi-Family Subprogram

The BayREN Multi-Family Subprogram will conduct targeted outreach to multifamily property owners to promote participation. First, property owners will enroll in a technical assistance Program designed to lower barriers to multi-measure upgrades by providing technical and financing assistance. The technical assistance will cover a multiple-benefit approach, including opportunities for water efficiency and indoor air quality improvements during upgrades. Projects with larger scopes of work will be referred to the utility whole-building program rebates. The Bundled Measures Incentive program will serve as a complement to a whole-building utility rebate program and will reduce cost barriers for multi-family property owners who wish to conduct energy efficiency upgrades. The program will also conduct workforce development for specific multifamily building trades, such as HVAC.

Subprogram Elements:

- Customized energy efficiency technical assistance to property owners
- Incentives to property owners for energy efficiency projects
- Targeted outreach to property owners
- Workforce development/Contractor Training

Codes and Standards Subprogram

The BayREN Codes and Standards Subprogram consists of three components: enforcement of existing codes, training, and sharing best practices for reach codes. The enforcement effort will focus on establishing a baseline for current code compliance within each county in the Bay Area, creating metrics for ongoing measurement and identifying mechanisms for improving upon the current levels of compliance. Simultaneously, the program will enhance the enforcement of existing codes through training for local government personnel and building professionals. The menu of training opportunities will be targeted to specific functional areas and be made more accessible to building departments than prior utility offerings. BayREN intends to work closely with key industry associations, such as CalBO in delivering these trainings and creating forums for local government staff to share and align their enforcement activities. BayREN will also establish a regional forum for leveraging and disseminating the work of leading Bay Area jurisdictions in adopting innovative new policies, such as energy labeling and disclosure and other reach codes.

Subprogram Elements:

- Compliance baseline and tracking
- Code enforcement education and training
- Policy support and advocacy

Financing Subprogram

The BayREN Energy Efficiency Financing Portfolio (the Financing Portfolio) will provide a variety of financing options to serve diverse consumer markets (residential and non-residential)

across the 9-County BayREN region. Through a multi-option financing menu, and tiered systems that scale loan and credit enhancements to energy performance, the BayREN Financing Portfolio will address gaps that emerged as key impediments to broader uptake and deeper efficiencies during the ARRA-funded Energy Upgrade California Program (the Initial EUC Cycle).

Subprogram Elements:

- Loan Loss Reserve - single family residential
- Energy Efficiency Loan Pilot – multi-family residential
- Property Assessed Clean Energy (PACE) – Commercial
- On-Water-Bill financing of water/energy measures

Total Anticipated Program Budget: \$ 44,000,000

Blank Page

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 14-12

**AUTHORIZING THE CREATION OF A REGIONAL ENERGY NETWORK IN
COLLABORATION WITH THE CITIES AND COUNTIES OF THE SAN FRANCISCO
BAY AREA AND RATIFYING SUBMITTAL OF PROPOSAL TO
CALIFORNIA PUBLIC UTILITIES COMMISSION**

WHEREAS, the Association of Bay Area Governments (ABAG) is the regional planning agency for the nine counties and 101 cities and towns of the San Francisco Bay region; and

WHEREAS, ABAG is committed to leading the region through its planning and service programs to address regional economic, social and environmental challenges; and

WHEREAS, ABAG has an on-going commitment to environmental sustainability, and for many years been involved in energy management and energy efficiency issues; and

WHEREAS, ABAG recently completed a collaborative effort with eight counties under the State's Energy Upgrade California program to promote energy upgrades in Bay Area homes; and

WHEREAS, ABAG and its member agencies now play a key role in energy issues via legislative mandates such as AB32 and SB375; and

WHEREAS, local governments have the ability to integrate resources across many sectors (e.g., energy, water, transportation, waste management, land use) for greater long term benefit; and

WHEREAS, ABAG is a member of the Local Government Sustainable Energy Coalition (LGSEC), a statewide membership organization of cities, counties and other local government organizations that seeks to shape regulatory policy and utility programs to bring more sustainable energy to California communities cost-effectively; and

WHEREAS, the LGSEC has advocated that the California Public Utilities Commission (CPUC) establish local government regional energy networks in four regions of the state including Northern California; and

WHEREAS, A regional energy network would provide regional program management and administration with a mission to: (1) provide missing technical resources, (2) include more public agencies in project implementation, (3) promote greater market saturation and energy savings through uniformly accessible and responsive programs on a regional basis; and (4) leverage existing local government

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 14-12**

partnerships to complement these resources; and

WHEREAS, the CPUC recently approved a decision (D.12-05-015) that allows local governments to submit proposals for regional energy efficiency pilots.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby:

1. finds that creating a San Francisco Bay Area Regional Energy Network (BayREN) of the nine Bay Area counties is desirable to harness the collective power of the local governments to achieve integrated energy solutions, drive greater energy savings and create jobs; and
2. supports the LGSEC proposal for Regional Energy Networks within the State, as submitted to the California Public Utilities Commission (CPUC); and
3. ratifies ABAG staff submittal of a proposal that seeks funding to support the administration and goals of the BayREN as stated in CPUC Decision 12-05-015.

The foregoing adopted by the Executive Board this 19th day of July, 2012.

Mark Luce
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 19th day of July, 2012.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel



Date: July 9, 2012
To: Executive Board
From: Ezra Rapport
Executive Director
Subject: **Executive Director's Report**

Attached is a list of the main budget bill and the 26 "budget trailer" bills which constitute the 2012-2013 state budget. Historically, budget trailer bills have been utilized to implement the policy decisions made in the Budget Act. Decisions made in the budget require implementation through changes in statutes. For example, when the Legislature and the Governor decided to "score" revenue taken from local redevelopment agencies (RDA) as state revenue, changes in the statutes regarding RDA law were necessary.

The budget process in Sacramento has been changed significantly by the passage of Proposition 25, the Majority Vote for the Legislature to Pass the Budget Act, on November 2, 2010. Proposition 25 ended the previous requirement that two-thirds of the members of the California State Legislature had to vote in favor of the state's budget for the budget to be enacted. Proposition 25 also requires state legislators to forfeit their pay in years where they fail to pass a budget by the June 15th constitutional deadline.

The primary change to Section 12 of Article IV of the state constitution was the addition of a new subsection (e) as follows:

"(e) (1) Notwithstanding any other provision of law or of this Constitution, the budget bill and other bills providing for appropriations related to the budget bill may be passed in each house by roll call vote entered in the journal, a majority of the membership concurring, to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. Nothing in this subdivision shall affect the vote requirement for appropriations for the public schools contained in subdivision (d) of this section and in subdivision (b) of Section 8 of this article.

(2) For purposes of this section, "**other bills providing for appropriations related to the budget bill**" shall consist only of bills identified as related to the budget in the budget bill passed by the Legislature." (emphasis added)

Paragraph (2) of subsection (e) has created an opportunity for considerable mischief! The party in control of a majority of the Legislature can now pass bills changing statutes and declare that they are "bills providing for appropriations related to the budget bill" by adding a small appropriation and declaring that they are budget related. Through this tactic, measures may be passed by majority vote and become effective immediately—something which normally requires a two-thirds majority vote.

An example of the use of budget trailer bills to make changes in law not really a part of the budget is AB 1499, the budget trailer bill on elections. This measure will give the Governor's tax increase proposal first billing on the November ballot—pushing his proposal ahead of other propositions which otherwise would have appeared in the earlier spots on the November ballot.

Key Budget Trailer Bills Impacting Local Government

AB 1484 Redevelopment

Follows-up on 2011 legislation to dissolve redevelopment agencies, modifies enforcement mechanisms, and provides new economic development for local governments. Specifically, makes the statutory changes needed to achieve a total of \$3.3 billion of budget savings related to the dissolution of redevelopment agencies (RDAs) as estimated in the Governor's May Revision of the Budget. The bill includes:

- A process to identify excess redevelopment property tax revenues that should have been allocated to schools this month, but was withheld by successor agencies or county auditor controllers, and requires the rapid allocation of those funds.
- The bill also requires an audit process to identify and locate the assets of the former redevelopment agencies and to require the return of cash balances for distribution as property tax number. After successful completion of these processes, successor agencies and their communities will be entitled to retain most real estate assets of the former RDAs consistent with a plan that they develop for their use, use excess RDA bond proceeds for additional projects, and receive repayments of community loans to the former RDAs over time.
- The bill also makes many additional specific changes intended to facilitate the dissolution and winding up process, better resolve disputes, and provide additional tools and certainty.
- Furthermore, the bill provides for repayments of loans from the Low and Moderate Income Housing Funds, defines housing assets, and authorizes the expenditure of excess housing bond proceeds for affordable housing purposes.

SB 1023 Public Safety Realignment

Makes various statutory changes necessary to implement financing for the 2011 state-county public safety realignment. Specifically, adds to list of felony crimes punishable by imprisonment in state prison; allows a court to suspend all or part of a jail term and in turn commits offender to mandatory supervision in the Community, makes changes to Parole hearing Revocation Process, specifies that a parolee held in a local jail is under the sole legal custody and jurisdiction of the local county facility; makes a number of time limit changes to County Population Cap Release, post release community supervision, revocation of parole time limit, notification and report time limits for parolees locally. Funding provisions include changes in

Juvenile probation and Juvenile Camp funding. In regards to CalEMA Grant Funding certain funds will now go directly to counties and cities according to specific percentage allocations.

SB 1018 – Resources and Environmental Protection

Makes various statutory changes to natural resources, environmental protection, and energy programs that are necessary to implement provisions of the revised 2012-13 budget. This includes some CEQA provisions that would exempt from its provisions certain types of ministerial projects proposed to be carried out or approved by public agencies, and emergency repairs to public service facilities necessary to maintain service. There are provisions addressing Underground Storage Tank cleanup Fund, deleting certain remedial and removal actions, provisions directing PUC to allocate for specified clean energy programs, and requirements for the Department of Parks and Recreation to develop a revenue generation program.

In particular, Section 18 deletes the requirement that the DTSC establish source reduction technical assistance, research and outreach programs, and instead authorizes DTSC to establish a technical and research program to assist businesses in identifying and applying pollution prevention methods, to establish a technical assistance and outreach program to promote implementation of model pollution prevention measures for priority business categories and to provide pollution prevention and training resources. The bill would also make discretionary the development of the California Green Business Program. It also creates the California Pollution Prevention Advisory Committee with specified membership and duties.

Section 24: Creates the Greenhouse Gas Reduction Fund and requires any money collected by the state board from the auction or sale of allowances pursuant to a market-based compliance mechanism to be deposited into the fund and available for appropriation by the Legislature.

Under Article 11.1. Institutional Control

25220. (a) The department shall notify the planning and building department of each city, county, or regional council of governments of any recorded land use restriction imposed within the jurisdiction of the local agency (pursuant to the former Section 25229, 25230, or 25398.7, as those sections read prior to the effective date of this article, or Section 25202.5, 25221, or 25355.5.) Upon receiving this notification, the planning and building department *shall do both of the following:*

(1) File all recorded land use restrictions in the property files of the city, county, or regional council of government.

(2) Require that a person requesting a land use that differs from those filed land use restrictions on the property apply to the department for a variance or a removal of the land use restrictions pursuant to Section 25223 or 25224.

(b) A planning and building department of a city, county, or regional council of governments may assess a property owner a reasonable fee to cover the costs of taking the actions required by subdivision (a). For purposes of this subdivision, "property owner" does not include a person who holds evidence of ownership solely to protect a security interest in the property, unless the person participates, or has a legal right to participate, in the management of the property.

Analyses of all bills, including the budget trailer bills, are available at: www.leginfo.ca.gov

ABAG/SFEP Proposals Selected for Funding

San Pablo Avenue Green Stormwater Spine

An additional project in El Cerrito to be funded by the Strategic Growth Council of the Natural Resources Agency for \$717,000 bringing the number of green stormwater treatment facilities to be constructed on San Pablo Avenue in seven cities to 8 in addition to the 2 existing rain gardens constructed El Cerrito.

Greener Pesticides for Clean Waterways Campaign

An outreach campaign to address pesticide toxicity in Bar Area creeks and streams funded by the U.S. Environmental Protection Agency under the San Francisco Bay Water Quality Improvement Fund in the amount of \$250,000 and a local match of \$83,334 for a total budget of \$333,334.

Flood Control 2.0: Rebuilding Habitat and Shoreline Resilience through a New Generation of Flood Control Design and Management

Project will develop and implement a set of innovative approaches to flood control management along the San Francisco Bay shoreline addressing two complementary approaches to transform excessive in-channel sedimentation into resources: channel redesign where sufficient land use flexibility exists, and sediment reuse for highly constrained channels. Project funded by the U.S. Environmental Protection Agency under the San Francisco Bay Water Quality Improvement Fund in the amount of \$1,552,059 and a partner match of \$1,570,000 for a total budget of \$3,122,059.

Bay Area Green Infrastructure Master Planning Project

Will provide municipalities with a Low Impact Development (LID) Toolkit (a transferable GIS-based LID Siting Toolkit). The Toolkit will facilitate identification, evaluation and ranking of potential sites based on both their relative feasibility (e.g., cost) and their potential effectiveness in reducing pollutant loads and impacts to beneficial uses of Bay Area rivers, lakes, and streams. Project will also promote collaboration with partnering Bay Area municipalities to develop Green Infrastructure Master Plans. Project to be funded under a Proposition 84 Stormwater Planning Grant from the State Water Resources Control Board for \$597,901 and a partner match of \$217,000 for a total budget of \$814,901.

Pending Hire

ABAG/SFEP is hiring an environmental scientist to assist the Regional Water Board with the development of a regional General Permit for all planned, unplanned, and emergency discharges from several water agencies within the San Francisco Bay Region.

ABAG/SFEP Selected Project Activities

Trash Capture Demonstration Project

A total of 66 Bay Area cities and counties are participating in the regional trash capture device installation project. A total of 2,129 devices have been ordered or installed. A total of \$2,949,203 in orders have been received out of a construction/installation budget of \$4,245,000. Deadline for municipalities to submit orders is September 1, 2012 and installation deadline is November 1, 2012.

Got Ants?

SFEP is developing a new outreach campaign geared towards encouraging residents dealing with ant problems in the home to use less-toxic solutions. Pesticides used on ants are linked to water pollution. The campaign will coordinate with a year-old effort to coordinate stormwater and wastewater pollution prevention at the regional level, known as the Bay Protection and Behavior Change effort, which represents the major municipal wastewater and stormwater agencies in the 9-county Bay Area. The Got Ants campaign will launch in the Fall with print and online advertising, a website, and Facebook page. The campaign will provide simple, step-by-step information about how to respond to ant incursions without damaging the environment.

Coastal Regional Sediment Management Plan for the San Francisco Littoral Cell

ABAG's SFEP division is coordinating public outreach and developing a governance structure for a regional sediment (sand) management effort to plan solutions to coastal erosion, loss of beach width, and other impacts to coastal infrastructure such as roads and wastewater treatment outfalls along the ocean coast between Fort Point, San Francisco, and Pedro Point, Pacifica. Consultant ESA PWA is collecting coastal hazard data, including sea level rise, and developing implementation options for municipalities including beach nourishment, multipurpose reefs, and managed retreat. The project held stakeholder advisory meetings in March and June, attended by municipalities and resource agencies. Public meetings on the issues and plan options will be held in July in San Francisco and Pacifica. The plan draft will be available for comment in the Fall.

