

A G E N D A

ABAG EXECUTIVE BOARD MEETING NO. 381

Thursday, July 21, 2011, 7:00 PM

METROCENTER AUDITORIUM

101 8th Street (at Oak Street)

Oakland, California

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

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

1. CALL TO ORDER

2. CONSENT CALENDAR

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

A. Approval of Executive Board Summary Minutes**

Summary Minutes of Meeting No. 380 held on May 19, 2011.

B. Grant Applications**

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

C. Appointments to Committees

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

Legislation and Governmental Organization Committee

To Be Announced

D. Adoption of Resolution No. 10-11 Authorizing Submittal of Grant Application and Entering into Contract with Metropolitan Transportation Commission for Bridge Toll Funds to Support San Francisco Bay Trail Project**

ABAG Bay Trail Staff requests Executive Board adoption of Resolution No. 10-11 authorizing ABAG to submit a grant application for Two Percent Bridge Toll Reserve Funds and Five Percent Unrestricted State Funds and enter into

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

contract with MTC for program and capital support of the San Francisco Bay Trail.

E. Adoption of Resolution No. 11-11 Authorizing Submittal of an Urban Greening Planning Grant from the Strategic Growth Council to Develop a Bay Trail Greening Plan and if funded for the Executive Director or designee to enter into Agreement**

ABAG Bay Trail staff requests Executive Board adoption of Resolution No. 11-11 to submit an application to the Strategic Growth Council for the Bay Trail Greening Plan and authorization for the Executive Director or designee to enter into agreement if funded.

F. Authorization to Enter into Contract with United States Geological Survey (USGS) to Provide Support for Bay-Delta Science Program Biennial Science Conference**

Authorization is requested for the Executive Director or designee to enter into a new one-year contract on behalf of the ABAG San Francisco Estuary Partnership with the USGS for support services on the 2012 Bay-Delta Science Conference. The contract amount will not exceed \$180,000.

G. Ratification of Agreement with San Francisco Port Authority to Provide Support for Permit Review for 34th America's Cup Races**

Ratification of an agreement with the San Francisco Port Authority to accept \$153,139 to cover staff services to provide technical support pertaining to required permits and agency coordination for the 34th America's Cup Races. The term of the agreement is from July 1, 2011 through June 30, 2012. No ABAG match is required. The work assists with implementation of the CCMP for the San Francisco Estuary.

H. Authorization for San Francisco Estuary Partnership/ABAG to serve as Contract Manager/Fiscal Agent for Bay Protection and Behavior Change Campaign and Procure and Manage Consultant to Develop Brand**

Authorization is requested to authorize ABAG's San Francisco Estuary Partnership to act as contract manager/fiscal agent for the new coalition called the Bay Protection and Behavior Change Campaign, to procure through competitive bid and manage a contract consultant to develop a unified, regional brand identity for the Bay Protection and Behavior Change effort. The initial contract range would be approximately \$35,000-\$55,000 and would begin in late 2011 and be completed during 2012.

I. Adoption of Resolution 12-11 Authorizing ABAG's San Francisco Estuary Partnership (ABAG/SFEP) to Enter into Contract Amendment with Delta Stewardship Council to Provide Support for Delta Science Program (DSP)**

Authorization is requested for the Executive Director or designee to enter into contract amendment on behalf of ABAG/SFEP with the Delta Stewardship Council to continue providing support for the Delta Science Program. The Contract amount will not exceed \$1,049,258.

3. STATUS REPORT ON STRATEGIC PLANNING FOR JOINT REGIONAL AGENCY CO-LOCATION FACILITY**

Information: The Executive Board will receive a joint agency staff report regarding the acquisition of a condominium interest in 390 Main Street, San Francisco which is the location for the regional government facility to be jointly occupied by Bay Area Toll Authority, Metropolitan Transportation Commission, the Bay Area Quality Management District and ABAG.

4. CLOSED SESSION

The ABAG Executive Board will meet in closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss the acquisition of real property:

Negotiating Parties:

For ABAG: ABAG

ABAG Negotiators: Ezra Rapport, Executive Director; Patricia Jones, Assistant Executive Director; Kenneth Moy, Legal Counsel; Herbert Pike, Finance Director

For BATA and MTC: BATA, MTC and CBRE

BATA and MTC: Steve Heminger, Executive Director; Brian Mayhew, Chief Financial Officer; and Darin R. Bosch, CBRE Senior Vice President

Under Negotiation: Price and Terms.

OPEN SESSION

Information/Action.

Staff must "read" for the record the specific action required to support the Executive Board action.
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5. PUBLIC COMMENT

6. ANNOUNCEMENTS

7. PRESIDENT'S REPORT

8. EXECUTIVE DIRECTOR'S REPORT**

9. ONE BAY AREA GRANT PROGRAM**

Information: ABAG Planning Director Kenneth Kirkey and MTC Planning Director Doug Kimsey will present a proposal for a One Bay Area Grant Program which would shift additional funding to local governments for projects and planning related to the SCS.

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

10. REGIONAL HOUSING NEED ALLOCATION (RHNA) HOUSING METHODOLOGY CONCEPTS**

ACTION: Miriam Chion, ABAG Principal Planner, will request Executive Board approval of the conceptual framework for the RHNA methodology for the 2015-2022 period that has been developed by ABAG and MTC staff, with the assistance of the SCS Housing Methodology Committee (HMC).

11. PLAN BAY AREA: ALTERNATIVE SCENARIOS**

Information/ACTION: Kenneth Kirkey, ABAG Planning Director, will request Executive Board approval of the Sustainable Communities Strategy (SCS) Alternatives and discuss how social equity will be integrated into each Alternative.

12. PROPOSED BAY AREA REGIONAL DISASTER RESILIENCE ACTION PLAN INITIATIVE**

ACTION: Danielle Hutchings, ABAG Earthquake Program Manager, will brief the Board on a proposed regional disaster resilience action plan initiative and request approval of the initiative and endorsement of the formation of the Disaster Resilience Council comprised of Regional Planning Committee Members and additional stakeholders.

13. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**

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

14. FINANCE & PERSONNEL COMMITTEE REPORT**

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

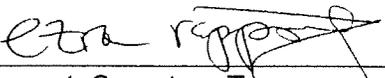
CLOSED SESSION

The following item will be discussed in closed session pursuant to the requirements of the Ralph M. Brown Act:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(b)(1): One item

15. ADJOURNMENT



Ezra Rapport, Secretary-Treasurer

ABAG CALENDAR – July & August 2011

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

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

JULY

Regional Advisory Working Group

7/5 @ 9:30 am, MetroCenter, Auditorium

Urban Pesticides Committee

7/19 @ 9:00 am, MetroCenter, Room 171

Legislation & Governmental Organization

7/21 @ 3:30 pm, MetroCenter, ABAG Conference Room B

Finance & Personnel Committee

7/21 @ 5:00 pm, MetroCenter, ABAG Conference Room B

EXECUTIVE BOARD

7/21 @ 7:00 pm, MetroCenter, Auditorium

San Francisco Restoration Authority Governing Board

7/27 @ 12:00 Noon, MetroCenter, Room 171

AUGUST

Regional Advisory Working Group

8/2 @ 9:30 am, MetroCenter, Auditorium.

Regional Planning Committee (RPC)

8/3 @ 1:00 p.m., MetroCenter, Auditorium.

Bay Trail Steering Committee

8/11 @ 1:30 pm, MetroCenter, ABAG Conference Room B

ABAG Power Executive Board Meeting

8/17 @ 10:00 am., MetroCenter, Auditorium

** 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.

SUMMARY MINUTES

ABAG Executive Board Meeting
No. 380, May 19, 2011
MetroCenter Auditorium
101 8th Street, Oakland, California

1. CALL TO ORDER

President Green called the meeting to order at approximately 7:24 p.m. He recognized new members Malia Cohen, Supervisor, and Kate Howard, Director of Governmental Relations, both from the City and County of San Francisco.

Representatives and Alternates Present

Supervisor Susan L. Adams
Councilmember Desley Brooks
Councilmember Ronit Bryant
Councilmember David Casas
Councilmember Kansen Chu
Supervisor Malia Cohen
Councilmember Carole Dillon-Knutson
Jason Elliott, Legislative Director
Mayor Jack Gingles
Supervisor John Gioia
Councilmember Susan Gorin
Mayor Mark Green
Supervisor Scott Haggerty
Supervisor Don Horsley
Kate Howard, Government Affairs Director
Supervisor Rose Jacobs Gibson
Councilmember Beverly Johnson
Councilmember Rebecca Kaplan
Supervisor Barbara Kondylis
Supervisor Nadia Lockyer
Councilmember Julie Pierce
Mayor Harry Price
Supervisor David Rabbitt
Councilmember A. Sepi Richardson
Supervisor Gayle B. Uilkema
Mayor Joanne Ward

Representatives Absent

Supervisor John Avalos
Councilmember Jane Brunner
Supervisor David Cortese
Vice Mayor Richard Garbarino
Councilmember Ash Kalra
Councilmember Sam Liccardo
Supervisor Mark Luce
Supervisor Ross Mirkarimi
Supervisor Ken Yeager
Vice Chair Terry Young

Jurisdiction

County of Marin
City of Oakland
City of Mountain View
City of Los Altos
City of San Jose
County of San Francisco
City of Novato
City of San Francisco
City of Calistoga
County of Contra Costa
City of Santa Rosa
City of Union City
County of Alameda
County of San Mateo
City of San Francisco
County of San Mateo
City of Alameda
City of Oakland
County of Solano
County of Alameda
City of Clayton
City of Fairfield
County of Sonoma
City of Brisbane
County of Contra Costa
City of Hercules

Jurisdiction

County of San Francisco
City of Oakland
County of Santa Clara
City of South San Francisco
City of San Jose
City of San Jose
County of Napa
County of San Francisco
County of Santa Clara
RWQCB

2. PUBLIC COMMENT

The 22nd Annual Golf Outing is on July 15th at the Monarch Bay Golf Club in San Leandro.

There were no other public comments.

3. ANNOUNCEMENTS

There were no other announcements.

4. PRESIDENT'S REPORT

President Green reported on the following:

Since the last meeting the 50th Anniversary General Assembly was held. During the General Assembly luncheon awards were presented to the 2011 Growing Smarter Together Award recipients. Winning entries were received from the City of Oakland Housing Authority, the Alameda County Flood Control and Water District and San Mateo City and County Association of Governments. Alameda County Supervisor Scott Haggerty was the recipient of the Distinguished Leadership Award. Available on the ABAG website is a video of the outstanding award winning work of our communities as well as the distinguished leadership award recipient. He encouraged members to consider nominating projects from their communities in 2012.

During the General Assembly, California State Librarian Emeritus Kevin Starr and futurist Paul Saffo were featured speakers. President Green thanked Supervisor Dave Cortese for moderating a panel by San Francisco Mayor Edwin Lee, San Jose Mayor Chuck Reed, Oakland Mayor Jean Quan, and Redwood City Councilmember Barbara Pierce.

During the Business Meeting, the Annual Budget and Work Program were approved.

The Fall General Assembly is on October 14th in San Francisco at the St Francis Hotel.

President Green reported that he was appointed to the California Association of Councils of Governments Board by the Metropolitan Transportation Commission and that he attended the Regional Issues Forum along with Supervisor Rose Jacobs Gibson who is the new CALCOG President.

President Green participated in a meeting of about 45 elected officials and staff from cities in southern Alameda County to discuss the Sustainable Communities Planning process. Staff representatives from MTC, ABAG, and the Air District also participated in the meeting.

Berkeley Mayor Tom Bates, one of ABAG's representatives to the Bay Conservation and Development Commission, has selected Richmond Councilmember Tom Butt as his alternate to replace former Hercules Mayor Ed Balico who resigned from office.

5. EXECUTIVE DIRECTOR'S REPORT

Ezra Rapport, Executive Director, reported on the Governor's May Revise of the State budget and noted continuing issues regarding expected revenues and the deficit, and commented on the proposed extension of taxes, enterprise zones, elimination and merging of programs, and redevelopment agencies.

President Green thanked Mr. Rapport for his report.

6. CONSENT CALENDAR

President Green recognized a motion by Jack Gingles, Mayor, City of Calistoga, and seconded by Harry Price, Mayor, City of Fairfield, to approve the Consent Calendar, which includes the appointment of Keith Caldwell, Supervisor, County of Napa, to the San Francisco Bay Restoration Authority's Governing Board, and Laurel Prevetti, Assistant Director, Planning, Building, and Code Enforcement, City of San Jose, and with the exception of Item 6.E., Approval of Resolution No. 07-11. The motion passed unanimously.

A. Approval of Executive Board Summary Minutes**

Approved Summary Minutes of Meeting No. 379 held on March 17, 2011.

B. Grant Applications

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

C. Appointments to Committees

Approved appointments to the following committees:

San Francisco Bay Restoration Authority Governing Board

Keith Caldwell, Supervisor, County of Napa

Regional Planning Committee

Laurel Prevetti, Assistant Director, Planning, Building and Code Enforcement, City of San Jose

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. 07-11 in Appreciation of Service to the Joint Policy Committee and ABAG**

Approved Resolution No. 07-11 in a separate motion.

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

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

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

Authorized application for a grant and if funded to accept funding from the

State Water Resources Control Board State Revolving Fund for the DAC Trash Demonstration Project.

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

Authorized application by SFEP for funds under the National Estuary Program and authorize the Executive Director or designee to enter into a new cooperative agreement with EPA on behalf of the San Francisco Estuary Partnership to provide technical, public involvement and administrative support in implementing the Comprehensive Conservation and Management Plan (CCMP). The agreement is for \$598,800 for a period through September 30, 2012.

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

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

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

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

President Green recognized a motion by Scott Haggerty, Supervisor, County of Alameda, and seconded by Julie Pierce, Councilmember, City of Clayton, to adopt Resolution 07-11, in appreciation of Ted Droettboom's service to the Joint Policy Committee and ABAG. The motion passed unanimously.

President Green recognized Ted Droettboom, Program Manager, Joint Policy Committee, and presented him with Resolution 07-11.

7. SUSTAINABLE COMMUNITIES STRATEGY UPDATE**

Kenneth Kirkey, ABAG Planning Director, reported on the status of the Sustainable Communities Strategy and the Initial Vision Scenario. He described regional growth trends, including demographic, housing and employment trends, comparisons to surrounding counties, state and the nation, and housing costs and commutes.

Members discussed multi-family housing, differentiation between rental and ownership, decline in state and national population growth rate, age-related analysis of census data, inter-county commuting and vehicle miles traveled, senior population growth and housing types, and RHNA allocations and Priority Development Areas.

Kirkey then described the Initial Vision Scenario process, reported on outreach made to local jurisdictions, and outlined policy issues. He reported on input received from advisory groups and public workshops, described the Alternative Scenarios

framework and concepts, described transportation policy variables, and summarized the Alternative Scenario timeline.

Members discussed general plans and growth, funding for additional housing, alternative scenario concepts and VMT targets, facilitation of public workshops, growth rate assumptions and growth factor, presentation of information at public meetings, electric vehicle infrastructure, local control, meetings with local officials, jobs and housing balance, affordable senior housing, county analysis of growth of multi-family housing units, and distance and proximity to job centers.

President Green thanked Mr. Kirkey for his report.

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

Kenneth Kirkey, ABAG Planning Director, reported on the Regional Housing Need Allocation Process and the work of the Housing Methodology Committee. He described the proposed allocation approach and its rationale, described the proposed income allocation, and listed pending tasks related to the RHNA methodology concepts and funding support.

President Green thanked Mr. Kirkey for his report.

9. ENERGY UPGRADE CALIFORNIA**

Brian Kirking, ABAG Director of Information Services, and Jerry Lahr, ABAG POWER Program Manager, reported on Energy Upgrade California and ABAG's role. Lahr provided a summary of ABAG POWER, its purpose and membership, reported on the Natural Gas Program, and described the Public Goods Charge Funded Programs, Local Government Partnerships with PG&E, ABAG Green Communities, including GHG Emissions Inventory Assistance and Energy Use Benchmarking, Energy Upgrade California, and the Better Buildings Program. Kirking described ABAG's oversight and fiscal agent role in Energy Upgrade California and the program's regional call center and website, which are administered by ABAG.

President thanked Msrs. Kirking and Lahr for their report.