Attachment: Trailer Bills

2012-13 Budget and Trailer Bills

Bills Passed on June 15, 2012

AB 1464	Budget Bill
	<i>The 2012-13 Budget Bill, which includes trigger cuts to ensure the budget is balanced if the "Schools and Local Public Safety Protection Act of 2012" is not passed.</i>
AB 1465	Transportation
	<i>Makes various statutory changes to transportation-related programs that are necessary to implement provisions of the revised 2012-13 budget. Does not include any provisions related to High Speed Rail.</i>
AB 1467	Health
	<i>Makes various statutory changes to health-related programs that are necessary to implement provisions related to the hospital savings, copays and various other items included in the revised 2012-13 budget. This does not include provisions related to the Duals Demonstration and Integration Project (Coordinated Care Initiative).</i>
AB 1470	State Mental Hospitals
	<i>Eliminates the Department of Mental Health, establishes the Department of State Hospitals, increases county rate for commitment to state hospitals, and makes various other statutory changes necessary to implement provisions of the 2012-13 budget.</i>
AB 1472	Developmental Services
	<i>Makes various statutory changes to developmental services programs, including making significant new limitations on admissions criteria to the developmental centers that are necessary to implement provisions of the revised 2012-13 budget.</i>
AB 1485	2011-12 Supplemental Appropriations Bill
	<i>Provides deficiency appropriations for the current fiscal year to ensure that state departments can pay bills.</i>

Bills Passed on June 27, 2012

AB 1497	"Budget Bill, Jr."
	<i>Makes modifications to the 2012-13 Budget Bill (AB 1464), which was pass by the Legislature on June 15, 2012. NOTE: This measure will replace AB 1495, which was also passed on June 15. (The Assembly will ask the Governor to return AB 1495 from the Governor's desk.)</i>
SB 1021	Public Safety and Judicial
	<i>Makes various statutory changes to public safety programs that are necessary to implement provisions of the revised 2012-13 budget.</i>

SB 1022	Public Safety: Capital Outlay
	<i>Provides capital outlay authority for construction of additional capacity at existing state prisons, and for county jails consistent with the 2011 public safety realignment.</i>
SB 1023	Public Safety Realignment
	<i>Makes various statutory changes necessary to implement financing for the 2011 state-county public safety realignment.</i>
AB 1494	Healthy Families Program
	<i>Transitions children from the Healthy Families Program into Medi-Cal through a 4-phased process; requires various "readiness" factors before transition</i>
SB 1038	Boards and Commissions
	<i>Eliminates, reforms, or reorganizes a number of state boards and commissions.</i>
SB 1008	Health: Coordinated Care Initiative
	<i>Makes various statutory changes to enact the proposed dual demonstration project for coordinating health care between Medi-Cal and Medicare eligible clients.</i>
SB 1036	Human Services: Coordinated Care Initiative
	<i>Makes statutory changes necessary to integrate IHSS into managed care as part of the Long Term Services and Supports integration included in the Duals Demonstration project (AB 1468/AB 1008).</i>
AB 1499	Elections
	<i>Makes changes to existing law regarding the order in which measures appear on statewide ballots; specifically moves initiative bond measures and initiative constitutional amendments ahead of legislative measures and other statutory initiatives.</i>
AB 1484	Redevelopment
	<i>Follows-up on 2011 legislation to dissolve redevelopment agencies, modifies enforcement mechanisms, and provides new economic development for local governments</i>
AB 1502	UC and CSU Tuition
	<i>Appropriates \$125 million each to UC and CSU, in 2013-14 (budget year +1); provides that these funds shall only be available to each segment if (1) the Governor's realignment/tax initiative measure is successful in November, and (2) the segment does not increase student tuition in 2012-13. Also appropriates additional \$38 million to UC for retirement costs.</i>
SB 1016	Education
	<i>Makes various statutory changes to the Proposition 98 budget for K-14 education, child care, higher education, including CalGrants necessary to implement the 2012-13 budget.</i>
SB 1013	Child Welfare Services Realignment
	<i>Makes the various statutory changes necessary to implement the state-county realignment of child welfare services funding.</i>
SB 1014	Alcohol and Drug Programs Realignment
	<i>Eliminates the Department of Alcohol and Drug Programs and makes the various statutory changes necessary to implement the state-county realignment of alcohol and drug funding.</i>

SB 1009	Mental Health Realignment
	<i>Makes the various statutory changes necessary to implement the state-county realignment of mental health funding.</i>
SB 1020	Realignment Permanent Finance Structure
	<i>Makes various statutory changes necessary to establish permanent financing structures for the 2011 state-county public safety realignment.</i>
SB 1033	Cash Management
	<i>Makes various statutory changes necessary to help the state manage cash resources in 2012-13.</i>
SB 1041	Human Services
	<i>Makes various statutory changes to human services programs, including the CalWORKs program and IHSS that are necessary to implement provisions of the revised 2012-13 budget. This bill does not include provisions related to the Duals Demonstration and Integration Project (Coordinated Care Initiative).</i>
SB 1018	Resources and Environmental Protection
	<i>Makes various statutory changes to natural resources, environmental protection, and energy programs that are necessary to implement provisions of the revised 2012-13 budget.</i>
SB 1006	General Government
	<i>Makes various statutory changes related to various state administration reform proposals put forth by the Administration, including reporting requirements related to the Fi\$Cal information technology project and various other general government and state administration-related provisions necessary to implement the revised 2012-13 budget.</i>
SB 1015	Tax Compliance
	<i>Enacts measures related to collection of taxes and enforcement of tax laws, thereby bringing additional revenue to state and local governments</i>

LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE

Committee Chair: Councilmember Julie Pierce—City of Clayton

Committee Vice Chair: Supervisor David Rabbit—Sonoma County

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

Kathleen Cha – Senior Communications Officer 510/ 464-7922; KathleenC@abag.ca.gov

Thursday, July 19, 2012 – 3:30 p.m. to 5:00 p.m.
ABAG Large Conference Room B, MetroCenter, 101 Eighth Street, Oakland

AGENDA*

1.	OPEN AGENDA Committee members may raise issues for consideration; members of the public may speak.	Information/ Action
2.	APPROVAL OF MINUTES Committee will review and approve the minutes of the May 15, 2012, L&GO meeting.	Information/ Action
3.	2012 STATE LEGISLATION FOR CONSIDERATION ** AB 693 (Huffman) Local Government: Sonoma County Regional Climate Protection Authority SB 1130 (De Leon) Energy: Energy Assessment—Nonresidential Buildings—Financing SB 1572 (Pavley) California Global Warming Solutions Act of 2006: AB 32 Investment Fund Review Position on SB 1366 (DeSaulnier) Firearms: Lost or Stolen—Reports Review of Bills Previously Considered for Updates/Amendments	Information/ Action
4.	REVIEW OF BUDGET TRAILER BILLS IMPACTING LOCAL GOVERNMENT AB 1484 Redevelopment SB 1018 Resources and Environmental Protection SB 1023 Public Safety Realignment	Information
	ADJOURNMENT Next meeting is scheduled for September 20, 2012.	Action
	Agenda and other written materials are available at ABAG/Front Desk, 101 8th Street, Oakland, or at http://www.abag.ca.gov/meetings --	

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

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



LEGISLATION
2012 State Legislative Session
Legislation & Governmental Organization Committee
July 10, 2012

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
-------------	---------	--------	----------------------	---------------	---------------------

*NEW BILLS					Bold Face/Shading in Legislation Summary indicates change/ amendments.
-------------------	--	--	--	--	---

Bills to be reviewed are listed in numeric order with Assembly bills listed first, followed by Senate bills

	New Bills				
*AB 693 (Huffman)	Local Government: Sonoma County Regional Climate Protection Authority	SEN Read Second time and amended; ordered to Third Reading	Support		Existing law, until December 1, 2015, creates the Sonoma County Regional Climate Protection Authority (authority). This bill would instead make the above provisions inoperative and extend Authority to 2020. By extending the addition of new duties on local governments participating in the Sonoma County Regional Climate Protection Authority, this bill would impose a state-mandated local program.
*SB 1130 (De Leon)	Energy: Energy Assessment— Nonresidential Buildings— Financing	ASM Natural Resources Committee passed as amended and re-referred to Committee Appropriations.	Support		Would provide financing for commercial energy efficiency retrofit projects: Establishes the Nonresidential Building Energy Retrofit Financing Act of 2012 (Act) and requires the California Energy Commission (CEC) to establish the Nonresidential Building Energy Retrofit Financing Program (Program) by July 1, 2013 to provide financial assistance through revenue bonds for owners of eligible buildings to implement energy efficiency improvements and renewable energy generation. Purpose is to purpose is to facilitate private financing to enable private, nonresidential building owners and <u>eligible public entities</u> to invest in clean energy improvements, renewable energy, and conservation to incentivize private equity managers to invest in clean energy improvements, integrate the smart energy economy, and to stimulate the state economy by directly creating jobs.
*SB 1572 (Pavley)	California Global Warming Solutions Act of 2006: <u>AB 32 Investment Fund</u>	ASM Re-referred to Appropriations Com	Support		Specifies expenditures of up to \$250 million in the 2012-13 fiscal year derived from the auction of greenhouse gas (GHG) allowances pursuant to the cap-and-trade program adopted by ARB pursuant to AB 32.

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>1)Creates the Greenhouse Gas Reduction Account and requires all revenues, except for fines and penalties, collected by ARB from the auction or sale of allowances pursuant to a market-based compliance mechanism to be deposited in the Account and available, upon appropriation by the Legislature, for the purposes of this bill.</p> <p>Requires projects funded by the bill to comply with the following criteria:</p> <ul style="list-style-type: none"> a) Achieve greenhouse gas emissions reductions at a reasonable cost. b) Rapidly achieve budgetary savings for families, small businesses, schools, universities, companies regulated under the cap-and-trade program, community institutions, <u>and state, local, and regional governments.</u> c) Advance the purposes of the cap-and-trade program, in particular the purpose of the auction to reduce the risk of market manipulation and windfall profits. d) Protect existing jobs in the state by minimizing leakage. e) Benefit the most adversely impacted and disadvantaged communities to the maximum extent feasible. <p>--Provide opportunities, where appropriate, for small businesses, schools, local governments, not-for-profit entities, state and local certified conservation corps, state conservancies, and other community institutions to participate in and benefit from statewide and regional efforts to reduce greenhouse gas emissions.</p> <p>--Requires allocation of funds according to the following categories: K-12 energy projects Public university projects, Rapid transition assistance for industrial facilities, Residential energy efficiency, Energy in agriculture priority projects and includes:</p> <p><u>Sustainable land use and transportation - The greater of 20 percent or \$30 million to the Strategic Growth Council (SGC) for allocation to metropolitan planning organizations, or, within the Southern California Association of Governments region, to a county transportation commission, or to other local governmental entities in regions not within a metropolitan planning organization, that further the purposes of specified regional planning processes.</u></p> <ul style="list-style-type: none"> i) <u>Project funding determinations shall be made at the regional level in accordance with statewide criteria developed by the SGC that prioritize investments in projects that:</u> <ul style="list-style-type: none"> <u>(1) Cost-effectively reduce GHG emissions and provide other co-benefits.</u> <u>(2) Integrate transportation, land use, and water and other</u>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p><u>resource conservation strategies.</u> <u>(3) Occur in regions with sustainable community strategies that meet GHG emission reduction targets, or in other regions, for equivalent blueprint plans or other regional plans.</u> <u>ii) Funds allocated by the SGC may be used for integrated infrastructure development, design, construction, or planning, including modeling and verification systems that impose GHG emission reduction performance measurement tools for local and regional actions, and operation and maintenance of transportation infrastructure, provided that the integrated infrastructure development, design, construction, or planning or operation and maintenance measures are part of a comprehensive regional or local plan that directly results in overall GHG emission reduction and co-benefits.</u></p>
SB 1366 DeSaulnier	Firearms: Lost or Stolen-- Reports	ASM Appropriations	Support	<p>Position to be reviewed:</p> <p>Support with amendment</p>	<p>This bill would require that every person must report the theft or loss of a firearm he or she owns or possesses to a local law enforcement agency in the jurisdiction in which the theft or loss occurred within 48 hours of the time he or she knew or reasonably should have known that the firearm had been stolen or lost, and:</p> <p>--provide that, for purposes of this requirement, a "firearm" includes the frame or receiver of the weapon;</p> <p>--require that every person who has reported a firearm lost or stolen, as required above, shall notify the local law enforcement agency in the jurisdiction in which the theft or loss occurred within 48 hours if the firearm is subsequently recovered by the person;</p> <p>-- require firearms dealers to conspicuously post within the licensed premises the requirement that firearms owners report lost and stolen firearms, as detailed above; and</p> <p>--provide specified exceptions to the reporting requirement.</p>
	BILLS PREVIOUSLY CONSIDERED				
AB 57 Beall	Metropolitan Transportation Commission	Enrolled and presented Governor for signature 7/5	Support	Continue Support as written	<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</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					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.
AB 441 Monning	State Planning	SEN Third Reading	Watch	Oppose	<p>Amended: This bill would require CTC to attach a summary of the policies, practices, or projects that have been employed by metropolitan planning organizations that promote health and health equity to the commission's next revision of specified regional transportation planning guidelines.</p> <p>Originally: Requires the California Transportation Commission (CTC) to include voluntary health issues in guidelines promulgated by CTC for the preparation of regional transportation Plans. Requires CTC to include at the next revision voluntary health and health equity factors, strategies, goals, and objectives in the regional transportation plan (RTP) guidelines.</p>
AB 484 Alejo	Enterprise Zones: Expiration of Designation	SEN Governance and Finance Hearing postponed	Support	Support	<p>Amended: Clarifies that funds set aside for the long-term management of mitigation lands conveyed to a nonprofit organization may also be conveyed to the nonprofit, and authorizes the nonprofit to hold, manage, invest, and disburse the funds for management and stewardship of the land or easement for which the funds were set aside.</p> <p><i>This bill would authorize the jurisdiction of an expiring enterprise zone to send a letter to the department expressing the intent of the jurisdiction to reapply for a new enterprise zone designation prior to the expiration of the designation of the enterprise zone. The bill would provide that if that letter is sent and, if prior to the expiration of the designation of the enterprise zone, the department has not issued a request for proposal and has not conditionally designated the maximum number of enterprise zones within the state, then businesses within the geographic boundaries of the existing enterprise zone may continue to be eligible to receive all enterprise zone benefits until the department completes any regulatory or administrative review, issues a request for proposal, and issues conditional designation letters to the maximum number of enterprise zones within the state.</i></p>
AB 1532 John A. Perez	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Account	SEN re-refer to Appropriations Com.	Watch	Support With suggested amendment	<p>Amended: 4/30 and 5/1: Establishes procedures for deposit and expenditure of regulatory fee revenues derived from the auction of GHG allowances pursuant to the cap and trade program adopted by ARB pursuant to AB 32.</p> <p>This bill would create the Greenhouse Gas Reduction Account within the Air Pollution Control Fund. The bill would require</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>moneys, as specified, collected pursuant to a market-based compliance mechanism be deposited in this account. The bill also would require those moneys, upon appropriation by the Legislature, be used for purposes of carrying out the California Global Warming Solutions Act of 2006. The bill would require the state board to award those moneys to measures and programs. This means measures and programs that reduce greenhouse gas emissions consistent with this division to achieve any of the following:</p> <p>(1) Clean and efficient energy, through energy efficiency, clean and renewable distributed energy generation, and related activities.</p> <p>(2) Low-carbon transportation, through the development of state-of-the-art systems to move goods and freight, deploy advanced technology vehicles and vehicle infrastructure, produce and use advanced biofuels, and increase the availability of low-carbon and public transportation.</p> <p>(3) Natural resource protection, through measures associated with water use and supply, land and natural resource conservation and management, and sustainable agriculture.</p> <p>(4) <i>Sustainable infrastructure development, through strategic planning and development of major infrastructure, including transportation and housing.</i></p>
AB 1555 Norby	Redevelopment: Debt Forgiveness Agreements	ASM Inactive File	Watch	Watch	Prohibits the oversight board responsible for the wind-down of a redevelopment agency (RDA) to require the successor agency to forgive a loan, advance, or indebtedness that is owed to the dissolved RDA by a private entity. (amended 5/2/12)
AB 1585 Perez, Atkins, Dickinson, Hill, Mitchell, Perea, and Torres	Redevelopment	SEN Appropriations Hearing 8/6	Support	Support	<p>Makes changes to the process of dissolving redevelopment agencies (RDAs), including requiring the funds on deposit in the Low-and Moderate-Income Housing Fund (L&M Fund) of the former RDA to remain with the entity that assumes the housing functions rather than being distributed as property tax revenue.</p> <p>This bill would modify the scope of the term “enforceable obligation” and modify provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. The bill would provide that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities. The bill would make conforming changes.</p> <p>Existing law provides that, upon a specified date, agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the redevelopment agency are invalid. Notwithstanding this provision, an agreement that provided loans or other startup funds for the</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>agency that was entered into within 2 years of the formation of the agency is valid and binds the successor agency. The bill would expand this exception to include an agreement involving a loan specific to a project area and other specified obligations.</p> <p>--The bill would provide that other loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it are deemed to be enforceable obligations, except as specified.</p> <p>--The bill would further expand upon, and clarify, the scope of the successor agency's and the oversight board's responsibilities. This bill would declare that it is to take effect immediately as an urgency statute.</p>
AB 1627 Dickinson	Energy: Vehicle Miles Traveled	ASM Business, Professions, and Consumer Protection Hearing cancelled	Oppose LCC Oppose	Oppose	<p>Amended 4/10/12: CEQA requires the Office of Planning and Research to prepare guidelines to assist state and local agencies in implementing the requirements of CEQA. This bill would require the office, not later than January 1, 2014, to prepare and make available a manual containing specified information designed to be used by local governments, local agencies, and project developers to evaluate and incorporate measures and strategies to reduce vehicle miles traveled (VMT) in new residential and commercial building projects. The bill would require the office, not later than January 1, 2014, to make recommendations to the Legislature and local policymakers of measures to improve the reduction of VMT related to residential and commercial building projects.</p> <p><i>This bill has raised critical concerns because it would prohibit local governments from issuing local building permits until it has been confirmed that the building satisfied standards designed to reduce vehicle miles traveled (VMT) by occupants of residential and nonresidential buildings. A key element in the SB 375 negotiations was to make sure that cities retained the flexibility they needed to meet the goals identified in the bill while recognizing that every city has unique local conditions, priorities and resources.</i></p>
AB 1656 Fong	San Francisco Bay Restoration Authority	SEN Read Second time; ordered to Third Reading	Support	Support	<p>This bill extends, from January 1, 2029, to January 1, 2036, the sunset on the San Francisco Bay Restoration Authority; expands the jurisdiction of the authority's East Bay board member to include all of Contra Costa County; and expands the eastern boundary within with projects are eligible for grants and awards from the authority. Sponsored by the San Francisco Bay Restoration Authority.</p> <p><i>Technical corrections to the enabling legislation (AB 2954-San Francisco Restoration Authority act) to extend the sunset date and</i></p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<i>adding back the northeastern portion of Contra Costa County shoreline to allow funding raised to be spent on projects in that area.</i>
AB 1672 Torres	Housing-Related Parks Program	SEN Appropriations Hearing August 6	Support	Support	<p><i>Existing law establishes the Housing-Related Parks Program, administered by the Department of Housing and Community Development, which provides grants for the creation, development, or rehabilitation of park and recreation facilities to cities, counties, and cities and counties that meet certain criteria for housing starts, as defined, for newly constructed units that are affordable to very low or low-income households.</i></p> <p>Amended: This bill would instead provide that the program provide the grants to local entities based on the issuance of building permits for new housing units, or housing units substantially rehabilitated, acquired, or preserved with committed assistance from the city, county, or city and county, that are affordable to very low or low-income households. The bill would provide for substantial and additional bonus funds to specified jurisdictions and qualifying units.</p> <p>Originally: Would change the threshold for accessing funds from the Housing-Related Parks Program from housing starts (which currently need to be proven by foundation inspections and occupancy certifications) to the issuing of building permits. The program has about \$160-170 million remaining out of an initial \$200 million. The author hopes that simplifying the application process will make it easier for jurisdictions to access the funds, which are intended to incentivize the production of affordable homes by awarding additional parks funding for doing so.</p>
AB 1951 Atkins	Housing Bonds	SEN Appropriations Hearing August 6	Support LCC Watch		<p>Would reallocate \$30 million from unutilized programs in the Affordable Housing Innovation Fund to the Multifamily Housing Program (MHP). This bill would repeal the provisions relating to the Practitioner Fund and make conforming changes. This bill would delete the provisions establishing the Construction Liability Insurance Reform Pilot Program:</p> <p><i>The \$100 million for the Affordable Housing Innovation fund was created in SB 586 (Dutton) in 2007. The Practitioner fund and Construction Liability Reform Pilot Program have yet to make any awards, and the \$30 million remaining in those funds would be transferred to MHP.</i></p>
AB 2231 Fuentes	Sidewalks: Repairs	SEN Appropriations	Oppose CSAC	Oppose	<p>Amended 5/25, 5/31, 7/5</p> <p>This bill would provide that if a city, county, or city and county has an ordinance in place that requires that local</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
		Hearing August 6	Oppose LCC Oppose		<p>entity to repair sidewalks, a repeal of that ordinance shall become effective only if the repealing ordinance is approved by the majority of voters voting on that measure in a consolidated or general election. <i>The bill would prohibit a city, county, or city and county that has an ordinance in place that requires that local entity to repair sidewalks, from imposing a fee, charge, or assessment, except a voluntary contractual assessment, for sidewalk repairs against an owner of private property fronting on any portion of a sidewalk, unless a repeal of that local entity's sidewalk repair ordinance is approved by the voters, as specified. The bill would make these provisions applicable to charter cities and counties. By imposing new duties on cities, counties, and cities and counties, the bill would impose a state-mandated local program.</i></p> <p><i>Existing law: Requires the owners of lots or portions of lots fronting on any portion of a public street or place to maintain any sidewalk in such condition that the sidewalk will not endanger persons or property and maintain it in a condition that will not interfere with the public convenience in the use of those works or areas, except as to those conditions created or maintained by persons other than the owner.</i></p> <p><i>--Requires the superintendent of streets, as defined, to provide specified notice to the owner or person in possession of the property fronting on that portion of the sidewalk so out of repair or pending reconstruction, to repair the sidewalk.</i></p> <p><i>--Under existing law, if the repair is not commenced within two weeks after the notice has been provided, the superintendent of streets shall make the repair and the cost of the repair shall be imposed as a lien on the property.</i></p> <p>Originally: This bill would shift responsibility and liability for dangerous or inoperable sidewalks from adjacent property owners to local agencies, and prohibits local agencies from imposing assessments on adjacent property owners for repairs. Imposes a state mandated local program.</p> <p>Specifically, the bill requires that when any portion of any sidewalk is out of repair or pending reconstruction and is in a condition to endanger persons or property or is in a condition to interfere with the public convenience in the use of that sidewalk, a city, county, or city and county shall repair that sidewalk, if a) that sidewalk is owned by that city, county, or city and county, or b) the repairs are required as a result of damage caused by plants or trees.</p> <p>--Imposes liability on the city, county, or city and county for any</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					injury resulting from that entity's failure to perform the required repairs. --Prohibits any city, county, or city and county from imposing an assessment against the private owner of the property fronting on any portion of a sidewalk for sidewalk repairs under this section.
AB 2447 Skinner & Perez	California Neighborhood Revitalization Partnership Act of 2012.	SEN Appropriations Com	Support LCC Watch CSAC Support	Watch	Would establish a state version of the Neighborhood Stabilization Program to be called the California Neighborhood Revitalization Fund. The fund would be capitalized by a one-time transfer of \$25 million from the California Homebuyer's Downpayment Assistance Program (CHDAP), which currently has \$87 million remaining. --Requires the California Housing Finance Agency (CalHA) to administer the Act in consultation with the Department of Housing and Community Development (HCD) to finance affordable housing for low- to moderate-income households and to revitalize neighborhoods damaged by the foreclosure crisis. <i>According to bill authors, this bill is being proposed because "the state lacks a centralized entity to facilitate the interaction and negotiation between financial institutions, private investors, local governments and non-profits in the identification and acquisition of foreclosed properties for re-sell, rental, or lease-to-own structures for low-and moderate-income families. The state does not have a program in place to assist local governments who are struggling with the unique and intensive needs of repairing foreclosed properties and reintegrating them into the housing market."</i>
SB 654 Steinberg	Redevelopment	ASM Housing and Community Development	Watch	Watch	Amended 1/31/12. This bill would allow the host city or county of a dissolving redevelopment agency to retain the funds on deposit in the agency's housing fund and expands the types of agency loans from the host city or county that are considered enforceable obligations. Senate deleted urgency clause. Would revise the definition of the term "enforceable obligation" and modify provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. The bill would provide that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities, such as city, county, or city and county. Bill would make conforming changes
SB 659 Padilla	Immunizations: disclosure of information: tuberculosis screening. <i>(was Community Redevelopment)</i>	ASM Rules Com	No Position	Support	Gutted and amended Would postpone the current February 1 st deadline for dissolution of Redevelopment Agencies to April 15, 2012.