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

Justin Fried, ABAG Regional Planner, presented the recommendation for designation of the El Camino Real Focus Area and the Santa Clara Station Focus Area as planned and potential PDAs in the City of Santa Clara.

President Green recognized a motion by Ronit Bryant, Councilmember, City of Mountain View, which was seconded by Barbara Kondylis, Supervisor, County of Solano, to approve the designation of planned and potential PDAs in the City of Santa Clara. The motion passed unanimously.

President Green thanked Mr. Fried for his report.

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

Members heard the report on Item 11 after Item 13.

Rapport provided an overview of the strategic Facilities planning for a joint regional agency co-location facility for ABAG, the Metropolitan Transportation Commission and the Bay Area Air Quality Management District. He noted that in the closed session, CBRE will report on their findings and short list recommendations, and, upon authorization to proceed, will commence real estate negotiations with one or more of proposed properties resulting in a non-binding letter of intent. He listed the five addresses of the potential locations.

President thanked Mr. Rapport for his report.

12. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**

President Green recognized Committee Vice Chair Carole Dillon Knutsen, Councilmember, City of Novato, who reported on committee activities, including approval of minutes of March 17, 2011; review of legislation, including AB 392 (Alejo), Ralph M. Brown Act: oppose; AB 485 (Ma), Infrastructure Financing: support; AB 506 (Wieckowski), Local Government: Bankruptcy—Mediation: oppose; AB 710 (Skinner), Local Planning: Infill and Transit-oriented Development: oppose; AB 880 (Perez), Environmental Quality: CEQA—Expedited Environmental Review: watch; AB 913 (Feuer), Certified Green Business Program: support; AB 1103 (Huffman), Land Use: Housing Element: support; AB 1112 (Huffman), Oil Spill Prevention and Administration Fee: support; AB 1220 (Alejo), Land Use and Planning: Cause of Actions—Time Limitations: oppose; AB 1430 (Commission on Local Government), Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Omnibus Bill: support; SB 184 (Leno), Land Use: Zoning Regulations: support; SB 286 (Wright), Redevelopment: oppose; SB 419 (Simitian), Solid Waste: Home Generated Sharps: support; SB 515 (Corbett), Recycling: Product Stewardship—Batteries: support; SB 555 (Hancock), Local Government: Community Facilities Districts: support; SB 582 (Emmerson), Regional Commute Benefit Policies: support; SB 653 (Steinberg), Local Taxation: Counties—School Districts—General Authorization: watch; SB 790 (Leno), Electricity: Community Choice Aggregation: support; and discussion regarding naming of the Bay Trail. The committee heard from Bruce Beyart, Trails for Richmond Action Committee, about the completion of 30 miles of Bay Trail, and from Sandra Threlfel, Executive Director, Waterfront Action, on a guide to Oakland-Alameda Waterfront Parks, Trails and Public Access.

Members discussed positions taken on SB 582, SB 286, and SB 653.

President Green recognized Dave Hudson, Councilmember, City of San Ramon, who spoke in opposition to AB 710.

President Green recognized a motion by Vice Chair Dillon Knutsen, which was seconded by Malia Cohen, Supervisor, City and County of San Francisco, to approve the committee report. The motion passed with the following exceptions: AB 710, Green and Gioia, support; AB 392, Kondylis, support; AB 653, Kaplan, support; SB 286, Gioia, no position.

President Green thanked Vice Chair Dillon Knutsen for her report.

13. FINANCE & PERSONNEL COMMITTEE REPORT**

President Green recognized Chair Rose Jacobs Gibson, Supervisor, County of San Mateo, who reported on committee activities, including approval of minutes of

March 17, 2011; review of financial reports for February and March 2011; discussion of payment of per diems to invited board members; report on ABAG fund balance and proposed reserve policies; report on the proposed regional facility; and discussion of a personnel matter in closed session.

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

President Green thanked Chair Jacobs Gibson for her report.

Members heard the report on Item 11.

The Board entered closed session at 9:08 PM.

14. CLOSED SESSION
Regional Co-location Facility

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

Negotiating Parties:

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

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

Potential Addresses; owned by the corresponding parties as listed:

1945 Broadway Street, Oakland CA: Sears Development Company, to be developed with Phelps Development and SUDA (Owner)

1221 Broadway Street, Oakland CA: The Clorox Company (Owner)

1100 Broadway Street, Oakland CA: SKS Investments, LLC (Owner)

875 Stevenson Street, San Francisco CA: Shorestein Realty Services, LP (Owner)

390 Main Street, San Francisco, CA: Angelo, Gordon & Co., L.P. Amerimar Enterprises, Inc and Barnes RHPO Partners, LLC (Joint Venture)

Under Negotiation:

Price and Terms

The Board re-entered open session at 9:27 PM.

15. ADJOURNMENT

The meeting was adjourned at approximately 9:27 p.m.

A handwritten signature in black ink, appearing to read "Ezra Rapport". The signature is stylized and somewhat cursive.

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.

**Association of Bay Area Governments
Executive Board**

Project Review

.1 Federal Grant Applications Being Transmitted to the State Clearinghouse

Alameda County

Applicant: Port of Oakland
Program: Federal Aviation Administration
Project: Airport Improvement Project
Description: Aircraft Rescue and Firefighting (ARFF) Vehicle Replacement, South Field, OAK
Cost: Total \$885,000.00 Federal \$713,222.00 State:
Applicant \$171,778.00 Local
Other
Contact: Christina Lee (510) 627-1510
ABAG Clearinghouse Numbe 15312

MEMO

Submitted by: Laura Thompson, Bay Trail Project Manager

Subject: Adoption of resolution 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

Date: July 8, 2011

Executive Summary

On June 22, 2011, MTC adopted revised programming and allocation policies for the Two Percent Bridge Toll Reserve Funds and Five Percent Unrestricted State Funds. These funds are allocated to projects which are designed to reduce vehicular traffic congestion -- such as the San Francisco Bay Trail, a visionary plan for a shared-use bicycle and pedestrian path that will one day allow 500 miles of continuous travel around San Francisco Bay. Resolution No. 4015 establishes annual program management and capital support for ABAG's Bay Trail Project by identifying Bridge Toll funds for this purpose. State funds from the Coastal Conservancy currently used to finance the operation and completion of the Bay Trail have been expended. Bridge Toll Funds will provide a new stable annual funding source for program management and capital support to complete the remaining 190 miles of planned Bay Trail.

A grant application to the Metropolitan Transportation Commission will be submitted with the attached resolution requesting \$702,500 in Bridge Toll Funds.

Recommended Action

Bay Trail staff requests the Executive Board adopt the attached resolution authorizing ABAG to submit a grant application for Two Percent Bridge Toll Reserve Funds and Five Percent Unrestricted State Funds and enter into contract with the Metropolitan Transportation Commission.

Next Steps

Enter into contract with MTC for program and capital support of the San Francisco Bay Trail Project.

Attachment

Resolution

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 10-11

**AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE METROPOLITAN
TRANSPORTATION COMMISSION FOR FISCAL YEAR 2011/2012 TWO PERCENT
BRIDGE TOLL RESERVE FUNDS AND FIVE PERCENT UNRESTRICTED STATE
FUNDS AND TO ENTER INTO AN AGREEMENT FOR PROGRAM AND CAPITAL
SUPPORT OF THE BAY TRAIL**

WHEREAS, the San Francisco Bay Trail, administered by ABAG, is a visionary plan for a shared-use bicycle and pedestrian path that will one day allow continuous travel around San Francisco Bay extending over 500 miles to link the shoreline of nine counties, passing through 47 cities and crossing seven toll bridges as a transportation alternative to motor vehicles; and

WHEREAS, pursuant to Streets and Highways Code Section 30913(b), MTC has allocated two-thirds of the Two Percent Bridge Toll Reserve Funds of the Regional Measure 1 (RM1) toll increase to projects which are designed to reduce vehicular traffic congestion and improve bridge operations on any bridge, including, but not limited to, bicycle facilities; and

WHEREAS, the Five Percent Unrestricted State Funds are to be programmed and allocated for ferry transit and bicycle-related planning and ABAG's Bay Trail Project is identified as the sole priority for the Five Percent Unrestricted State Funds for bicycle planning; and

WHEREAS, ABAG's Bay Trail Project has received annual allocations from the Five Percent Unrestricted State Funds since the early 1990s and is an eligible recipient of the Two Percent Bridge Toll Reserve Funds; and

WHEREAS, MTC sets forth in adopted Resolution No. 4015 annual funding allocations for ABAG's Bay Trail Project from the Two Percent Bridge Toll Reserve Funds (\$252,500) and the Five Percent Unrestricted State Funds (\$450,000); and

WHEREAS, staff has identified a need for program and capital support for projects necessary to complete the remaining 190 miles of Bay Trail.