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SB 878 DeSaulnier	California Transportation Commission <i>(was Regional Planning: Bay Area)</i>	ASM Committee-Appropriations	Watch	Watch	<p>Amended June 25, 2012: Directs the California Transportation Commission (CTC) to study the appropriateness of establishing an office of inspector general within state government to oversee transportation. This is to ensure that Caltrans and transportation agencies with projects funded completely or in part from funds in STIP are operating efficiently, effectively and in compliance with federal and state laws government the performance of transportation agencies. Requires written report on advisability of creating an office of inspector general by January 31, 2014.</p> <p>Originally: Would require the Joint Policy Committee – a subcommittee of representatives from the Metropolitan Transportation Commission, the Association of Bay Area Governments, the Bay Area Air Quality Management District and the Bay Conservation & Development Commission — as well as its individual member agencies — to prepare a number of new reports related to the Sustainable Communities Strategy (SCS), including recommendations on organizational reform (such as the creation of a new agency by statute or through a joint exercise of powers agreement or another institutional arrangement), regional economic development, and public and community outreach.</p>
SB 986 Dutton	Redevelopment: Bond Proceeds	SEN Amendments by Senator Huff tabled on motion of Senator Corbett. (Ayes 21. Noes 13. Page 3747.) Read third time. Urgency clause refused adoption.	Support LCC Support CRA Support	Support	<p>Allows successor agencies to keep former redevelopment agencies' bond proceeds and enter into new enforceable obligations funded by bond proceeds. Prohibits unspent proceeds derived tax exempt bonds from being redistributed and provides successor agencies with alternative ways to use funds.</p>
SB 1149 DeSaulnier	Bay Area Regional Commission (BARC)	SEN Committee on Appropriations Hearing Cancelled	Watch	Oppose and Withdraw	<p>This bill creates the Bay Area Regional Commission (BARC) as the successor to the JPC. Defines the regional entities as MTC, AQMD, BCDC, ABAG, and BATA. Authorizes BARC to employ an interim executive director who shall serve until June 30, 2015. Authorizes BARC to review and comment on draft and final plans, including the SCS, of the regional entities.</p> <p>--Establishes a 15-member governing board, the members will be elected from apportioned districts that conform to applicable state and federal law. Establishes the term of office for BARC commissioners at four years, with seven commissioners initially having a term of two years and eight commissioners having terms of four years. Requires the initial</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>commission elections, including both primary and general, to take place in 2014. Provides that the elected commissioners shall take office the first Monday after January 1, 2015, at which time the terms of the previous commissioners expire. The commissioners shall appoint an executive director, legal counsel, and a chief financial officer by June 30, 2015.</p> <p>--Requires the regional entities to submit their functional plans to BARC for adoption. If BARC finds a functional plan inadequate, it shall submit findings underlying its decision to the regional entity, and the regional entity must redraft its plan in conformance with the findings. .</p>
SB 1151 Steinberg	Sustainable Economic Development and Housing Trust Fund: Long-range Asset Management Plan	ASM Housing and Community Development	Support CSAC Support	Support	<p>This bill creates an alternative process by which communities can use their former redevelopment agencies assets for specified economic development and housing purposes. The alternative process requires a Sustainable Communities Investment Authority to develop a long-range asset management plan to govern the disposition and use of former redevelopment agency assets that are placed into a Sustainable Economic Development and Housing Trust Fund.</p> <p><i>Originally:</i> This bill permits local jurisdictions to use an alternative process to administer the assets of their former redevelopment agencies for economic development and housing purposes. To do so, the bill authorizes a Community Development and Housing Joint Powers Authority to place redevelopment assets in a Sustainable Economic Development and Housing Trust Fund and requires a long-range asset management plan to govern that trust fund.</p>
SB 1156 Steinberg	Sustainable Communities Investment Authority <i>(was Community Development and Housing Joint Powers Authority)</i>	SEN Appropriations	Support CSAC Support	Support	<p>Amended 6/27/12: This bill would authorize the legislative bodies of the city and county of a sustainable communities investment area, as described, to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would authorize <i>require</i> the authority to adopt a plan for a sustainable communities investment area and <i>authorize the authority</i> to include in that plan a provision for the receipt of tax increment funds provided that specified requirements are met. The bill would establish prequalification requirements for construction contracts that will receive more than \$1,000,000 from the Sustainable Communities Investment Authority and would require the Department of Industrial Relations to monitor and enforce compliance with prevailing wage requirements for specified projects. The bill would deposit</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>moneys received by the department from developer charges related to the costs of monitoring and enforcement in the State Public Works Enforcement Fund. By depositing a new source of revenue in the State Public Works Enforcement Fund, a continuously appropriated special fund, the bill would make an appropriation.</p> <p>Originally: This bill authorizes a city and county that included the territory of a redevelopment agency to form a Community Development and Housing Joint Powers Authority (after July 1, 2012) to carry out Community Redevelopment Law, using the assets of a former redevelopment agency as well as new revenues that the bill authorizes.</p>
<p>SB 1220 Steinberg and DeSaulnier</p>	<p>Housing Opportunity and Market Stabilization (HOMeS) Trust Fund Act of 2012</p>	<p>SEN Read Third time; refused passage</p>	<p>Watch</p>	<p>Watch</p>	<p>Amended 4/16/12: This bill imposes a fee of \$75 on the recording of each real-estate related document, <u>except for those documents recorded in connection with a transfer subject to a documentary transfer tax</u>, and directs the money to <i>the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund</i>. (new title) The Legislature may then appropriate these funds for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities.</p> <p>Previously: <i>This bill would enact the Housing Opportunity Trust Fund Act of 2012. The bill would make several legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program.</i></p> <p><i>--The bill would require revenues from this fee be sent quarterly to the Department of Housing and Community Development for deposit in the Housing Opportunity Trust Fund, which the bill would create within the State Treasury. The bill would provide that moneys in the fund may be expended for the purpose of supporting affordable housing, as specified. The bill would impose certain auditing and reporting requirements.</i></p> <p><i>--This bill would result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the</i></p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SB 1335 Pavley	Redevelopment: Brownfield Sites	SEN Appropriations Held under submission	Watch LCC Support		<i>Legislature.</i> This bill would authorize a successor agency to retain <i>property obtained by the former redevelopment agency, for specified remediation or removal purposes of the release of hazardous substances, as defined, at a brownfield site using available financing, funds, and grants, subject to approval of the oversight board pursuant to specified procedures.</i> Upon completion of remediation, the bill would require the successor agency to dispose of the <i>property</i> pursuant to existing asset disposition provisions. The bill would make conforming changes.
SB 1545 DeSaulnier -CoAuthor Hancock	Bay Area Toll Bridges	ASM Transportation Failed passage out of Com. 7/2/12	Watch	Watch	This bill would prohibit public money from being used on the development or improvement of an office building at 390 Main Street, San Francisco, until after the State Auditor has completed a specified audit relating to the move of the headquarters of the Metropolitan Transportation Commission. Upon completion of the audit, the bill would require the issues raised in the audit to be addressed and a report in that regard to be submitted to the Legislature prior to future expenditure of public money on the headquarters project. These provisions would apply to the Bay Area Toll Authority, the Metropolitan Transportation Commission, and the Bay Area Headquarters Authority. The bill would thereby impose a state-mandated local program.
	FEDERAL LEGISLATION				
S.97 Feinstein	San Francisco Bay Restoration Act	SEN Legislative Calendar under General Orders	Support	Support	To amend the Federal Water Pollution Control Act to establish a grant program to support the restoration of San Francisco Bay.
H.R. 3034 Speier	San Francisco Bay Restoration Act of 2011	Referred to the Subcommittee on Water Resources and Environment	Support	Support	To amend the Federal Water Pollution Control Act to establish a San Francisco Bay restoration grant program.

ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, July 19, 2012, 5:00 p.m.
ABAG Conference Room B
MetroCenter—8th and Oak Streets
Oakland, CA

	<u>Recommendation</u>
	** —
1. Call to Order	
2. Public Comments	Information
*3. Minutes of the May 17, 2012 Meeting	Action
*4. Financial Reports – ABAG <i>The April and May 2012 Financial reports are enclosed with the agenda packet.</i>	Action
5. Update on ABAG Membership <i>An oral report will be provided.</i>	Information
*6. Request to join amicus curiae brief—Cole vs. Los Gatos <i>Discussion and action on request to join amicus curiae brief in support of Cole vs. Los Gatos.</i>	Action
7. Update on Budget Discussions Regarding Long-Term Funding for Planning and Research <i>An oral report will be provided.</i>	Information
*8. Process for Evaluation of Legal Counsel <i>Discussion as to process to be utilized in evaluating Legal Counsel at the September Committee meeting.</i>	Information
9. Consideration of additional compensation for Assistant Executive Director as Acting Executive Director	Action
THE FOLLOWING ITEM WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT.	
10. Conference with Labor Negotiators <i>Agency designated representatives: Patricia Jones and others TBD. Employee organization: SEIU Local 1021.</i>	Information
11. Adjournment	Action

* 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

May 17, 2012

Members Present

Councilmember A. Sepi Richardson
Supervisor David Cortese
Supervisor John Gioia
Mayor Mark Green
Supervisor Scott Haggerty
Supervisor Barbara Kondylis
Supervisor Mark Luce
Vice Mayor Peter McHugh
Councilmember Julie Pierce
Supervisor David Rabbitt

Jurisdiction

City of Brisbane
County of Santa Clara
County of Contra Costa
City of Union City
County of Alameda
County of Solano
County of Napa
City of Milpitas
City of Clayton
County of Sonoma

Members Not in Attendance

Supervisor Rose Jacobs Gibson, Chair County of San Mateo

Officers and Staff Present

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

- 1) Councilmember Richardson called the meeting to order at 5:00 p.m.
- 2) Summary Minutes of the March 15, 2012 meeting were approved.
/M/McHugh/S/Haggerty/C/approved.
- 3) Pike provided an overview of the February and March 2012 Financial Reports.
/M/Green/S/Kondylis/C/approved.
- 4) Pike provided an oral update on dues still owing from FY 2010-11 and FY 2011-12. Potential actions were discussed and alternative were to be discussed at the next meeting in July. No action reported.
- 5) Closed Session to discuss anticipated litigation pursuant to GC Section 54956.9(b)(1).
- 6) Meeting adjourned at 6:00 p.m.

F&PC AGENDA ITEM #3

TO: Finance and Personnel Committee

DT: May 31, 2012

FM: Herbert Pike, Finance Director

Re: Financial Reports
--April 2012

The following are highlights of the financial reports for April 2012.

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

Through April 30th, the Agency's net year-to-date financial operating gain of about \$281 thousand is higher than in previous years, the largest factor being the surplus in indirect overhead to-date attributed to the diversion of accounting, information technology and administrative support personnel away from indirect overhead and charging directly to several new energy projects. The Association's cash balance is up \$1.9 million from the previous month and is higher than the prior year by \$2.5 million compared to the year prior. A significant portion of current year's cash balance is committed for grant funded activities. A year-end operating surplus of \$50,000 is still achievable, but there are several large transactions that could readily shift the expected outcome.

Cash on Hand (Figure 1)

Cash on hand increased to \$4.19 million as of April 30th from \$2.32 million on March 31st. The increase of \$1.87 million is attributed primarily to the receipt of grant advances in anticipation of large payouts to subcontractors in May. The April balance includes approximately \$0.67 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The April 30th cash balance is approximately \$2.51 million greater than the prior year. In the current fiscal year, the Association received large advances from a few granting agencies. The grant funds will be used for future program activities such as the design and construction of the Bay Trail Project and energy incentives for Bay Area homeowners.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$4.50 million on April 30th, a decrease of \$343 thousand from the month prior. The month to month decrease reflects both a draw-down of previously advanced funds and quarterly billing cycles. Receivables are approximately \$1.64 million higher than they were a year prior reflecting the higher volume of grant funded activities in the current fiscal year, especially in energy-related grant activity. Much of the increase is attributable to large grant projects, e.g. energy retrofitting, that are drawing to a close and the rush to submit claims for completion of retrofits before the impending deadline.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through April 30th, the tenth month of the fiscal year, amounted to about \$23.58 million, or 80.5 percent, of the adjusted budgeted annual expense of \$29.30 million for FY 2011-12.

Actual vs. Budgeted Revenues (Figure 10)

As of April 30th, total revenues amounted to about \$23.86 million, or 81.4 percent, of the revised budgeted annual revenue of \$29.33 million for FY 11-12.

As of April 30th, both revenues and expenses are very close projections for the first ten months of FY 2011-12 (83.3 percent). Actual revenues and expenditures are both usually below the portion of the year elapsed because of the normal timing of grant funded consultant and sub-contractor expenses wherein there is a customary lag between the rendering of the service and the conversion to an expense and receivable when the contractors submit their bills. However, as some large grants are expiring, revenues and expenses are increasing prior the end of the fiscal year.

Fund Equity (Figure 5)

As of April 30th, general fund equity was approximately \$1.36 million, a decrease of \$104 thousand from the prior month. The Agency's restricted fund equity, consisting of capital, self-insurance, building maintenance and reserves, remained unchanged at \$560 thousand. That is \$50 thousand over the previous year to reflect the discussed minimum annual reserve increase in reserves of \$50 thousand per year.