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 10-11**

NOW, THEREFORE, BE IT RESOLVED, that Executive Board of the Association of Bay Area Governments approves the application for funding assistance and authorizes its Executive Director, or his/her designee, to execute and submit allocation requests to MTC for FY 2011/2012 Two Percent Bridge Toll Reserves Funds and Five Percent Unrestricted State Funds and to enter into all agreements necessary to secure these funds.

The foregoing adopted by the Executive Board this 21st day of July, 2011.

Mark Green
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 21st day of July, 2011.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel



MEMO

Submitted by: Laura Thompson, Bay Trail Project Manager

Subject: Authorization to apply for and accept an Urban Greening Planning grant from the Strategic Growth Council to develop a Bay Trail Greening Plan

Date: July 8, 2011

Executive Summary

In this project, ABAG will coordinate with partners around the region to develop a greening plan for the Bay Trail. The plan will be developed by staff from San Francisco Estuary Partnership, the San Francisco Bay Trail Project, the Bay-Friendly Landscaping and Gardening Coalition, the Bay Conservation and Development Commission, StopWaste.org, and a consultant team (TBD).

The Bay Trail Greening Plan will promote sustainable practices in the planning and implementation of Bay Trail segments. An additional 200 miles of Bay Trail gaps need to be filled in the upcoming years. The plan will promote stormwater pollution prevention practices, Integrated Pest Management, water conservation strategies, waste minimization, etc. optimizing the health of the humans, flora and fauna along the bayshore. These environmental benefits will be particularly meaningful for disadvantaged communities who may lack access to the recreational and health benefits provided by the Bay Trail. Additionally, as Bay Trail segment builders gain experience with Bay-Friendly Landscaping, they will find inspiration to implement these practices elsewhere in their communities and home gardens, further reducing greenhouse gas emissions, protecting the bay from contamination, and making wise use of our limited water resources.

The total amount of state funding requested under this grant application is \$250,000. An additional \$143,000 in project leveraging will be met by project partners. The application was submitted to the Strategic Growth Council in June 2011 and the expected award would be in January 2012.

Recommended Action

The Board is requested to authorize the application to the Strategic Growth Council for the Bay Trail Greening Plan by approving the attached resolution. Should ABAG receive the grant, approval for the Executive Director or designee to sign the agreement is requested.

Next Steps

Submit adopted resolution to the Strategic Growth Council.

Attachment

Resolution

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 11-11

AUTHORIZING THE ASSOCIATION OF BAY AREA GOVERNMENTS TO APPROVE THE APPLICATION FOR GRANT FUNDS FOR THE URBAN GREENING PLANNING 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(s) by the Applicants governing board before submission of said application(s) to the State; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out development of the Urban Greening Plan;

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

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

1. Approves the filing of an application for Bay Trail Greening Plan; and
2. Certifies that the Applicant understands the assurances and certification in the application, and
3. Certifies that applicant will have sufficient funds to develop the plan; or will secure the resources to do so; and
4. 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
5. 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 development of the aforementioned plan.

The foregoing adopted by the Executive Board this 21st day of July, 2011.

Mark Green
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 21st day of July, 2011.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

MEMO

July 6, 2011

To: ABAG Executive Board

From: Judy Kelly, Director
San Francisco Estuary Project

Re: Authorization to Enter into a Contract with USGS
to Provide Support for the Bay-Delta Science Program Biennial Science Conference

Executive Summary

ABAG/SFEP has historically provided institutional support for multi-agency planning, environmental and scientific projects, estuarine and scientific public education and outreach in regions within the San Francisco Bay-Delta Estuary. This contract continues a longstanding working relationship with the Bay-Delta Science Program (formerly CalFed Science Program) to assist with planning and organization of the 2012 Bay-Delta Science Conference. The purpose of the 2012 Science Conference is to inform agency staff and stakeholders about the newest and latest information from scientific work funded in the Bay-Delta system. The conference will be organized with at least one plenary session and a series of concurrent sessions, each session organized around a specific scientific theme of critical importance to the Bay-Delta.

ABAG/SFEP will work with the Science Program Contract Manager to identify and invite qualified individuals to serve on the coordinating committee for this conference. ABAG staff will provide support for the coordinating committee during planning and implement the committee's overall plan for the conference structure. Activities will include organizing committee meetings and drafting meeting notes, identifying and working with conference chairs, program chairs, and session chairs to select, contact, and confirm presenters for each topic area, and organizing a plenary session. Other tasks include assisting with conference advertisement and registration, conference and facility logistics, poster program organization and setup, catering, staffing, and conference documentation.

The conference supports 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 a new one year contract on behalf of ABAG/SFEP with the USGS for support services on the 2012 Bay-Delta Science Conference. The contract amount will not exceed \$180,000.

Next Steps: Upon receipt of the contract document from USGS, the Executive Director or designee will execute the agreement.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



MEMO

July 8, 2011

To: ABAG Executive Board

From: Judy Kelly, Director
San Francisco Estuary Partnership

Re: Ratification Two Agreements with the San Francisco Port Authority
to Provide Support for Permit Review for the 34th America's Cup Races

Executive Summary

ABAG/SFEP has historically provided institutional support for multi-agency planning, environmental and scientific projects in regions within the San Francisco Bay-Delta Estuary. The City and County of San Francisco is embarking on a program of waterfront facility improvement projects related to the Thirty-fourth America's Cup races (AC34) and the Port requires expedited review and consideration of permits and environmental documents by the Regional Board and BCDC for projects under the AC34. These agreements provide funding to cover two ABAG/San Francisco Estuary Project staff positions at the San Francisco Bay Regional Water Quality Control Board and at BCDC to provide technical support pertaining to these required permits. These activities may include review of applications for new or revised National Pollutant Discharge Elimination System Permits, Waste Discharge Requirements, Water Quality Certifications (401 certifications), and waivers of any permit, certification or action, or other submittals as well as meeting attendance and coordination with all participating agencies.

The two agreements with the San Francisco Port Authority provide \$ 260,340 to cover the above services. The term of the agreements is from July 1, 2011 through June 30, 2012. No ABAG match is required. The work assists with implementation of the CCMP for the San Francisco Estuary.



MEMO

Submitted by: Judy Kelly
Director, San Francisco Estuary Partnership

Subject: Authorization for SFEP/ABAG to serve as contract manager/fiscal agent for the Bay Protection and Behavior Change Campaign and Procure and Manage a Consultant to Develop the Brand

Date: July 6, 2011

Executive Summary

Studies show that the daily activities of Bay Area residents and workers present a top threat to San Francisco Bay water quality and habitats resulting in serious pollution of stormwater and wastewater discharged to the Bay. Bay Area stormwater and wastewater agencies are required to address the impacts of these activities through pollution prevention programming and public outreach, but these efforts have mostly been single-agency focused and short-lived, and have not led to the level of needed regional behavior change.

The San Francisco Estuary Partnership/ABAG is joining a coalition of Bay Area stormwater and wastewater agencies to develop a unified, long-term, and regional Bay protection and behavior change brand to serve as an umbrella for a series of Bay protection sub-campaigns and messages. As envisioned, this brand will help unify regional messages, reduce the cost of permit compliance, and ultimately work in concert with existing efforts to drive behavior change around pollutant issues such as fats, oils, and grease down the sink; pesticides; pet waste, and more. Development of a regional brand will be the first initiative in a potentially decades-long effort of working together regionally on Bay protection and behavior change outreach.

The San Francisco Estuary Partnership/ABAG has been asked to be the initial contract manager/fiscal agent for this regional outreach effort. SFEP's neutrality and ability to leverage grants were cited as basis for SFEP to manage an initial contract for brand development.

SFEP would initially manage approximately \$35,000 to \$55,000 in funds pooled by stormwater and wastewater agencies. SFEP is also planning to directly contribute funding to the effort. (The dollar range above is an initial projection; fundraising is in process.)

Recommended Action

The Board is requested to authorize the San Francisco Estuary Partnership/ABAG to act as contract manager/fiscal agent for the new coalition called the Bay Protection and Behavior Change Campaign, to procure through competitive bid and manage a contract for a consultant to develop a unified, regional brand identity for the Bay Protection and Behavior Change effort. The contract would be for approximately \$35,000 to \$55,000 (initial projection). The contract would begin in late 2011 and the contractor's work would be completed during 2012. There are no external grant funding deadlines to meet for this effort.

Attachments:

Briefing: Proposed Bay Protection and Behavior Change Campaign

MEMO

July 8, 2011

To: ABAG Executive Board

From: Judy Kelly, Director
San Francisco Estuary Partnership (SFEP)

Re: Authorization to Enter into a Contract Amendment with the Delta Stewardship Council
to Provide Support for the Delta Science Program (DSP).

Executive Summary

ABAG/SFEP has historically provided institutional support for multi-agency planning, environmental and scientific projects, estuarine and scientific public education and outreach for efforts related to SFEP CCMP Implementation. SFEP has provided technical, administrative and communication support to the CalFed Program, the CalFed Science Program, and the Delta Science Program through several mutually beneficial contracts since 2001. The Executive Board approved a new contract with the Delta Stewardship Council to fund experts for the Delta Science Program in July 2009 and an amendment for additional support and funds in July of 2010.

This request authorization to sign a contract amendment and provides a resolution to support this contract amendment which adds additional contract funding of \$75,000 raising the overall amount to \$ 1,049,258. ABAG/SFEP retain 15% for contract management and accounting; the balance is contracted to expert scientific advisors, peer reviewers, workshop support, etc. as detailed in the contract and resolution.

Recommended Action:

Authorization is requested for the Executive Director or designee to enter into a contract amendment on behalf of ABAG/SFEP with the Delta Stewardship Council to continue providing support for the Delta Science Program. The contract amount will not exceed \$1,049,258. A proposed resolution approving this contract/amendment is attached.

Next Steps:

SFEP will provide the Resolution approving this contract to the Science Program for addition to their contract package.

Attachment: Draft resolution

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 12-11

**AUTHORIZING THE EXECUTIVE DIRECTOR, OR DESIGNEE, TO ENTER INTO AND
ACCEPT CONTRACT FUNDS FROM THE DELTA STEWARDSHIP COUNCIL
FOR SUPPORT OF THE DELTA SCIENCE PROGRAM**

WHEREAS, the Delta Stewardship Council budget provides resources to support the Delta Science Program; and

WHEREAS, the Association of Bay Area Governments (ABAG)/San Francisco Estuary Partnership (SFEP) is prepared to assist the Delta Stewardship Council through a multi-year contract supporting the Delta Science Program in the following tasks:

1. identify, retain and provide scientific experts for panels, boards, peer review, and other scientific efforts;
2. organize and manage technical and administrative support for expert advisors, panels, boards and researchers;
3. organize and document workshops, meetings, the biennial Science Conference and State of the Estuary Conferences;
4. provide communication support for the Science Program, including writing, editing, graphic design, printing and dissemination of scientific information to multiple audiences through the digital journal and technical papers; and
5. provide organizational and logistical support for the Science Program's proposal solicitation process and peer review.

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

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments authorizes the Executive Director or designee to negotiate and enter into a contract amendment with the Delta Stewardship Council to add \$75,000 to the contract for a total contract amount of \$ 1,049,258 in support of the Science Program.

The foregoing adopted by the Executive Board this 21st day of July, 2011.

Mark Green
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 21st day of July, 2011.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

M E M O

Date: July 11, 2011

To: Executive Board

From: Ezra Rapport
Executive Director

Subject: **ABAG Participation in Potential Regional Co-location Facility**

Attachment: Joint Staff Report—Acquisition of 390 Main Street, San Francisco

ABAG is participating in an important decision regarding the potential relocation of its offices and auditorium at the MetroCenter to a building located at 390 Main Street in San Francisco to potentially share the same facility with the Metropolitan Transportation Commission (MTC), the Bay Area Air Quality Management District (BAAQMD), and possibly the Bay Conservation and Development Commission (BCDC) [see attachment].

ABAG has a long history in Oakland and recently celebrated its 50th anniversary in its place of origin, the Claremont Hotel. Any decision to leave Oakland, even for a good public policy purpose, will naturally be a difficult one. Oakland has served ABAG well, providing a centralized meeting place with excellent regional access both by vehicle and BART. Oakland and Alameda County made it possible for ABAG to finance its current space, which is now fully owned by the agency. ABAG staff is content with the building location and the quality of its space and the agency has been able to recruit well qualified employees to this location without difficulty.

The Case for Co-location

The primary reason to consider relocation to San Francisco is that there is an immediate and short-lived opportunity for MTC/Bay Area Toll Authority (BATA) to finance a transaction whereby three and possibly four regional agencies (MTC, ABAG, BAAQMD, BCDC) can co-locate. This co-location offers the promise of better regional policy integration among the four agencies, who increasingly view their work as inter-related. Co-location offers the potential that the policy work of the four agencies will be better coordinated and leveraged as it will be substantially easier for staff from the different agencies to interact with each other. There may also be additional operating savings if the regional agencies are able to share some facilities, IT infrastructure, and possibly some human resources.



ABAG has a critical adjacency with MTC. Both agencies recognize the inter-related nature of land use planning and transportation infrastructure investment. Staff from both agencies meets literally every day to coordinate a myriad of tasks, especially those related to the Sustainable Communities Strategy (SCS). As many of you know, in most regions across the state and country the agencies equivalent to MTC, as the federally designated Metropolitan Planning Organization (MPO), and ABAG, as the federally designated Council of Governments (COG), are administered by a single Board and Executive Director. In the Bay Area, home to 109 jurisdictions with land use authority and about 500 special districts which impact regional planning, the merits of consolidating MTC and ABAG under one administrative authority have been fiercely debated, with the latest conclusion in 2002 to keep the Boards independent but maximize functional consolidation of key planning efforts. This approach has been successful, in my opinion, and should continue to evolve over time.

Progress on the integration of land use and transportation planning requires that ABAG staff be co-located in the same building. Should MTC move to a new facility and ABAG stay behind in its current space, this adjacency would be lost and it would interrupt the progress made to date with respect to integrating land use and transportation planning.

ABAG Adjacency with BAAQMD and BCDC

ABAG can see the benefits of co-locating with these two regulatory agencies, although we would not describe this adjacency as critical. Both BAAQMD and BCDC have recently launched policy initiatives that directly impact land use, and there will need to be much more discussion with these agencies about how those policies will impact the SCS. In addition, the Joint Policy Committee has articulated a desire to encourage additional economic and climate related policy initiatives, and ABAG will be participating substantively with the other agencies in the development of related programs. While these discussions could take place in meetings without co-locating, we believe the proximity of the agencies will be a benefit in facilitating mutual understanding and resolution of issues as they arise.

Why Oakland Failed to Emerge as a Viable Option

Two of the agencies are currently located in Oakland, and two are in San Francisco. To co-locate, two agencies would have to move. Nevertheless, at the beginning of the search process, the goal was to present a viable option in each city for discussion. As the process unfolded, that goal was not attainable. The reason that only relocating to San Francisco is under consideration stems from the criteria that MTC/BATA ("MTC") is using to finance the purchase of the building. ABAG is not being asked to co-sign or participate in the financing in any manner. The agreement between ABAG and MTC is covered below. The building co-location proposal could not work without MTC financing, but that financing has unique conditions. One of the aspects of the MTC financing that has emerged is that new construction or major rehabilitation of a building in Oakland would not meet the financing criteria. MTC needs to purchase space not only

for the agencies, but additional space that will generate positive income from third party rentals. This additional leased space facilitates the entire transaction. Given the cost of construction of new space, the rental value of newly constructed excess space in Oakland would not yield the required returns in the current market place. The San Francisco property at 390 Main meets the criteria. There are no known existing buildings in Oakland that are available for sale that can meet the above criteria, although there is one building that has been explored, the Clorox Building, which could potentially meet it. The challenge with working out a proposal with Clorox is that it will take at a minimum several additional months to establish if (a) Clorox will entertain a proposal to sell its building, and (b) if the proposal would be acceptable to the regional agencies. Clorox, as a publicly owned company, will have to go through a typical corporate process for the negotiation of a purchase or partial purchase of their building. To date they have only offered leased space, which falls short of the required square footage for the three agencies by approximately 5,000 sq. ft.