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 37.36 percent, or 5.59 percent below target. The lower than expected rate reflects the diversion of substantial central services efforts toward new grants, especially energy grants. The rate is expected to increase in the next two months after a sizeable energy project wraps up for April 2012. It will allow some staff to divert their focus and resources back into the overhead functions.

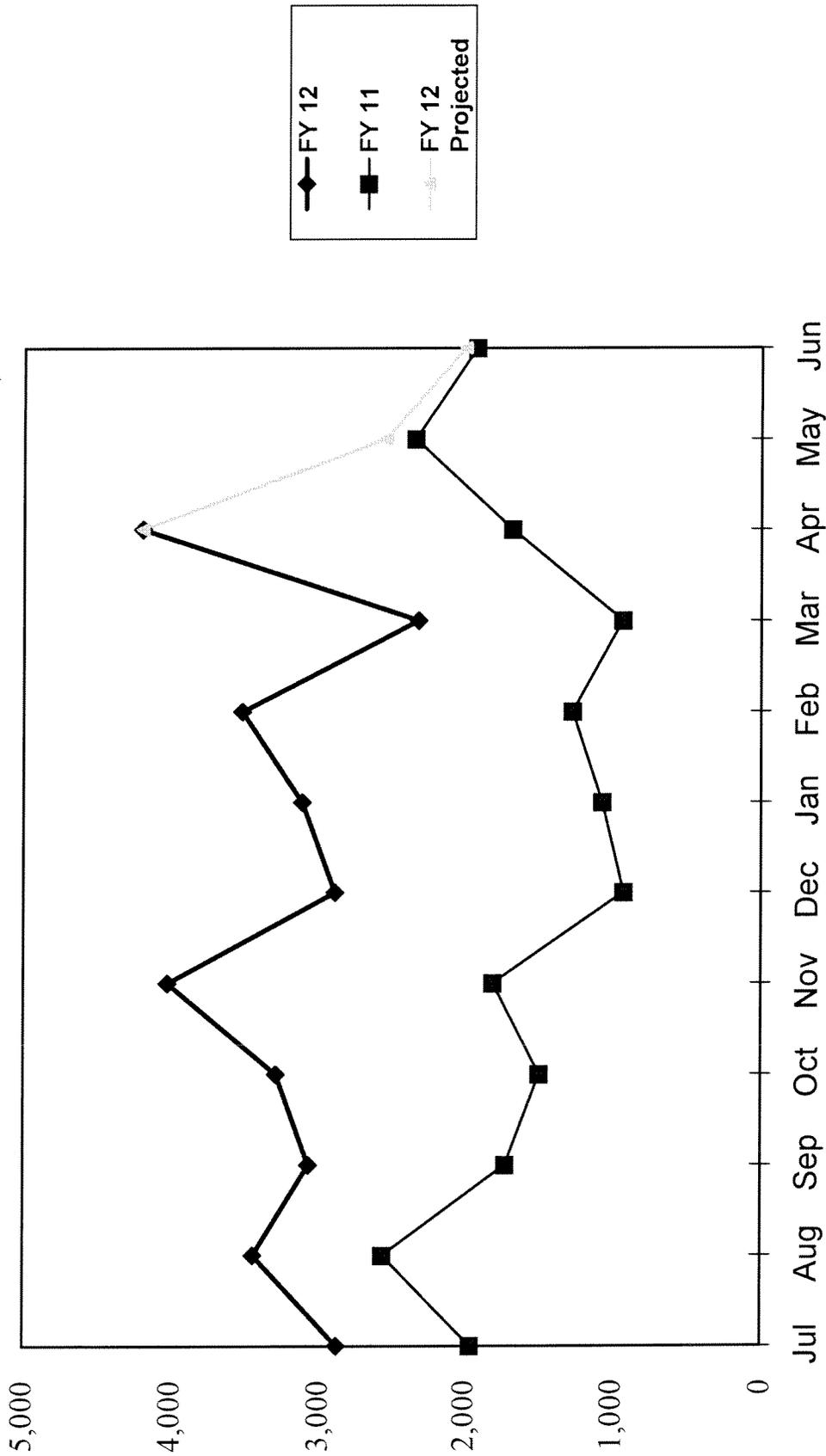
ABAG FINANCIAL REPORTS

Table of Contents

* 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
* Composition of Expenses.....	Figure 7
* Composition of Revenues	Figure 8
* Actual vs. Budgeted/Projected Expenses	Figure 9
* Actual vs. Budgeted/Projected Revenues	Figure 10

ABAG Financial Indices

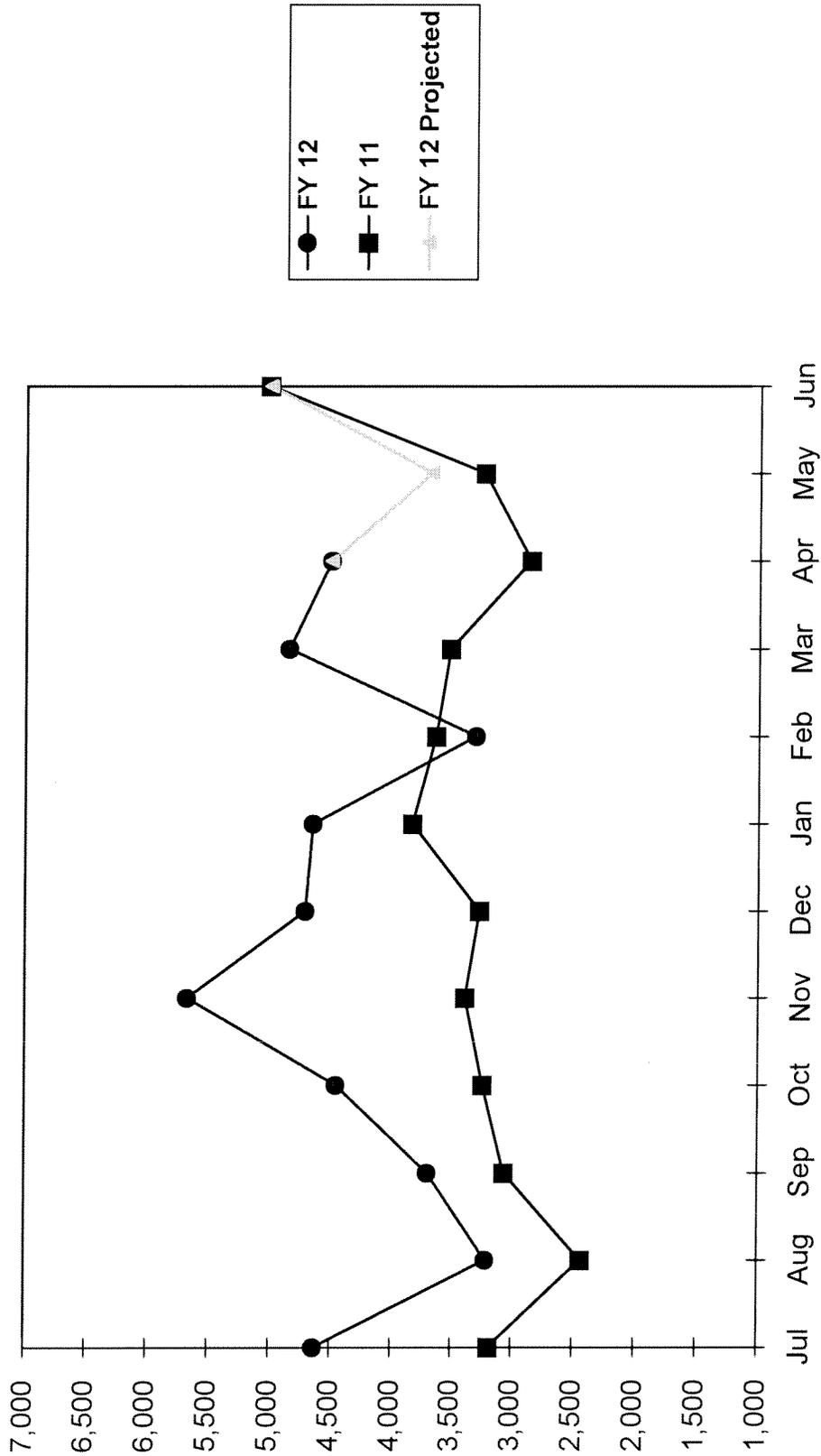
Figure 1--Cash on Hand--FY 11 and FY 12 (\$'000)



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

ABAG Financial Indices

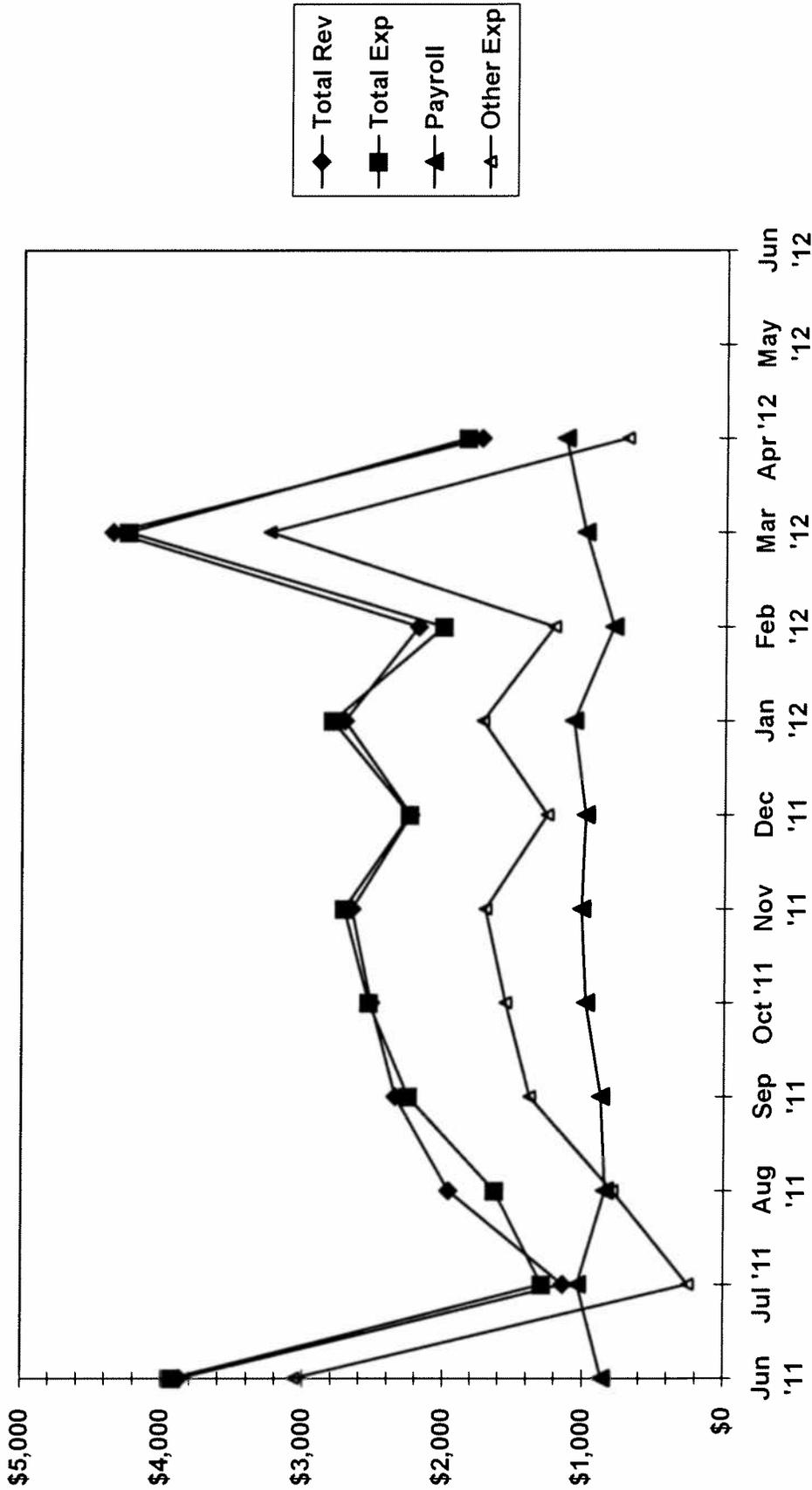
Figure 2--Accounts Receivable--FY 11 and FY 12 (\$'000)



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

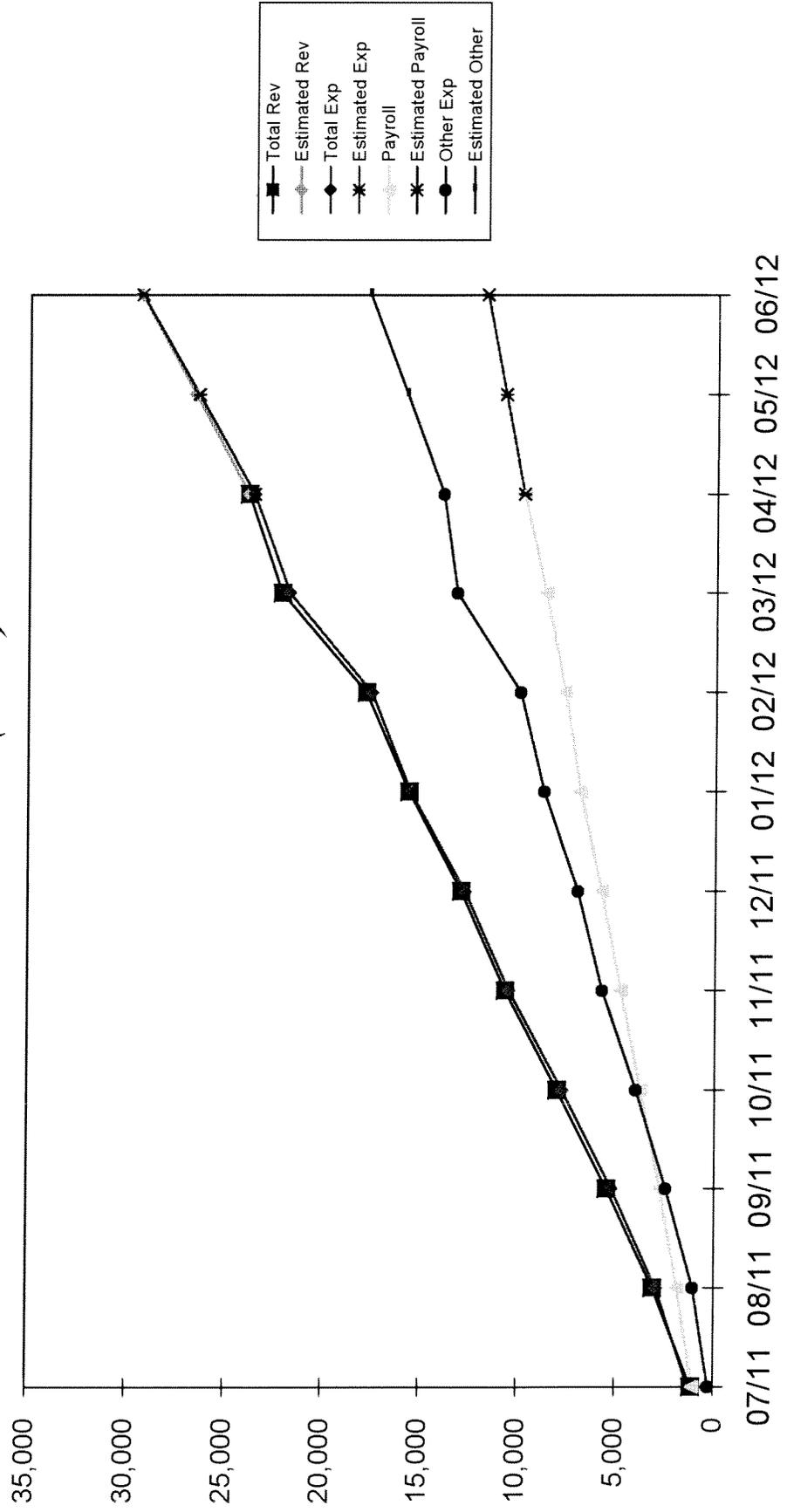
ABAG Financial Indices

Figure 3--Current Month Revenues & Expenses
FY 11-12 (\$'000)