MTC Financing of ABAG's Proposed New Space

ABAG does not have sufficient financing capacity to pay for relocation to new space. ABAG staff and programs, with the exception of the Estuary Partnership which is located in the Elihu Harris State Building in downtown Oakland and is hosted by the Regional Water Quality Control Board, are located in the 101 8th street building.

MTC staff, recognizing that ABAG has no funding capacity to support relocation, has proposed that they will use available funding under its control to make ABAG whole with respect to any costs associated with the proposed move, including moving costs, furniture and equipment, and tenant improvements. MTC has offered ABAG a condominium or other interest in the new building equivalent to the interest ABAG has in 101 8th street in exchange for the ownership rights that ABAG holds in 101 8th Street. Given these commitments, ABAG staff believes that a satisfactory agreement concerning financing is attainable.

Remaining Concerns

With the financial impacts of relocation on ABAG fully mitigated by MTC, ABAG's primary concern regarding the move is removed. However, there are other concerns that have been raised by elected officials and staff with respect to the proposed relocation.

1. Executive Board member travel in and out of San Francisco to attend Board meetings.

Some ABAG Board members have expressed concerns that traveling to 390 Main may consume too much time and will discourage attendance at ABAG Board meetings. To achieve a quorum, the ABAG Board meetings must begin with 18 members. For some members, particularly those who travel by car for night meetings, contending with traffic in and out of San Francisco may be time

prohibitive. Taking BART to the 390 Main location will require a 12-15 minute walk from the Embarcadero station, which is a full half mile walk to the building. At our current location, BART is across the street. Since the main purpose of ABAG is to encourage dialogue among members regarding matters of regional interest, any impediment to attendance at meetings is a concern.

2. ABAG employees live predominantly in the East Bay.

While it would be expected that ABAG employees will take BART and/or other public transportation to 390 Main, some occasionally drive when they need to make “linked trips” after work, for child care or other purposes. This option will be much more difficult in San Francisco, where parking expenses are prohibitive. Retaining existing employees is far more preferable and efficient than recruiting new ones, and we are concerned that ABAG may be a less attractive employer for some of our existing employees. We are undertaking an employee survey, and the results should be available for the Board meeting.

3. The decision to purchase the building must be made in a compressed time frame.

According to CBRE real estate consultants for this project, the availability timeframe of the 390 Main building for sale to the regional agencies is limited, requiring a decision regarding purchase by the end of July or it is highly likely that the building will be put back on the open market and sold to another group. The San Francisco commercial market in this neighborhood is presently very active and there are no other buildings remaining that contain this volume of space and meet other co-location criteria. The need to make a decision under this time frame has eliminated the further exploration of alternative options, such as the Clorox Building in Oakland, as well as the development of other informational reports requiring more extensive analysis. While regrettable, we agree that the time pressure to make a decision is being dictated by the market, and any delay in making a decision to purchase 390 Main is likely to result in losing the opportunity to close the transaction at the proposed price.

4. ABAG member reaction to ABAG relocation to San Francisco.

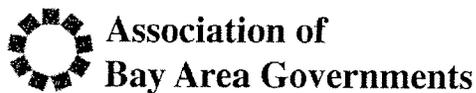
We have received numerous letters of support for both relocation to San Francisco and remaining in Oakland. While a move from Oakland will not be well received by many, the Board will need to weigh the merits of the geographical accessibility to our member jurisdictions with the advantages of regional agency co-location. Expressions of concern about the relocation to San Francisco have been received from several east bay jurisdictions, organizations, and legislators.

Recommended Board Action

The decision to co-locate regional agencies in a single facility is a very attractive proposal that could serve the public interest well. The sequence of decision making has BAAQMD voting first on July 18. ABAG is slated to vote on July 21, and MTC will vote on July 27.

In my opinion, it is important for ABAG to express its concerns and/or support for the recommended option to MTC prior to their vote on July 27. It is presumed that MTC Commissioners will want to know the views of ABAG prior to their taking a vote.

A decision regarding the proposed partnership between agencies in co-located space is best if done collaboratively and not sequentially. In my view, the MTC Commission and ABAG Executive Board should inform each other of their enthusiasm or concerns regarding the proposal prior to voting. This could occur if the ABAG Executive Board defers an official Yes or No vote, but provides a motion to express the “sense of the Board” on the proposal and delegates to either the members of the ABAG Executive Board who sit on the MTC Commission or the Administrative Committee to express the views of the ABAG Executive Board directly to the Commission in open session prior to the Commission taking a vote on the proposal. MTC would then have the information related to the position of the majority of the ABAG Board, and could vote with that knowledge. At a subsequent special meeting, the ABAG Board could then vote officially on the subject or delegate the vote on the matter to the Administrative Committee.



July 11, 2011

Joint Staff Report - Regional Government Co-location Facility

The Bay Area Quality Management District (Air District), the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) have completed the process for identifying a property to co-locate as a regional headquarters building, subject to board approval by the three agencies. After a review of competitive real estate options in the Oakland and San Francisco markets, financial and due diligence work, and real estate negotiations, staff has identified 390 Main Street in San Francisco as the only viable option that meets all of the major parameters established by the three agencies as described in this report.

The proposed terms and conditions for the acquisition and of respective interest in 390 Main Street will be discussed in Closed Session for consideration by the Air District (July 18th), ABAG (July 21st) and MTC (July 27th).

Strategic Plan Development Process

For the past two years, the Air District, ABAG and the MTC staffs have been working together on a strategy to co-locate into a regional government headquarters. The Air District began evaluating options to rehabilitate or replace their existing headquarters, which is 44 years old, requires a substantial investment for deferred maintenance cost, and lacks additional space for staff growth. In comparison, the MetroCenter building, which is 30 years old, has limited capacity for further growth and would require MTC to fragment its occupancy into multiple sites in order to accommodate that growth.

In July 2009, the Air District's Executive Committee directed staff to explore co-location option opportunities with MTC, ABAG and other public agencies. In September 2009, the MTC Administration Committee and the ABAG Finance and Personnel Committee authorized their respective staff to participate in the project.

Sharing a common goal and taking a regional approach, the three agencies commenced development of a joint facility strategy with the following objectives:

- Provide for greater building efficiencies,
- Lessen environmental impact through energy efficiency and sustainability,
- Reduce costs through interagency sharing of resources; and
- Improve inter-agency cooperation and initiatives through co-location.

As the lead agency, in June 2010 the Air District awarded a contract to CB Richard Ellis (CBRE) to provide real estate advisory services to the agencies. CBRE's work included an analysis of each agency's existing facilities, operational requirements, sustainability and environmental objectives, and financial objectives. At a meeting in October 2010, the results of their findings and recommendations were presented to a joint agency ad hoc committee, consisting of each agency's Chair, Vice-Chair and Executive Director. The committee referred the recommendation to each agency's governing board for action. In November/December 2010, each board authorized their staff to proceed with the next phase of selecting a broker to identify viable real estate options in both the Oakland and San Francisco markets. It was also agreed that MTC would be the lead agency for this next phase.

Real Estate Strategy and Negotiations

After a competitive procurement process, the MTC governing board authorized staff to negotiate and enter into a contract with CBRE for real estate brokerage services. On March 14, 2011, CBRE widely distributed a Request for Proposal (RFP) to owners, developers, brokerage firms and other interested parties to identify proposed properties in Oakland or San Francisco that met criteria from both an occupancy and financing perspective as described in Attachment A.

CBRE analyzed eleven (11) responses containing twelve (12) proposals, and presented their findings and recommendations in closed session to each agency's governing board for consideration. In May 2011, each agency governing board authorized their staff to proceed with real estate negotiations with five (5) short-listed properties. Further discussions and due diligence work has been completed with a determination that four (4) of the short-listed properties all suffered one or more "fatal flaws" that prevented their selection as the recommended location. The results of this due diligence are summarized in Attachment B.