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

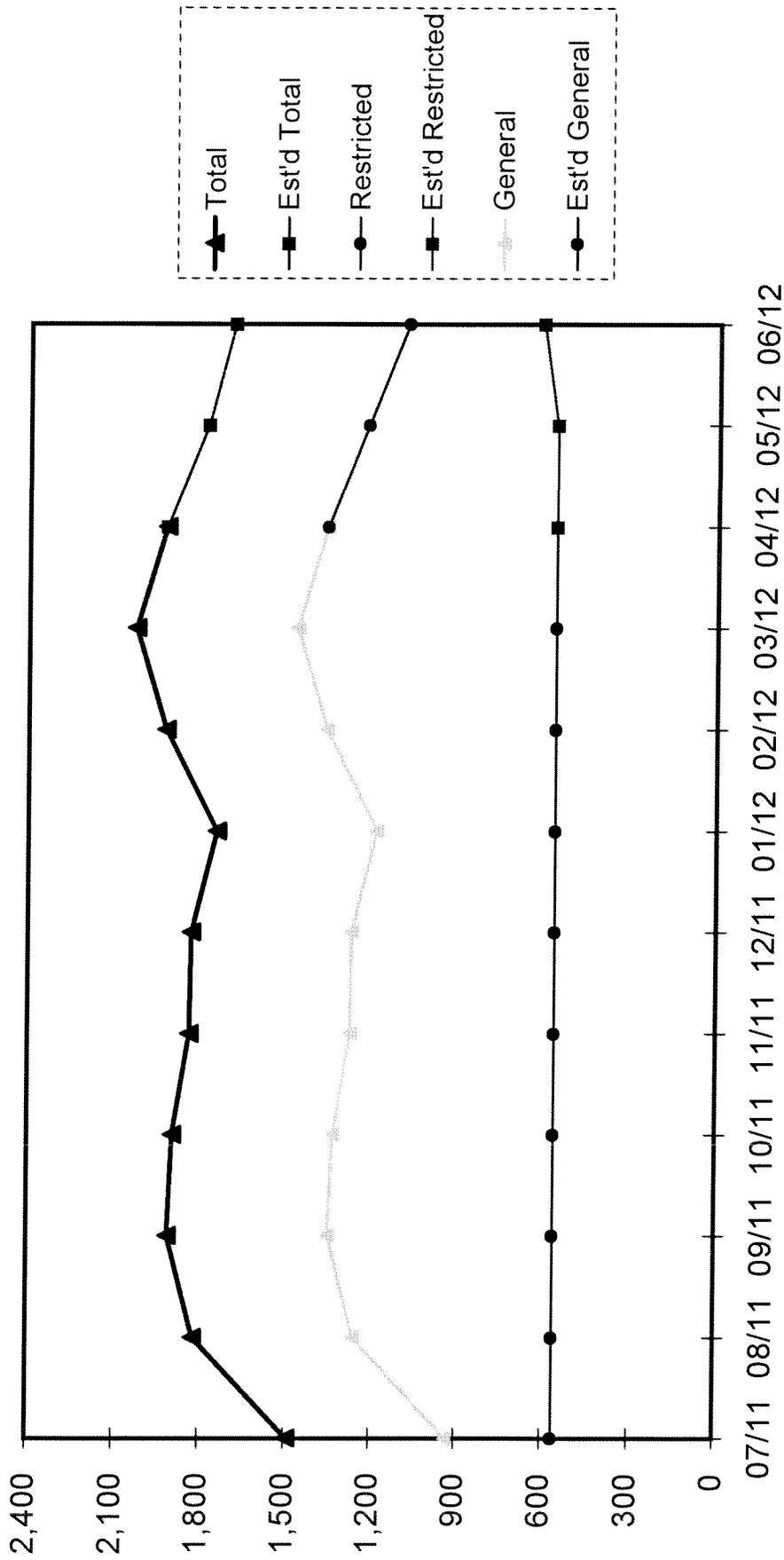
ABAG Financial Indices
Figure 4-- Year-to-date Revenues & Expenses
FY 11-12 (\$'000)



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

ABAG Financial Indices

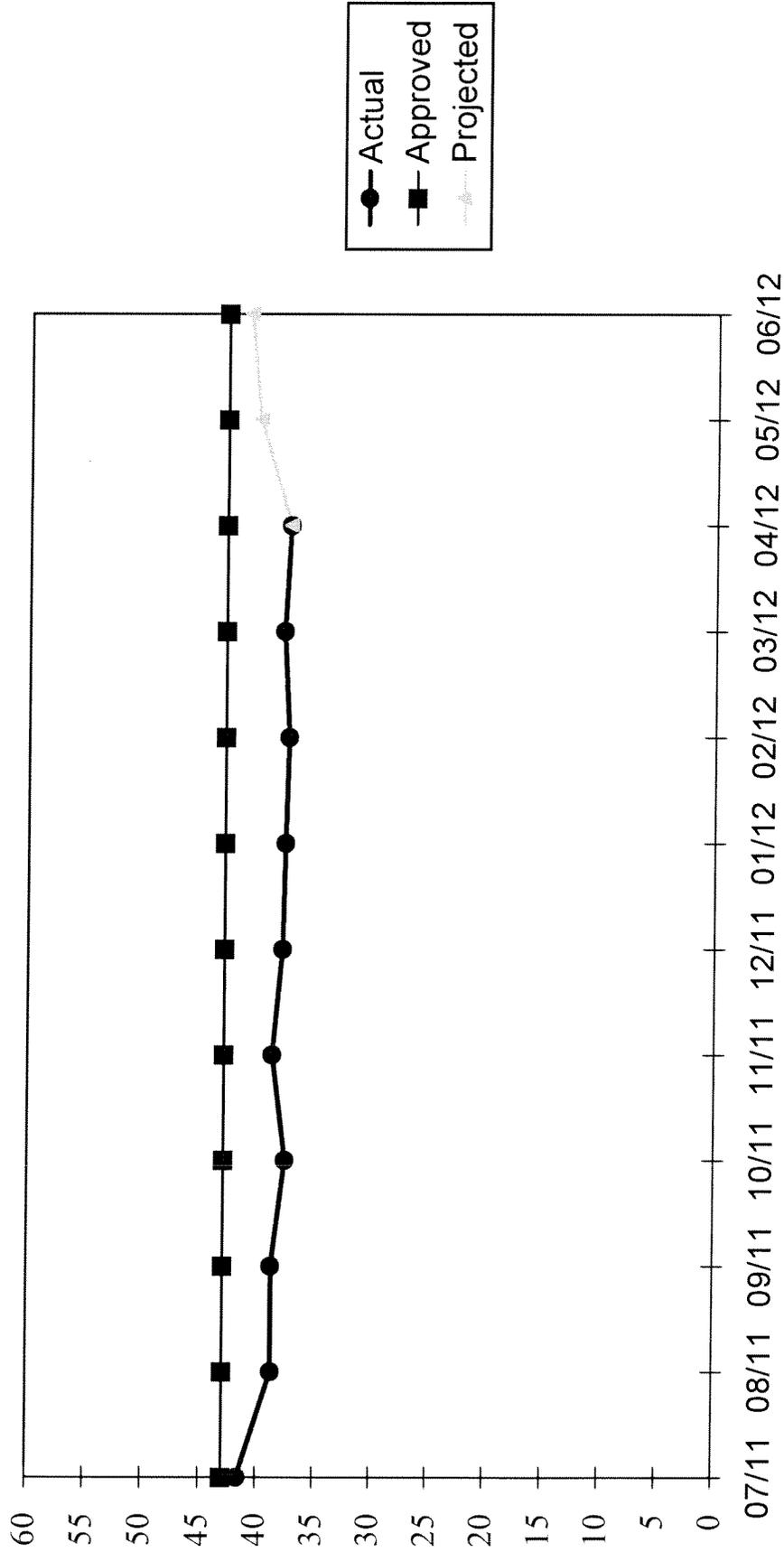
Figure 5--Fund Equity
FY 11-12 (\$'000)



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

ABAG Financial Indices

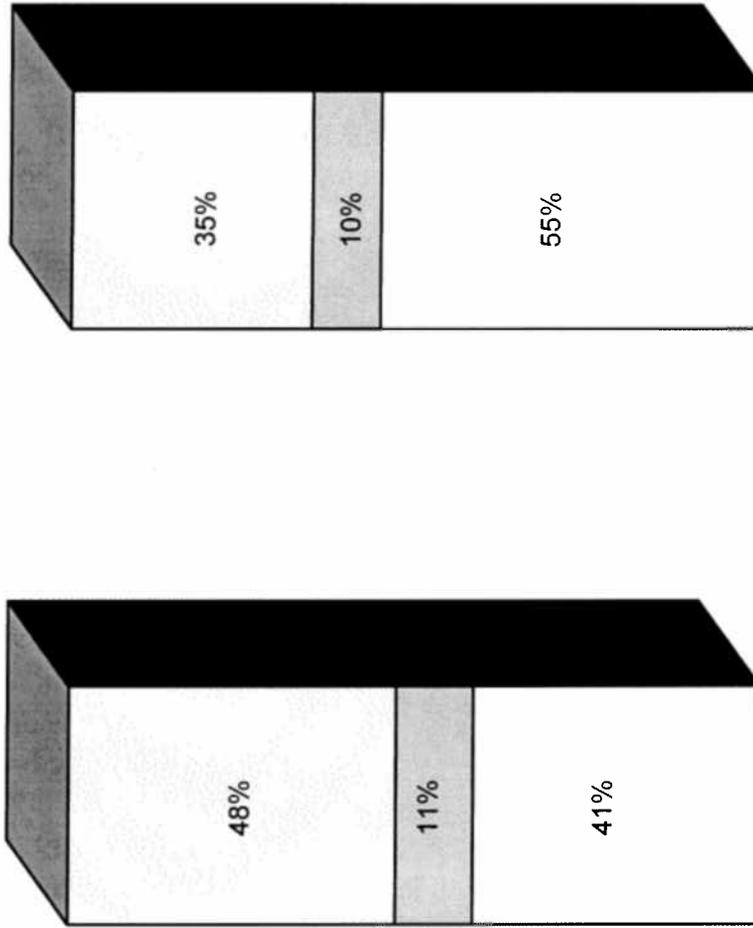
**Figure 6--Indirect Cost Rate (% of Direct Labor Cost)
FY 11-12**



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

ABAG Financial Indices

Figure 7-- Composition of Expenses FY 11--FY 12
Year to Date
(\$'000)

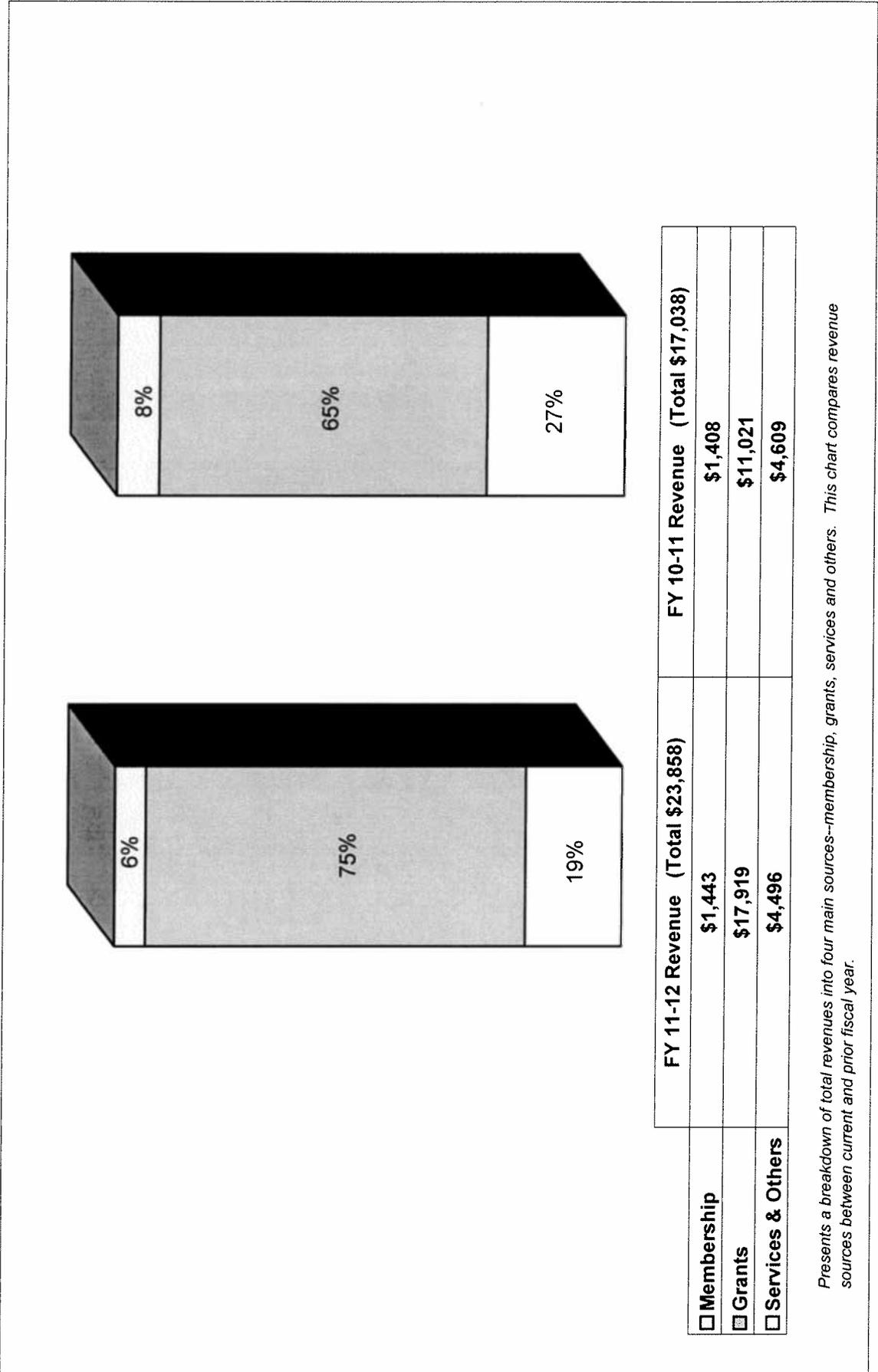


	FY11-12 Expenses (Total \$23,577)	FY10-11 Expenses (Total \$16,860)
□ Consultants	\$11,186	\$5,864
□ Others	\$2,651	\$1,691
□ Payroll	\$9,740	\$9,305