As a matter of due diligence, staff and CBRE team members met with the economic development teams from both cities to identify viable real estate options. Throughout the process, each agency received numerous letters of support and communications from the Mayors of Oakland and San Francisco and other interested parties. Finally, the Executive Directors met with Mayor Lee and Mayor Quan in separate meetings in June 2011 to discuss the real estate options in their respective cities.

Co-location Benefits

The co-location of the three regional agencies encourages further integration of regional planning efforts currently under the umbrella of One Bay Area. The San Francisco Bay Area Conservation and Development Commission – the fourth regional agency - has indicated interest in relocating into the building as a tenant once their existing lease expires.

This strategy also allows each agency to potentially achieve operational efficiencies through the sharing of resources and equipment (mail rooms, general services, shipping/receiving, telephone equipment, etc), and common space (board rooms and public meeting facilities, library, training center) and co-locating similar agency functions.

390 Main Street

390 Main Street in San Francisco helps the agencies achieve the goals established in the Strategic Facilities Planning Project by offering the opportunity for all three agencies to meet their missions of promoting well-located, energy efficient work places located near transit hubs. Other advantages of the property are:

- It offers the opportunity for the re-use of an existing, well-built building and includes adequate space for both agency and commercial tenants.
- It is available immediately for purchase at an affordable price.
- It is located in the center of a transit community and adjacent to the temporary Transbay Terminal, increasing transit options for employees, board members and the visiting public. It is also situated convenient to freeway access.
- It is situated near retail, dining, and a multitude of entertainment, sports and cultural amenities.
- It allows the agencies to reduce their carbon footprint in the aggregate through the sharing of resources and the use of more energy-efficient building systems.
- It promotes inter-agency collaboration through the adjacencies of all three agencies.

Especially for the employees of MTC and ABAG, one disadvantage to relocating to 390 Main Street is its distance to BART (within ½ mile) in comparison to the MetroCenter (on top of Lake Merritt Station). However, the commute analysis shows that even though 60% of the employees for the three regional agencies combined live in the East Bay, the 390 Main Street location will result in 60% of all employees having either the same or shorter commute time due to excellent transit access in downtown San Francisco. The Agencies commit to working with their respective employees to develop a commute plan to ensure an easier transition.

Attachments

Attachment A
Real Estate Property Criteria

The Request for Proposals issued by CBRE included the following criteria that each property proposal was required to meet:

A. Project Size

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

B. Contiguous Availability

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

C. Occupancy Timelines

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

D. Location

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

E. Public Meeting Space

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

F. Code Compliance

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

G. LEED

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

H. Purchase Option

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

Attachment B
Short-listed Property Due Diligence

1945 Broadway Street, Oakland, CA

1945 Broadway, owned by Sears Development, which currently houses a Sears retail operation on the bottom two floors. The developer proposed either a tear-down and new construction or a total rehabilitation project. After examination of the viability of the two project structures, it was discovered that as of today, the project has yet to complete either design drawings or environmental reviews. Due to this fact, it is estimated that neither structure could provide a reasonable expectation of completion within our desired timeframe.

1221 Broadway Street, Oakland CA

1221 Broadway currently houses The Clorox Company Headquarters. Clorox initially submitted a proposal indicating their interest in discussing a potential transfer in ownership due to the impending move of a portion of their staff out of Oakland. After further discussions, it was determined by Clorox that they could neither provide the amount of space required by the agencies' requirement nor enter into a purchase and sale agreement at this time.

1100 Broadway Street, Oakland, CA

1100 Broadway is a build-to-suit project offered by SKS that would incorporate the existing Key Systems Building into a brand new Class A tower. After detailed financial analysis, it was determined that the cost to construct the building may exceed the current market for 3rd party rents for some time. This would create an unacceptable cost structure for the agencies' occupancy.

875 Stevenson Street, San Francisco, CA

875 Stevenson, owned by the Shorenstein Company, is one of two buildings in an existing project formerly called Market Center in the Civic Center area of San Francisco. After more closely analyzing the agencies' space requirements and the available space in the building today and in the near future, it became apparent that there was not enough space for 3rd party leasing to subsidize the agencies' costs and maintain acceptable cost levels.

July 8, 2011

M E M O

TO: Executive Board

FROM: Ezra Rapport
Executive Director

SUBJECT: Executive Director's Report

Since my last report the legislature has delivered a budget to the Governor, which he has signed. It is a bare bones budget with severe cuts to education, social services, and local government, including the elimination of redevelopment agencies. While law suits have been filed regarding the legality of this elimination, there is sure to be much anxiety and frustration until the matter is resolved.

Regional Co-location Facility

You will receive a detailed memo from me transmitting the joint agency staff report concerning the regional agency co-location option. We will have a public meeting discussion of the issues related to a potential move and discuss the details of the proposed terms and conditions of financing our condominium share in closed session.

Planners, Elected Officials Invited to State of the Estuary Conference September 20-21, 2011

The Estuary Partnership is holding the 2011 State of the San Francisco Estuary conference at the Oakland Marriott City Center on September 20-21st, with an opening gala at the Aquarium by the Bay on the evening of September 19th. The State of the Estuary Conference provides a biennial assessment of the ecological health of the San Francisco Bay-Delta Estuary. This conference will highlight results from the forthcoming State of the Estuary Report, to be published in September, which will describe the health of our estuary, Delta management and freshwater flows, climate change challenges, and other key issues. The conference is especially relevant for elected officials and agency staff as well as scientists, interested public, non-profits, and students. For updates on the conference, please visit the web site: www.sfestuary.org/soe2011.

Trash Capture Demonstration Project Prepares Next Phase: Disadvantaged Communities

The Estuary Partnership's Bay Area-Wide Trash Capture Demonstration Project now has fifty municipal partners under contract to receive approved trash capture devices for their

storm drain systems, free of charge through a \$5 million ARRA grant. Participating towns, cities, and counties order trash capture devices from 12 vendors supplying large (vortex separator-type) and small (curb inlet-type) devices.

The Estuary Partnership is submitting an application for \$3 million in new funds, to be matched 1:1 by SFEP and participating municipalities. Phase 2 of the project will install trash capture devices in disadvantaged communities (DACs) around the Estuary. The Clean Water State Revolving fund defines DACs as census block groups with median household income less than 80 percent of the statewide median. In many places these are some of the highest trash-generating areas.

Video “Estuary Report” Podcasts Available for Your Public Outreach Channels

SFEP has produced a series of video Estuary Reports for municipalities to distribute through their outreach avenues: see www.sfestuary.org/podcast. By posting or broadcasting the videos, you can connect the public with cutting-edge issues and Bay protection practices, such as keeping marinas clean and sewage-free; responding to Bay oil spills; reducing pesticide use around homes and buildings; and retrofitting “green stormwater” features into parking lots and sidewalks.

Post the videos on your home page or outreach page (see instructions at www.sfestuary.org/podcast/watch-link-embed.php).

Broadcast the videos through your public access cable channel.

Subscribe to the Estuary Report for automatic notification of new podcasts.

“Like” Estuary Partnership on Facebook

The Partnership has made its Facebook debut, bringing Bay-related news and videos to a new audience. Please check out the page by going to facebook.com and typing “San Francisco Estuary Partnership” in the search box. Click the “Like” box to get new information and join the conversation about Bay/Estuary issues.

Newly Funded Estuary Partnership Projects

Successful El Cerrito Rain Garden Project Grows into San Pablo Avenue “Stormwater Spine”

The Estuary Partnership will be awarded over \$3 million from U.S. EPA and the state Department of Water Resources to collaborate with the California Department of Transportation (Caltrans) and seven cities in a ground-breaking effort to design and build a “stormwater spine” on San Pablo Avenue. In this partnership, first of its kind in the state, Caltrans has agreed to contribute \$1.8 million toward construction: the cities of San Pablo, Richmond, El Cerrito, Albany, Berkeley, Emeryville, and Oakland are all participating. San Pablo Avenue is part of ABAG’s Corridors and Priority Development Areas (PDA) programs.

Each of the seven San Pablo Avenue stormwater retrofit facilities will treat stormwater pollutants, such as metals, PCBs, and PAHs, in runoff from approximately one acre of impervious surface. As part of the project, SFEP will develop and promote to the cities in the spine a model green streets ordinance, with the goal of having at least one city pass the ordinance. The first piece of the spine, completed in 2010 as part of an Estuary

Partnership/City of El Cerrito federal stimulus grant, has generated significant interest from the public and other cities interested in similar efforts.