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

ABAG Financial Indices

**Figure 8-- Composition of Revenues FY 11--FY 12
Year to Date
(\$'000)**

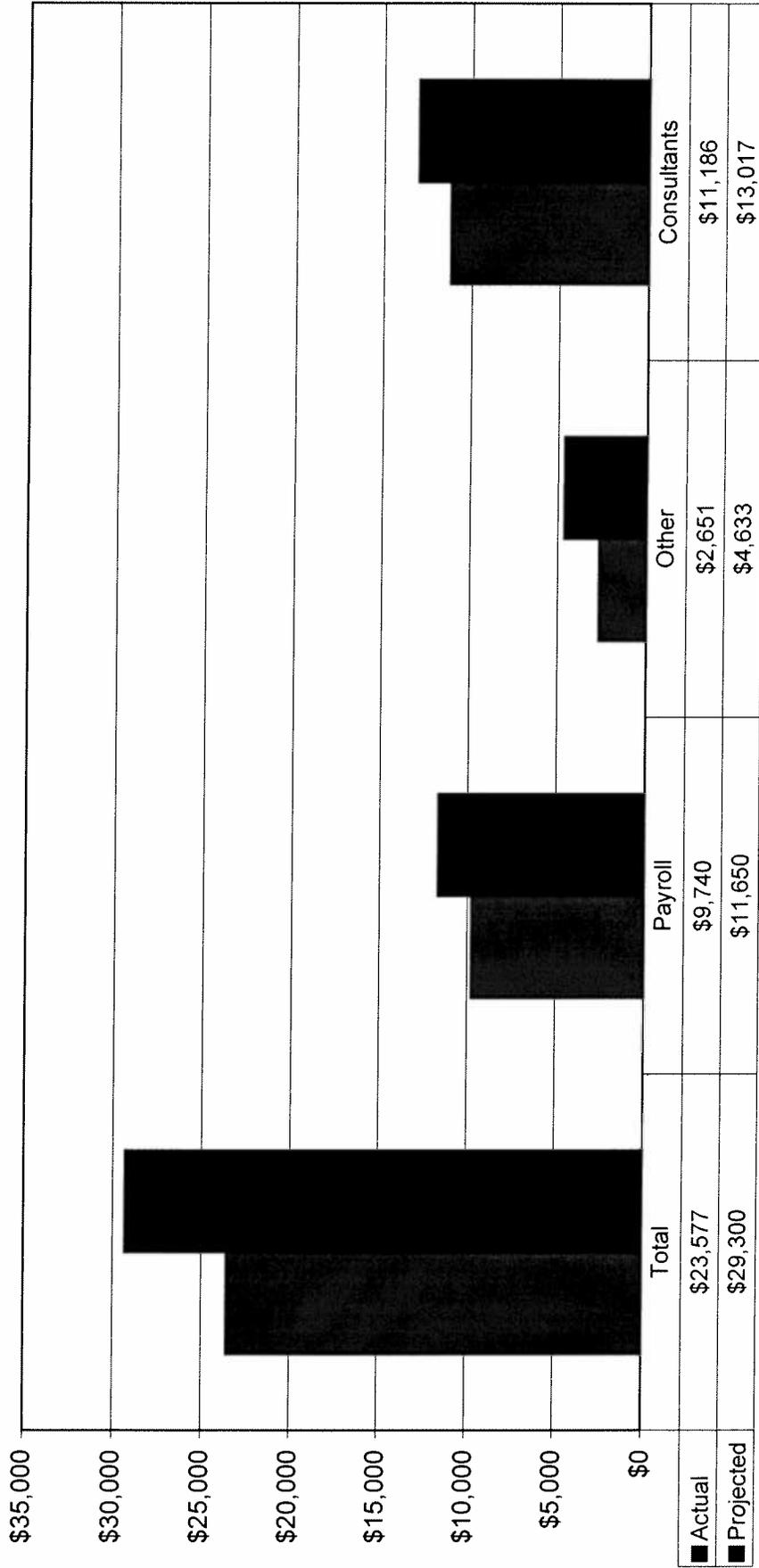


Source: ABAG --- INDICES 2012-04.xls

Figure 8

ABAG Financial Indices

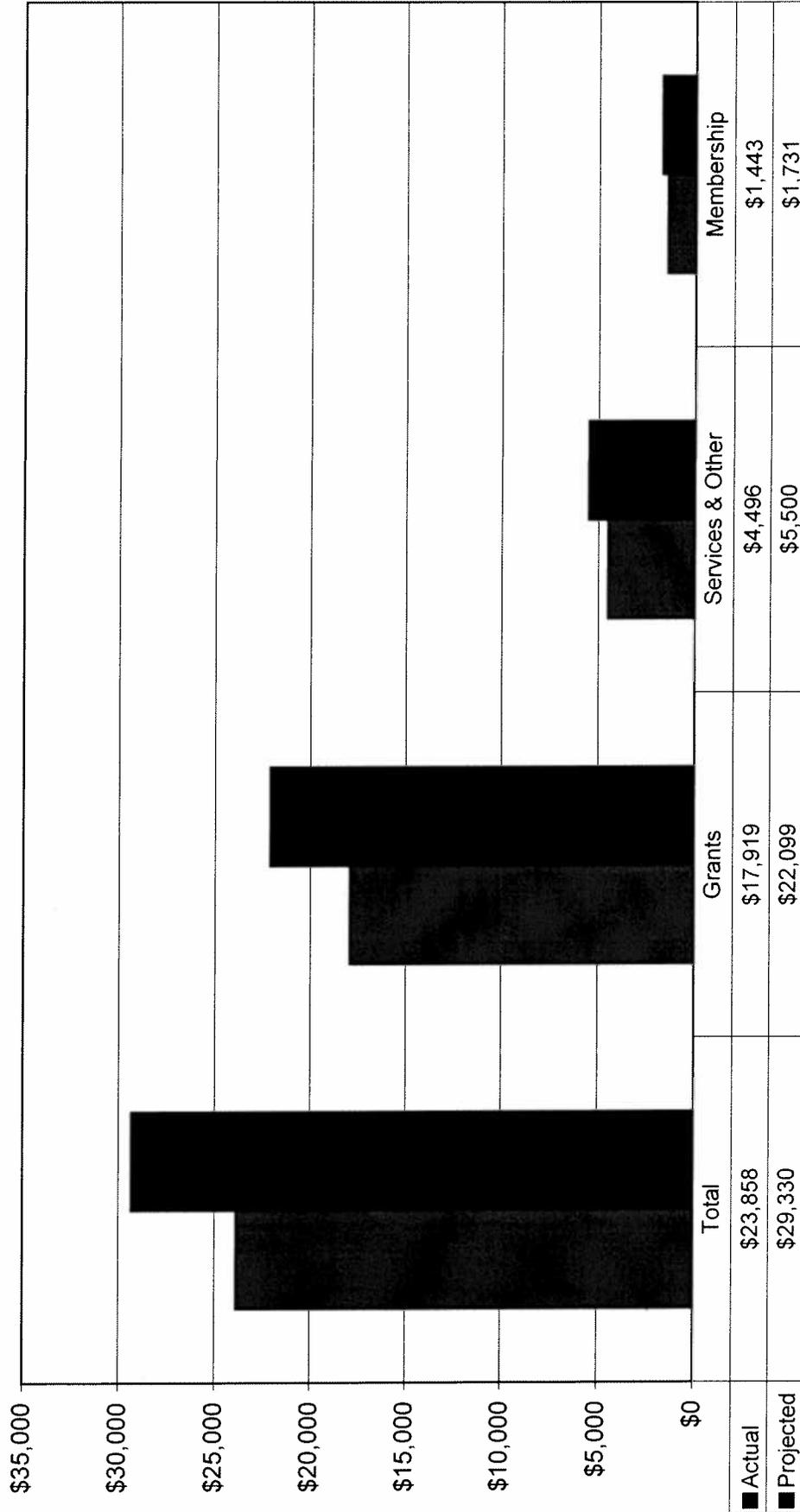
Figure 9--Actual vs Projected Expenses--FY 11-12
Year to Date (\$'000)



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

ABAG Financial Indices

Figure 10--Actual vs Projected Revenues--FY 11-12
Year to Date (\$'000)



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

TO: Finance and Personnel Committee

DT: June 29, 2012

FM: Herbert Pike, Finance Director

Re: Financial Reports
--May 2012

The following are highlights of the financial reports for May 2012.

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

Through May 31st, the Agency's net year-to-date financial operating gain of about \$304 thousand is higher than in previous years, the largest factor being the surplus in indirect overhead to-date attributed to the diversion of accounting, information technology and administrative support personnel away from indirect overhead and charging directly to several new energy projects. The Association's cash balance is down \$1.6 million from the previous month and is higher than the prior year by \$205 thousand compared to the year prior. A significant portion of current year's cash balance is committed for grant funded activities. A year-end operating surplus of \$50,000 is still achievable, but there are several large transactions that could readily shift the anticipated outcome.

Cash on Hand (Figure 1)

Cash on hand decreased to \$2.55 million as of May 31st from \$4.19 million on April 30th. The decrease of \$1.64 million is attributed primarily to the close-out of a very large energy project in the month of May. The May balance includes approximately \$0.67 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The May 31st cash balance is approximately \$205 thousand greater than the prior year

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.68 million on May 31st, a decrease of \$823 thousand from the month prior. The month to month decrease reflects primarily the close out of a very large grant, as well as a draw-down of previously advanced funds and quarterly billing cycles. Receivables are approximately \$0.44 million higher than they were a year prior reflecting the higher volume of grant funded activities in the current fiscal year, especially in energy-related grant activity. Much of the activity is attributable to large grant projects, e.g. energy retrofitting, that are drawing to a close and the rush to submit claims for completion of retrofits before the impending deadline. Several other contractors and pass-through recipients are stepping up the pace in the submission of their bills as their fiscal years are similarly drawing to a close.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through May 31st, the eleventh month of the fiscal year, amounted to about \$26.83 million, or 91.6 percent, of the adjusted budgeted annual expense of \$29.30 million for FY 2011-12.

Actual vs. Budgeted Revenues (Figure 10)

As of May 31st, total revenues amounted to about \$27.13 million, or 92.5 percent, of the revised budgeted annual revenue of \$29.33 million for FY 11-12.

As of May 31st, both revenues and expenses are very close to projections for the first eleven months of FY 2011-12 (91.7 percent).

Fund Equity (Figure 5)

As of May 31st, general fund equity was approximately \$1.384 million, an increase of \$23 thousand from the prior month. The Agency's restricted fund equity, consisting of capital, self-insurance, building maintenance and reserves, remained unchanged at \$560 thousand. That is \$50 thousand over the previous year to reflect the discussed minimum annual reserve increase in reserves of \$50 thousand per year.

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 38.21 percent, or 4.74 percent below target. The lower than expected rate reflects the diversion of substantial central services efforts toward new grants, especially energy grants. The rate is expected to increase in the next month after a sizeable energy project wraps up for April 2012. It will allow some staff to divert their focus and resources back into the overhead functions. However, it will probably not reach the budgeted 42.95 percent, thereby requiring the posting of a payable for the balance at year-end.

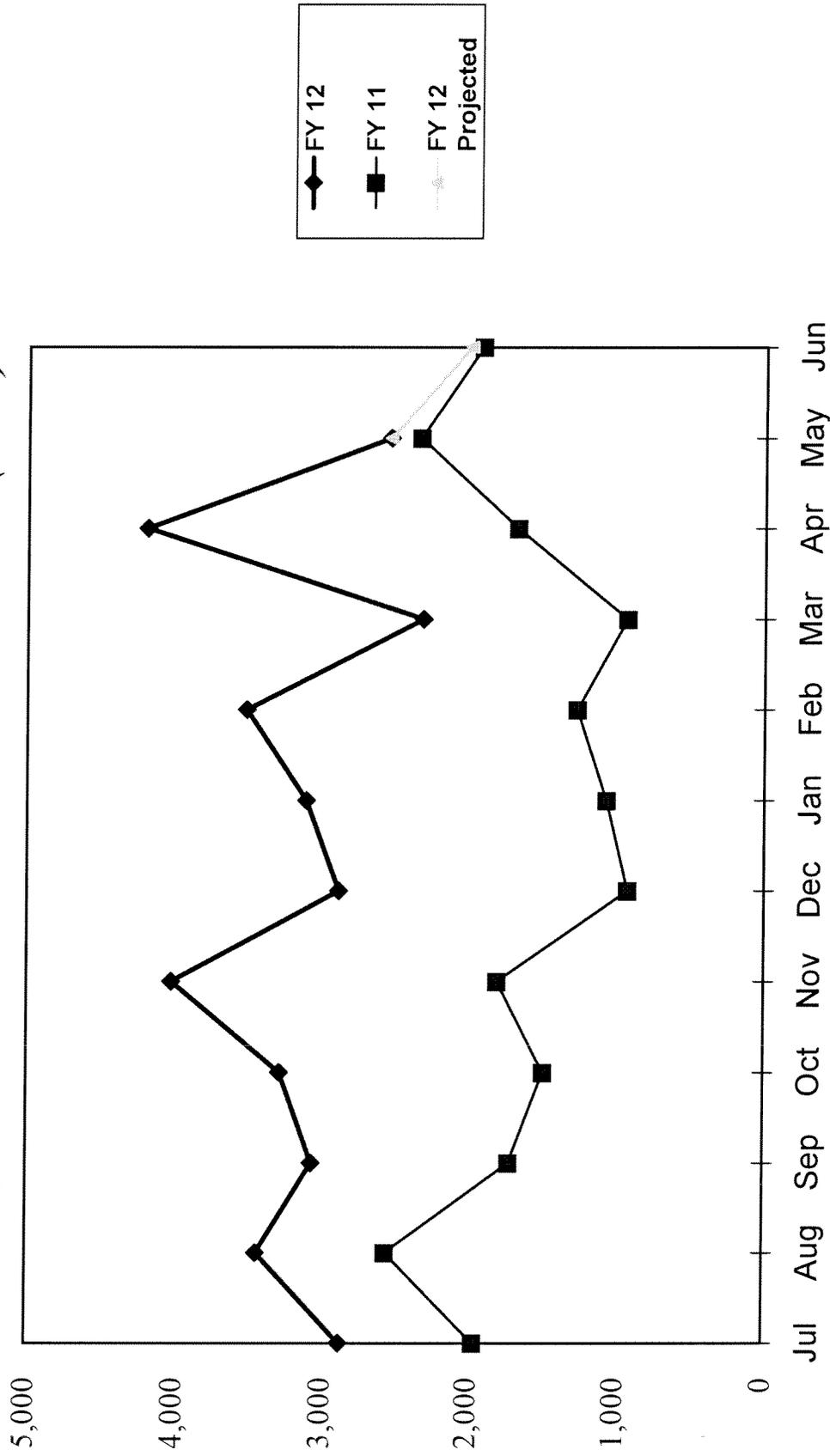
ABAG FINANCIAL REPORTS

Table of Contents

* 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
* Composition of Expenses.....	Figure 7
* Composition of Revenues	Figure 8
* Actual vs. Budgeted/Projected Expenses.....	Figure 9
* Actual vs. Budgeted/Projected Revenues	Figure 10

ABAG Financial Indices

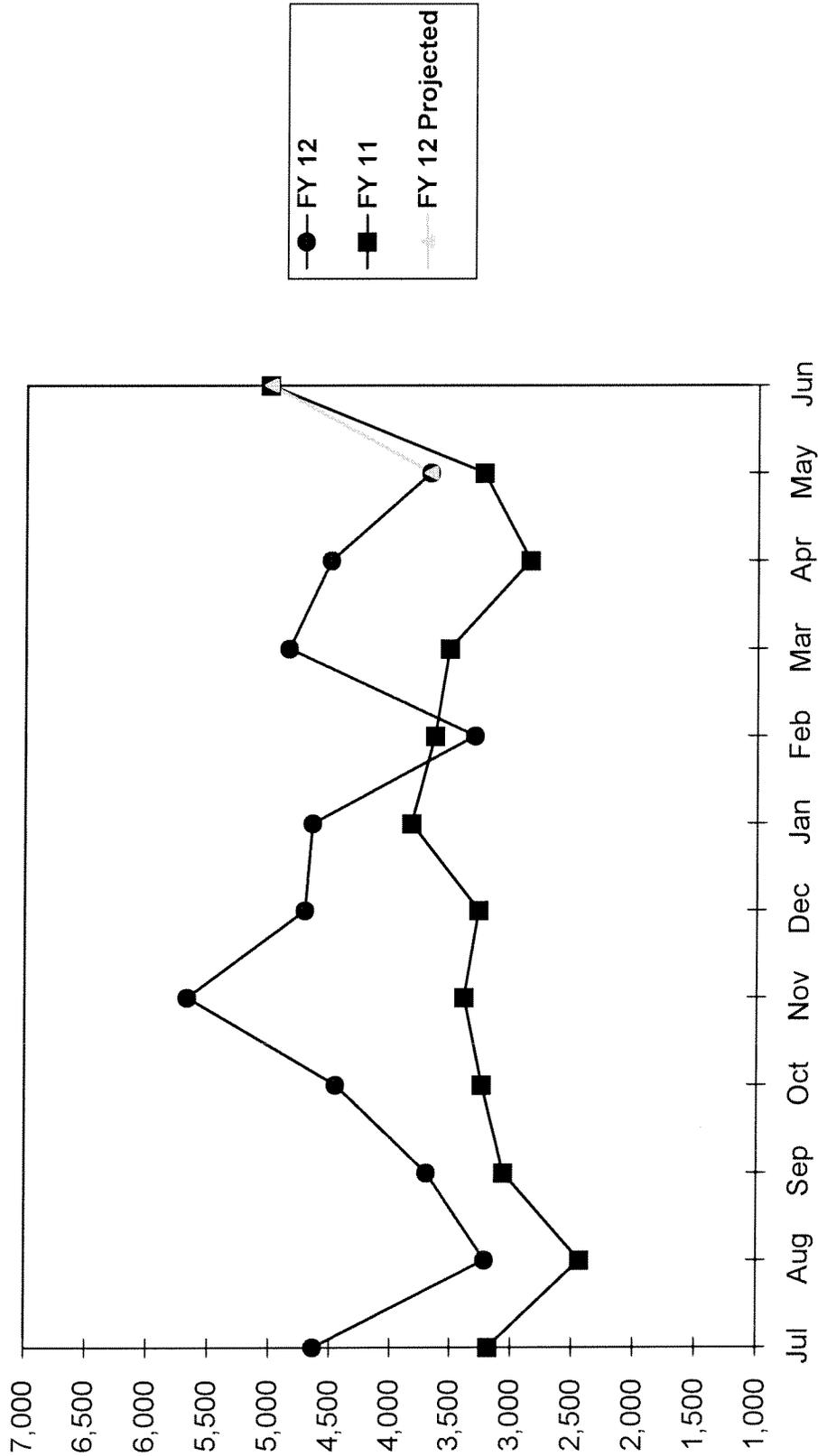
Figure 1--Cash on Hand--FY 11 and FY 12 (\$'000)



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

ABAG Financial Indices

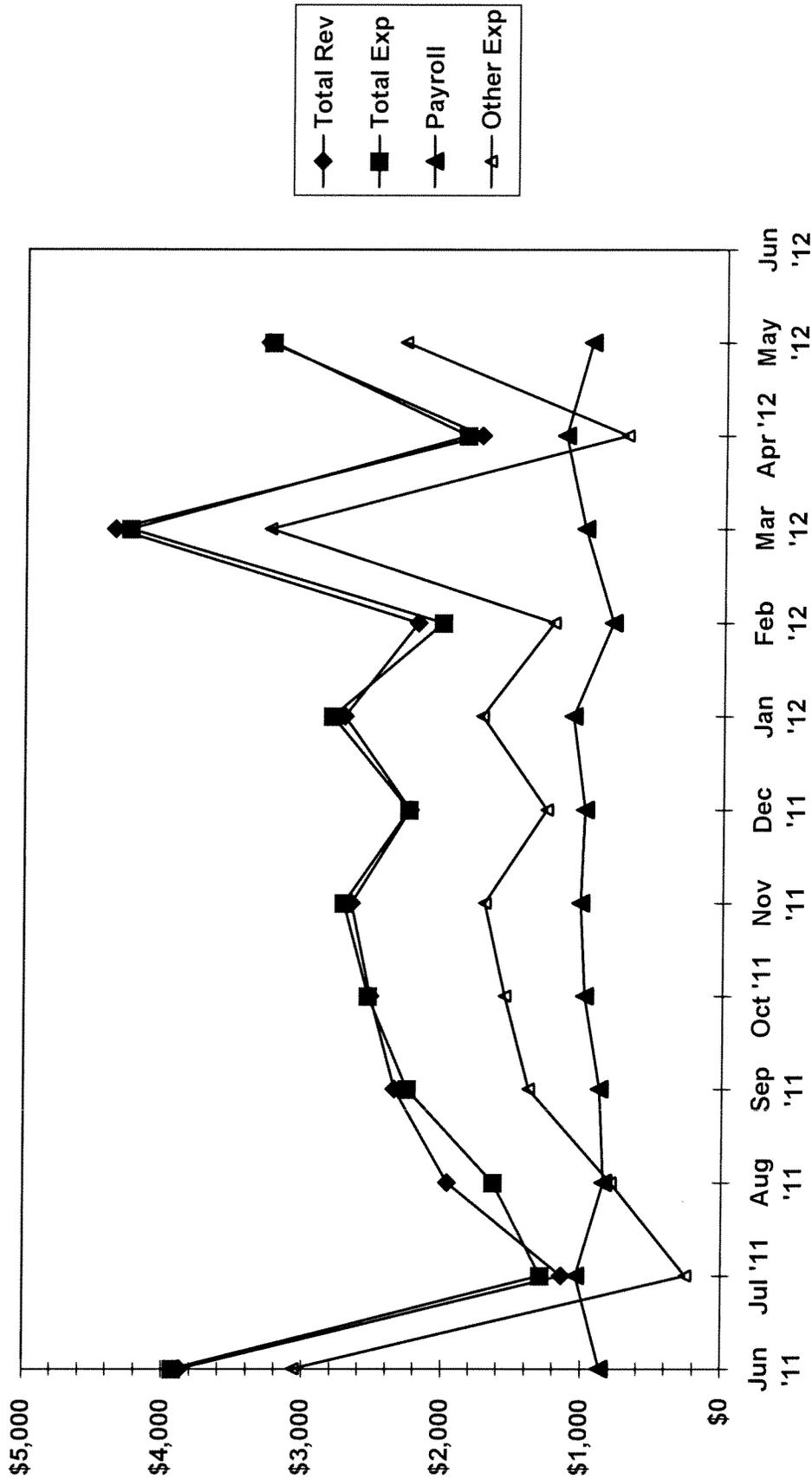
Figure 2--Accounts Receivable--FY 11 and FY 12 (\$'000)



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

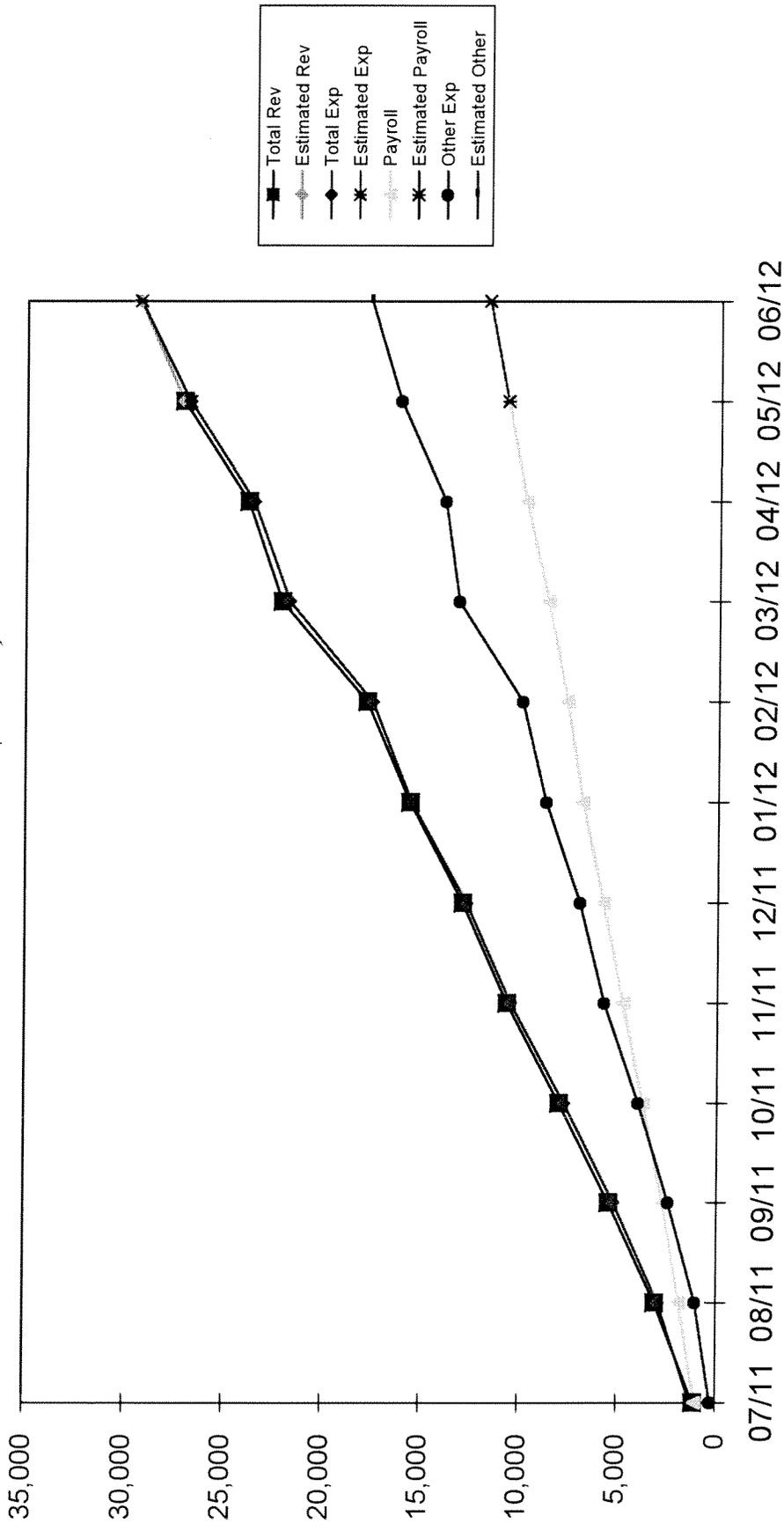
ABAG Financial Indices

Figure 3--Current Month Revenues & Expenses
FY 11-12 (\$'000)



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

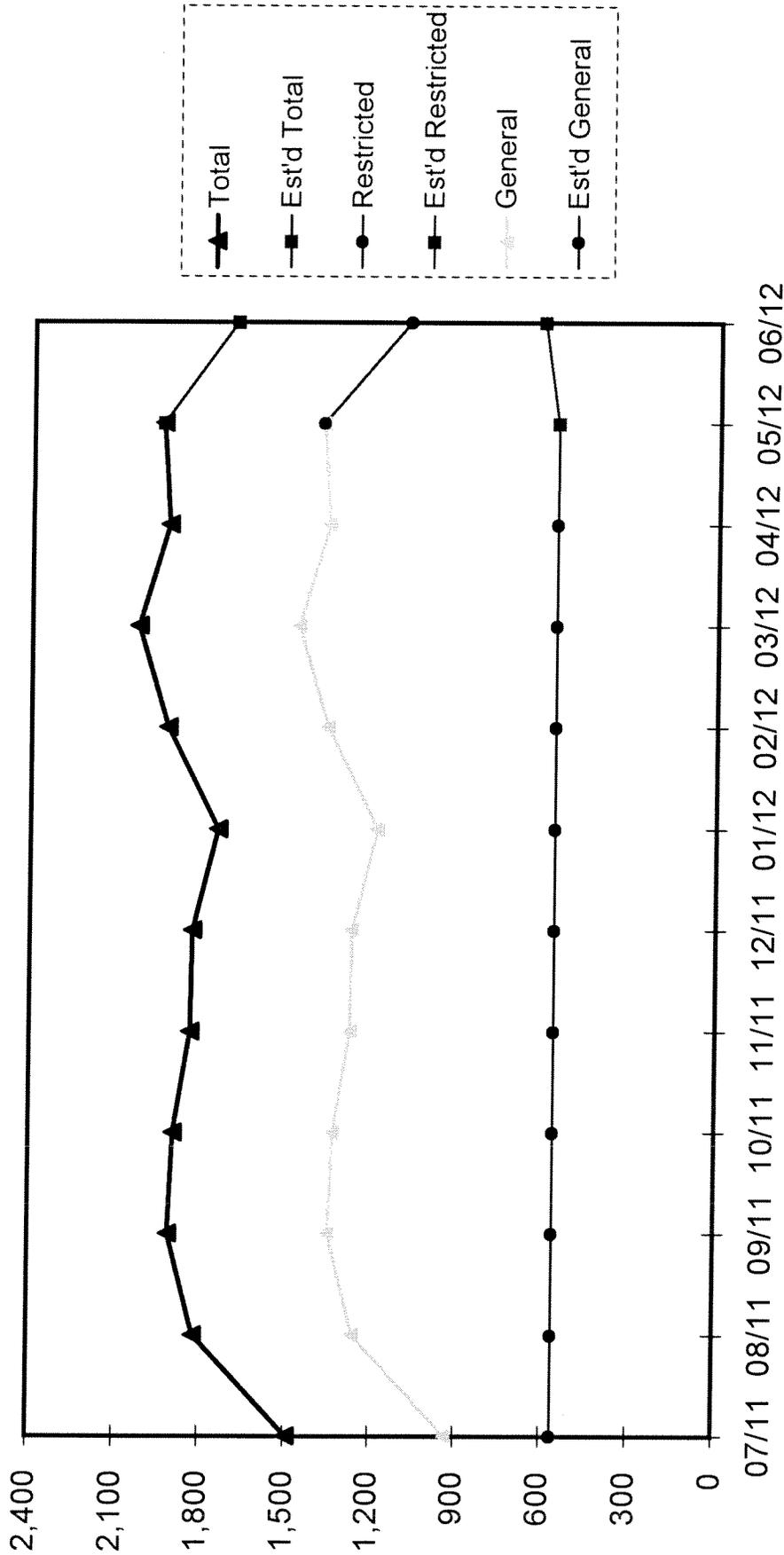
ABAG Financial Indices
Figure 4-- Year-to-date Revenues & Expenses
FY 11-12 (\$'000)



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

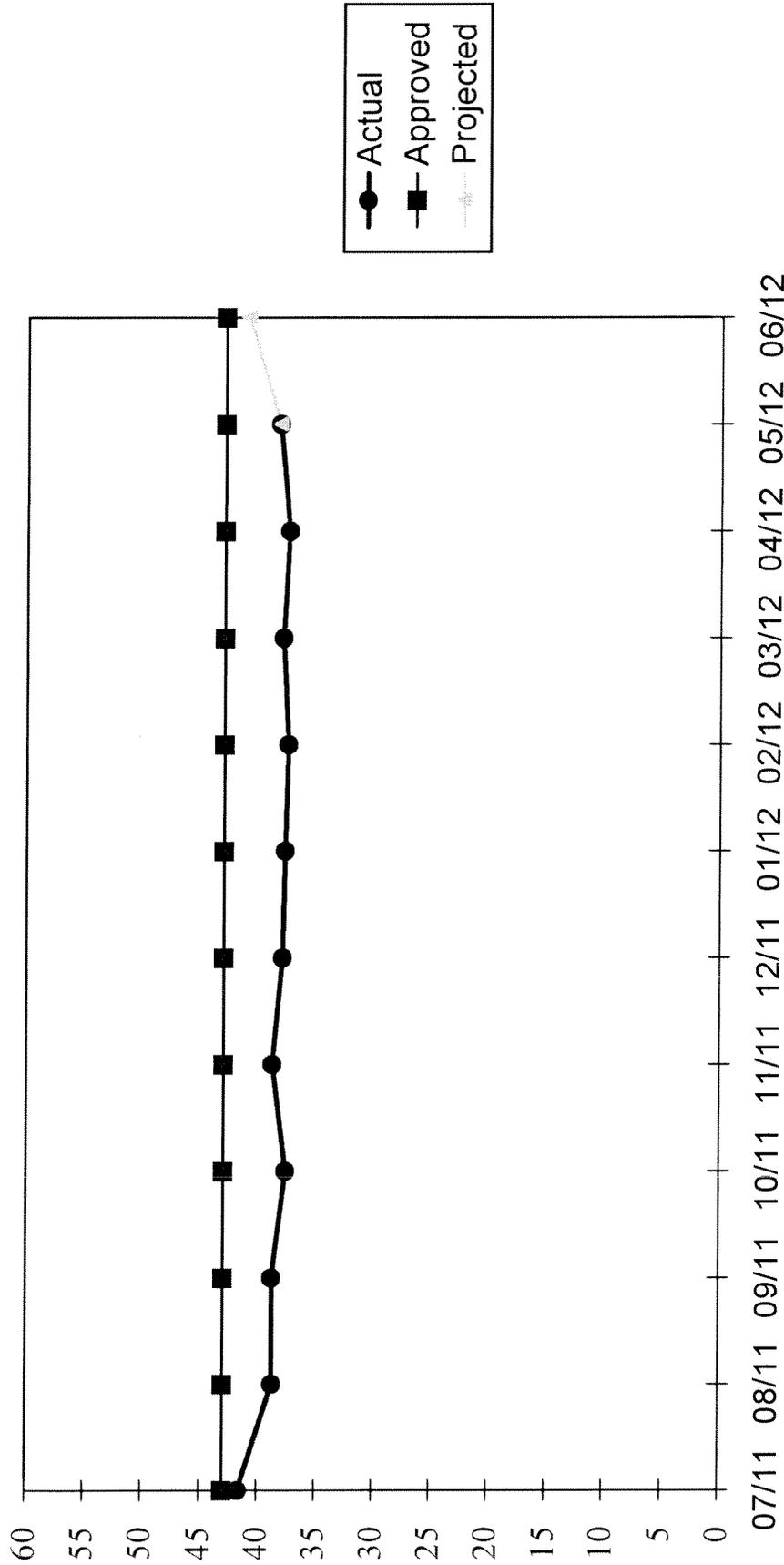
ABAG Financial Indices

Figure 5--Fund Equity
FY 11-12 (\$'000)



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

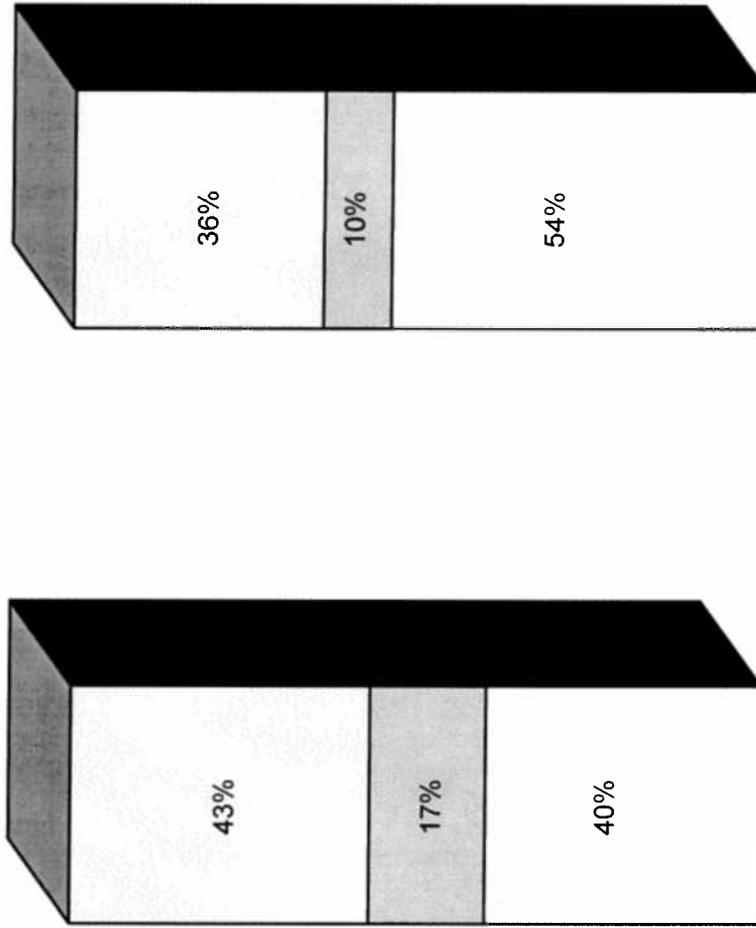
ABAG Financial Indices
Figure 6--Indirect Cost Rate (% of Direct Labor Cost)
FY 11-12



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

ABAG Financial Indices

Figure 7-- Composition of Expenses FY 11--FY 12
Year to Date
(\$'000)

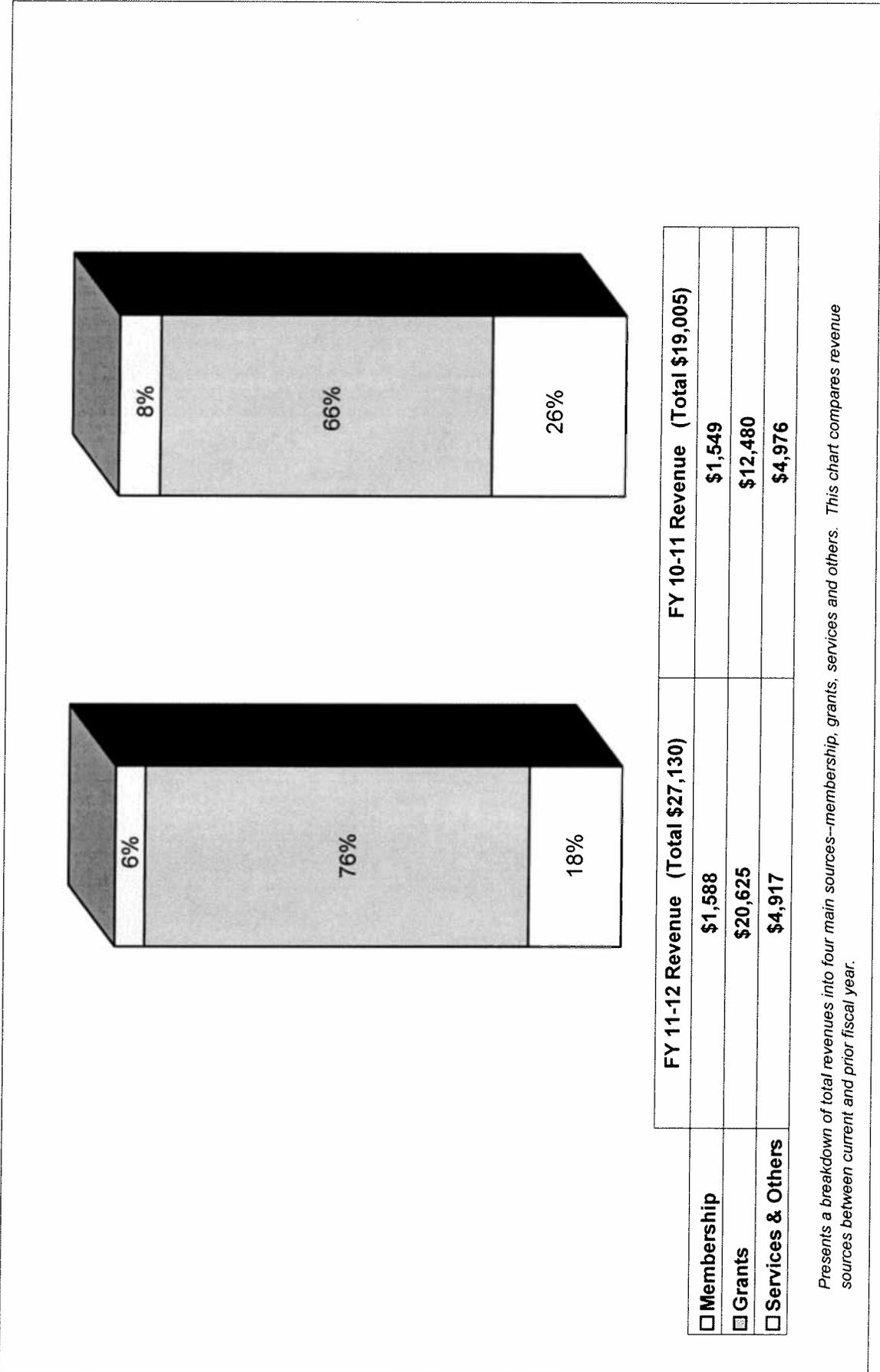


	FY11-12 Expenses (Total \$23,577)	FY10-11 Expenses (Total \$18,844)
☐ Consultants	\$11,581	\$6,773
☑ Others	\$4,548	\$1,860
☐ Payroll	\$10,697	\$10,211

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

ABAG Financial Indices

**Figure 8-- Composition of Revenues FY 11--FY 12
Year to Date
(\$'000)**

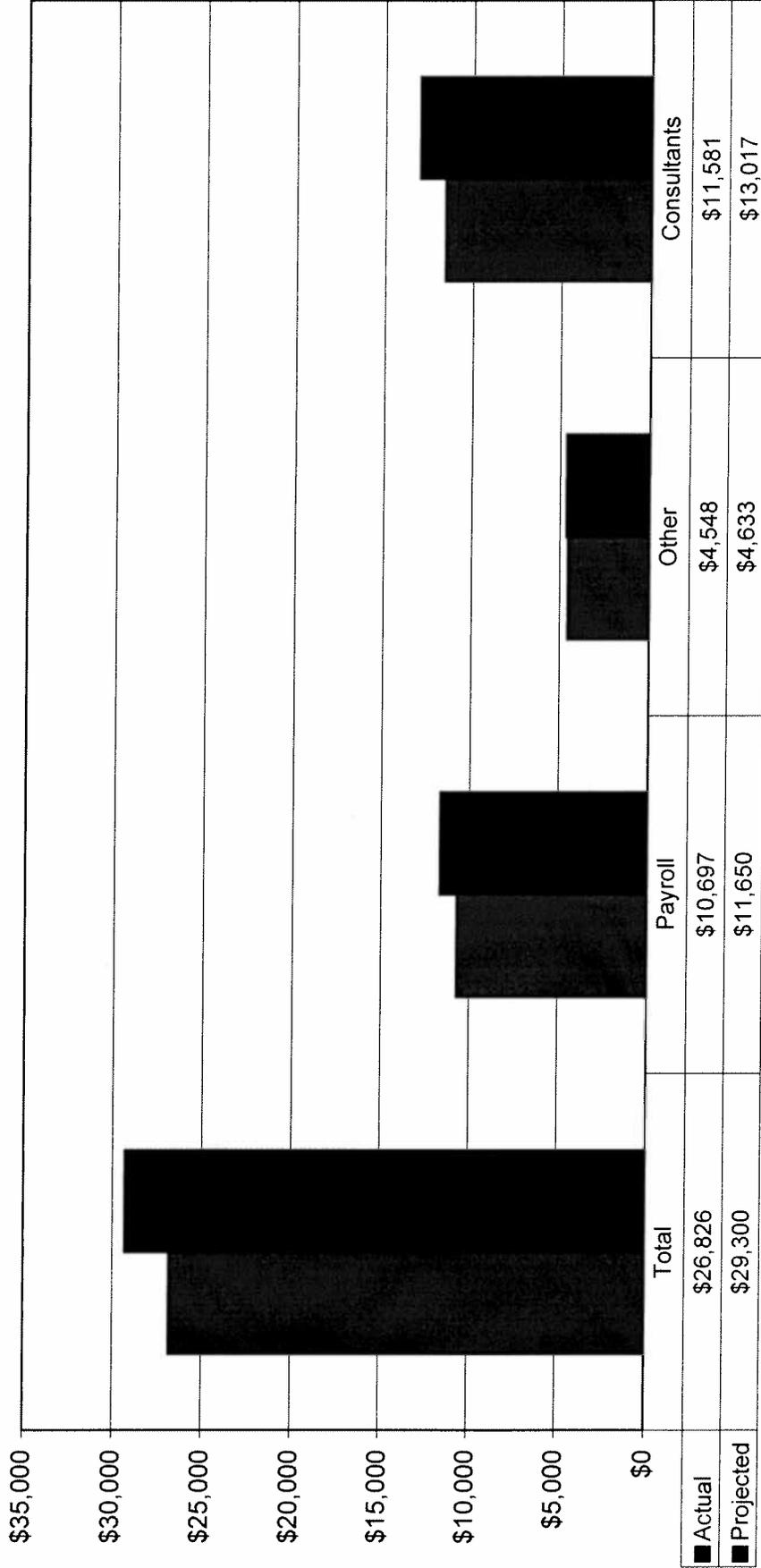


Source: ABAG --- INDICES 2012-05.xls

Figure 8

ABAG Financial Indices

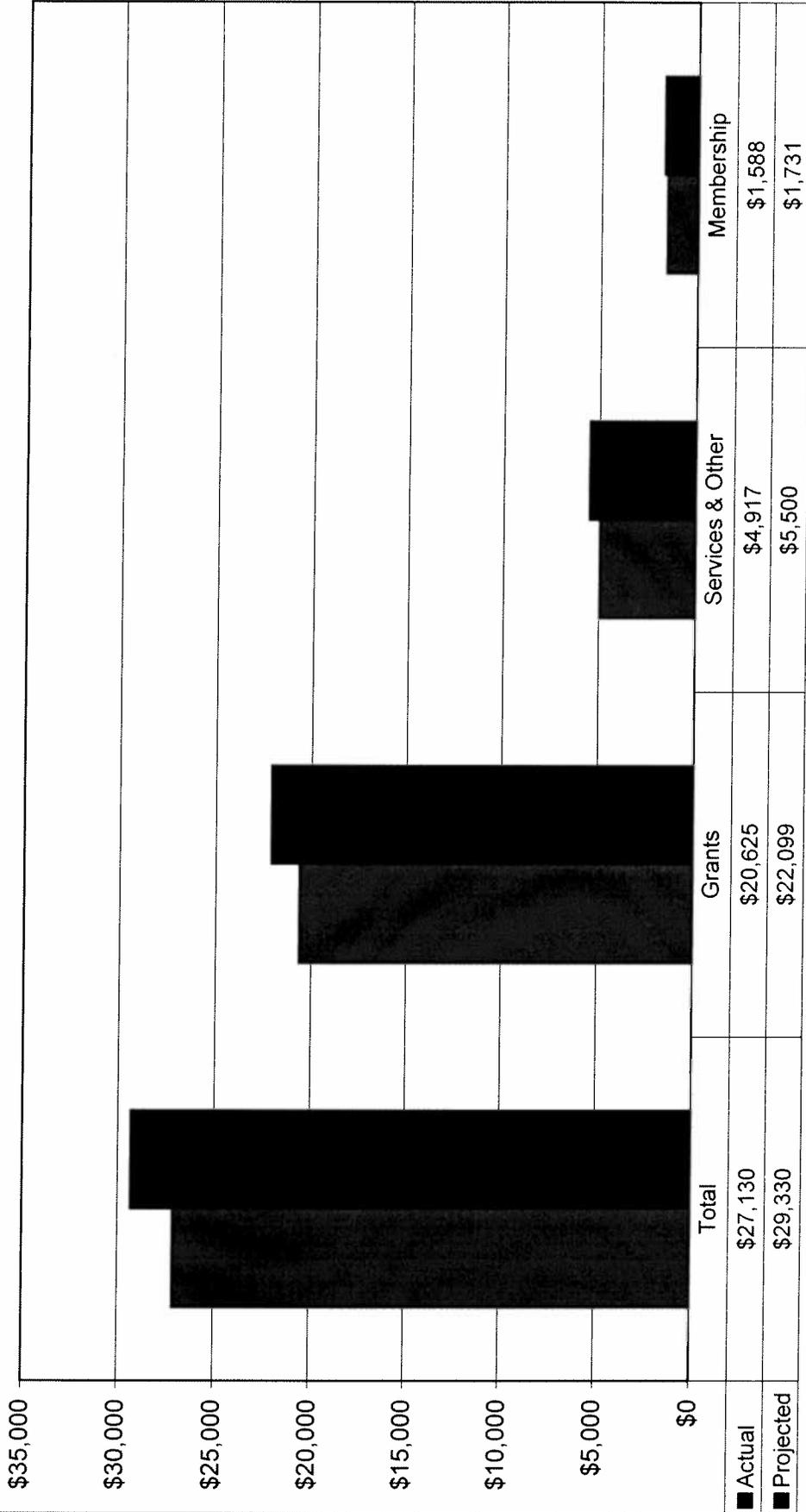
Figure 9--Actual vs Projected Expenses--FY 11-12
Year to Date (\$'000)



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

ABAG Financial Indices

Figure 10--Actual vs Projected Revenues--FY 11-12
Year to Date (\$'000)



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

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

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

<u>Index Description</u>	<u>May-12</u>	<u>Apr-12</u>	<u>Mar-12</u>	<u>May-11</u>	<u>Apr-11</u>
Cash	2,550	4,191	2,320	2,345	1,677
Receivables	3,677	4,500	4,843	3,237	2,857
Payroll Cost-YTD	10,697	9,740	8,598	10,211	9,305
-Month	957	1,142	995	906	992
Total Other Expense-YTD	16,129	13,837	13,135	8,633	7,555
-Month	2,292	702	3,256	1,078	674
Total Expenses-YTD	26,826	23,577	21,733	18,844	16,860
-Month	3,249	1,844	4,251	1,984	1,666
Total Revenues-YTD	27,130	23,858	22,118	19,005	17,038
-Month	3,272	1,740	4,356	1,967	1,709
Fund Equity-General	1,384	1,361	1,465	1,182	1,199
Total Restricted	560	560	560	510	510
Total Fund Equity	1,944	1,921	2,025	1,692	1,709
Approved Overhead	42.95%	42.95%	42.95%	42.95%	42.95%
Overhead Rate %	38.21%	37.36%	37.87%	41.35%	41.90%

F&PC AGENDA ITEM #4C

ASSOCIATION OF BAY AREA GOVERNMENTS

Celebrating 50 Years of Service to the Region



To: Finance & Personnel Committee (F&P) and
Executive Board via F&P
Fr: Kenneth K. Moy
Dt: July 6, 2012
Re: Joining *Amicus Curiae* Brief in *Cole v Town of Los Gatos*

Summary and Requested Action: A recent appellate court decision in a case covered by the ABAG PLAN Program has the potential to significantly increase defense costs and liability exposure for all public entities. The Town of Los Gatos (Town) requests that ABAG join an *amicus curiae* brief if the California Supreme Court decides to an appeal. The ABAG staff that serves the program and I concur. There will be no costs to ABAG. Request authorization to join *amicus curiae* brief.

Background and Analysis: ABAG operates a self funded municipal liability pool (ABAG PLAN Program) on behalf of the thirty (30) cities that are members of ABAG and participate in the program, including the Town. In 2007, the Town tendered and ABAG accepted a claim brought by Cole based on the alleged 'dangerous condition' of a portion of Blossom Hill Road that is in the Town. However, the direct cause of the injury to Cole was a drunk driver who struck Coleman as she was loading or unloading a bicycle from the back of her SUV which was parked off Blossom Hill Road. Cole does not state how the alleged 'dangerous condition' caused the drunk driver to injure Cole. Relying on precedent, a motion for summary judgment based on Cole's failure to make the causal linkage was filed. The motion was granted by the trial court but was overturned on appeal.

The appellate court held that Cole does not need to articulate a causal connection between the alleged 'dangerous condition' and the actions of the drunk driver who directly caused the injury.¹ This decision increases litigation costs and liability exposure for all public entities. For this reason, the ABAG PLAN Program is negatively impacted by the decision.

The Cole decision is also in conflict with precedent in other California appellate districts. This conflict makes the decision ripe for review by the California Supreme Court and an appeal has been filed. If the Supreme Court decides to hear the appeal, the office of the County Counsel for San Diego County is prepared to draft an *amicus curiae* brief. The League of California Cities (LCC) and the California State Association of Counties (CSAC) have already decided to join the County of San Diego on the *amicus curiae* brief. The Town has requested that ABAG join in the *amicus curiae* brief. The ABAG staff that serves the program and I concur and proposes that we do so citing our role in the ABAG PLAN Program.

AGENDA ITEM 6

¹ In order to align its decision with precedent, the appellate court also held that a causal connection between the alleged 'dangerous condition' and the third party that is the direct cause of the injury if that third party was engaged in 'violent conduct'.

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

ASSOCIATION OF BAY AREA GOVERNMENTS

Celebrating 50 Years of Service to the Region



To: Finance & Personnel Committee
Fr: Kenneth K. Moy, Legal Counsel
Dt: July 9, 2012
Re: Legal Counsel - Performance Evaluation, FY 2012-13

For my performance evaluation, I intend to continue to follow the process in place for the past five years. To that end, I propose to send a memorandum describing accomplishments since my last review and proposing goals for FY 2012-13 to all committee members by August 31, 2012.

The committee's consideration of the memorandum and evaluation of my performance will occur at its September 20th meeting.

AGENDA ITEM 8

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

Item 16

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

County of	Representative	Alternate
ALAMEDA	** To Be Appointed	Supervisor Keith Carson
ALAMEDA	** Supervisor Scott Haggerty	Supervisor Nathan Miley
CONTRA COSTA	* Supervisor Candace Andersen	Supervisor Karen Mitchoff
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	** To Be Appointed	Supervisor Eric Mar
SAN FRANCISCO	** Supervisor Carmen Chu	To Be Appointed
SAN FRANCISCO	* Supervisor Malia Cohen	To Be Appointed
SAN MATEO	* Supervisor Rose Jacobs Gibson	To Be Appointed
SAN MATEO	* Supervisor Dave Pine	To Be Appointed
SANTA CLARA	** Supervisor Mike Wasserman	Supervisor George Shirakawa
SANTA CLARA	** Supervisor David Cortese	Supervisor Ken Yeager
SOLANO	* Supervisor Barbara Kondylis	Supervisor Linda Seifert
SONOMA	* Supervisor David Rabbitt	Supervisor Mike McGuire

Cities in the County of	Representative	Alternate
ALAMEDA	* Mayor Mark Green (Union City)	Mayor Michael Sweeney (Hayward)
ALAMEDA	* Mayor Tim Sbranti (Dublin)	To Be Appointed
CONTRA COSTA	** Councilmember Julie Pierce (Clayton)	Councilmember Brandt Andersson (Lafayette)
CONTRA COSTA	** Councilmember Dave Hudson (San Ramon)	Councilmember Ben Johnson (Pittsburg)
MARIN	* Mayor Pro Tem Pat Eklund (Novato)	Vice Mayor Daniel Hillmer (Larkspur)
NAPA	* Mayor Jack Gingles (Calistoga)	Mayor Leon Garcia (American Canyon)
CITY OF SAN FRANCISCO	* Mayor Edwin Lee	Malcolm Yeung, Office of the Mayor
CITY OF SAN FRANCISCO	* Jason Elliott, Dir, Legislative/Government Affairs	Renee Willette, Office of the Mayor
SAN MATEO	** Councilmember A. Sepi Richardson (Brisbane)	Councilmember Pedro Gonzalez (S San Francisco)
SAN MATEO	** Vice Mayor Richard Garbarino (S San Francisco)	Councilmember Nadia Holoher (Millbrae)
SANTA CLARA	* Councilmember Joe Pirzynski (Los Gatos)	Councilmember Gilbert Wong (Cupertino)
SANTA CLARA	* Councilmember Ronit Bryant (Mountain View)	Vice Mayor Greg Scharff (Palo Alto)
SOLANO	** Mayor Harry Price (Fairfield)	Mayor Jack Batchelor (Dixon)
SONOMA	** Councilmember Susan Gorin (Santa Rosa)	Vice Mayor Tiffany Renee (Petaluma)
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 Kansen Chu	Councilmember Nancy Pyle
CITY OF SAN JOSE	* Councilmember Ash Kalra	Mayor Chuck Reed

Advisory Members	Representative	Alternate
RWQCB	Terry Young	To Be Appointed

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

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

METROPOLITAN TRANSPORTATION COMMISSION (MTC)
JOSEPH P. BORT METROCENTER
101 EIGHTH STREET
OAKLAND, CA 94607
TEL (510) 817-5700, FAX (510) 817-5848

Steve Heminger, Executive Director
Ann Flemer, Deputy Executive Director, Policy
Andrew Fremier, Deputy Executive Director, Operations

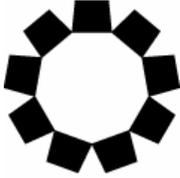
COMMISSIONER

SCOTT HAGGERTY
TOM BATES
MARK GREEN
FEDERAL D. GLOVER
AMY REIN WORTH (**Vice-Chair**)
STEVE KINSEY
BILL DODD
SCOTT WIENER
DAVID CAMPOS
KEVIN MULLIN
ADRIENNE J. TISSIER (**Chair**)
DAVE CORTESE
SAM LICCARDO
JAMES P. SPERING
JAKE MACKENZIE
ANNE HALSTED
BIJAN SARTIPI*
TOM AZUMBRADO*
DORENE M. GIACOPINI*

REPRESENTING

Alameda County
Alameda County-Cities
Association of Bay Area Governments
Contra Costa County
Contra Costa County-Cities
Marin County & Cities
Napa County & Cities
San Francisco Mayor's Appointee
San Francisco County & City
San Mateo County-Cities
San Mateo County
Santa Clara County
Santa Clara County Cities
Solano County & Cities
Sonoma County & Cities
San Francisco BCDC
Caltrans
US Dept. of Housing and Urban Development
US Dept. of Transportation

*Non-voting Member



ABAG

Meeting Schedule 2012

Executive Board Meetings

January 19

March 15

May 17—Oakland Marriott City Center

July 19—Oakland Scottish Rite Center

September 20

November 15

START TIME

7:00 PM

LOCATION

Joseph P. Bort MetroCenter Auditorium

101 8th Street

Oakland, California 94607

Across from the Lake Merritt BART Station

Spring General Assembly

April 19

Oakland Marriott City Center

Fall General Assembly

October 18

Location TBD