New Water-Related Projects Funded through IRWMP

SFEP has several new projects funded by two Bay Area Integrated Regional Water Management Planning (IRWMP) grants through Department of Water Resources, including about \$30,000 to help promote water-related LID and climate change planning, \$150,000 to administer a grant to disadvantaged communities and flood control agencies and fund a watershed coordinator, and approximately \$2,000,000 to coordinate a regional green infrastructure capacity-building project which will include partial funding for the San Pablo Avenue stormwater spine project (described above).

Got Ants? Outreach to Reduce Residential Pesticide Use

SFEP was awarded \$200,000 from the state Department of Pesticide Regulation to conduct a community-based social marketing campaign to reduce residential pesticide use. More than half of California pesticide use occurs in urban areas, most often to control ants – and ant control pesticides have serious impacts on surrounding waterways. The Got Ants? project use in-print, online, and in-person outreach in the Bay Area and several other communities throughout the state, with partners from municipal stormwater and wastewater agencies, academia, and the pest control industry.

State Legislation Codifying the Green Business Program

AB 913, authored by Assemblymember Mike Feuer, would establish the California Green Business Program. This legislation is intended to provide state recognition and support for the existing network of ABAG Green Business Programs. It is expected to motivate and assist other jurisdictions to launch programs consistent with the Program developed in this region. Green Business Programs have already been launched in the Monterey Bay Area, Santa Barbara, Santa Monica, and Thousand Oaks, and will soon be launched in Los Angeles.

AB 913 is structured so that the local programs continue to work directly with their own local businesses. However, businesses certified by their local programs would also earn the California Green Business designation.

The bill would add a section to the existing statute that describes the Cal EPA Department of Toxic Substances Control's hazardous wastes reduction and pollution prevention activities. The new section would explicitly recognize DTSC's activities that support the Green Business Program.

The bill made it through the Assembly with bi-partisan support and it now ready to be heard on the Senate floor, where it will be presented by Senator Loni Hancock. There is no opposition, so we are very hopeful the bill will make it to the Governor's desk and be signed.

Similar legislation made it through the Assembly and Senate seven years ago, but was vetoed by Governor Schwarzenegger

Ready, Set, Charge California! – A Guide to EV Ready Communities

ABAG staff continues to work with EV Communities Alliance and the Bay Area Climate Collaborative to develop a guide that will address the full spectrum of EV-related issues from the perspective of regional and local policy-makers, industry and on-the-ground practitioners in the fields of community planning, sustainability, utility operations, public works and fleet management. The Guide is expected to be ready for distribution to member jurisdiction in early Fall. This guide will provide detailed information on siting of EV stations, electric vehicle ordinances, etc. and will include sample ordinances and other valuable information for cities and counties who are considering becoming an EV-Ready Community.

MEMO

To: ABAG Executive Board

Submitted by: Kenneth Kirkey, Planning Director

Subject: Draft One Bay Area Grant Proposal for Public Discussion

Date: July 11, 2011

Executive Summary

The ABAG Administrative Committee and MTC Planning Committee had a joint meeting on Friday, July 8, 2011 to approve the release of a draft proposal for the One Bay Area grant, which provides an alternative to the current Cycle 2 Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funding framework that better integrates the region's federal transportation program with land-use and housing policies by providing incentives for the production of housing with supporting transportation investments. These committees approved the release with the following change: increase the amount of the Priority Conservation Area Planning Program from \$2 million to \$5 million and note that congestion management agencies can potentially flex funds in the proposed Priority Development Area (PDA) minimum (require that at least 70% of funding be spent on projects in PDAs) to support a Priority Conservation Area Planning Program.

Recommended Action

Information item. No action required.

Next Steps

As outlined in the attached staff report timeline, staff will seek feedback from local governments, stakeholders, and technical working groups over the next several months. A follow-up presentation will be provided to the ABAG Administrative Committee and MTC Planning Committee in Fall 2011. MTC will adopt Cycle 2/One Bay Area grant funding commitments for MTC Regional Programs in December 2011.

Attachments:

One Bay Area Grant Proposal Staff Report submitted to the ABAG Administrative Committee and MTC Planning Committee.



BayArea

TO: MTC Planning Committee /
ABAG Administrative Committee

DATE: July 8, 2011

FR: Deputy Executive Director, Policy, MTC
Executive Director, ABAG

RE: OneBayArea Grant — Cycle 2 STP/CMAQ Funding

Staff recommends the initial release of the OneBayArea Grant proposal as outlined in this memorandum for public review and discussion.

Federal Transportation Funding and Program Policies (Attachment A)

Approximately every six years, U.S. Congress enacts a surface transportation act. The current act (SAFETEA) originally scheduled to expire on September 30, 2009 is still in effect through several legislative extensions. The funding provided to our area through this legislation includes Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funds.

In December 2009 the Commission adopted an overall framework directing how approximately \$1.4 billion in STP and CMAQ funds were to be allocated over the following six years (2010-2015). The first three years (Cycle 1) of this period were committed to projects and programs and the overall framework provided policy direction for the second three years (Cycle 2).

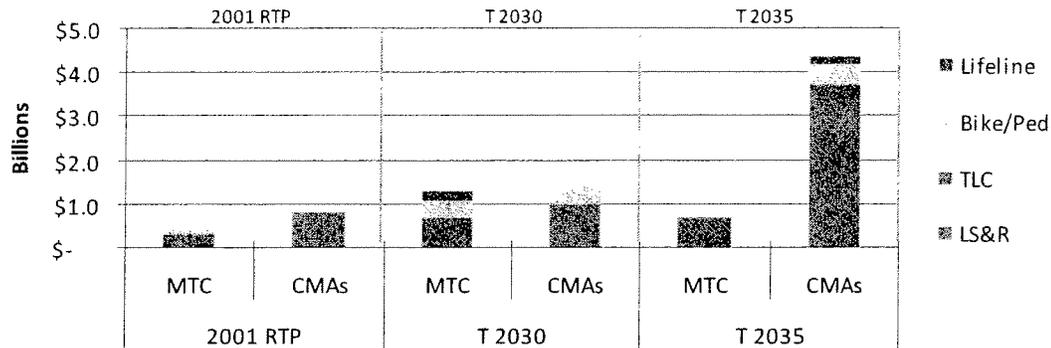
Staff proposes an alternative to the current Cycle 2 framework that better integrates the region's federal transportation program with land-use and housing policies by providing incentives for the production of housing with supportive transportation investments. Attachment A summarizes this framework and proposal for Cycle 2.

OneBayArea Grant Program

As shown in the chart below, over time the county congestion management agencies (CMAs) have been given increased responsibility for project selection for an increasing share of funding coming to the region.

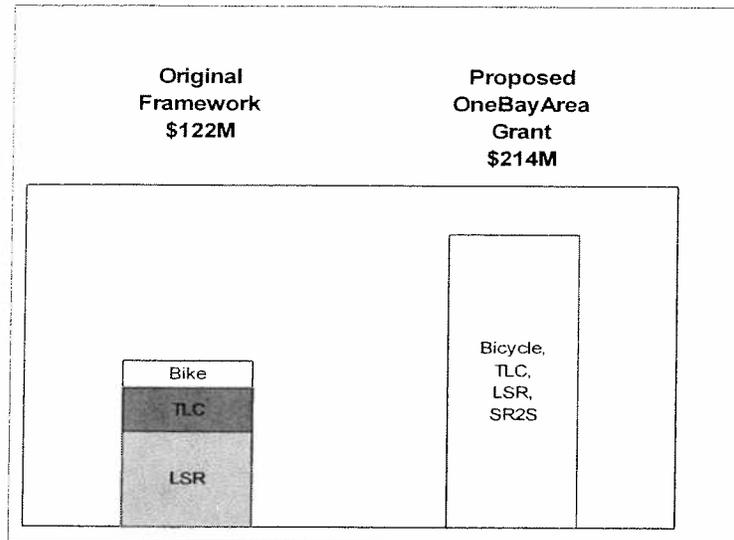
Program and Project Selection Evolves over Past Two Decades

Past Long Range Plan Discretionary Funding Assignments



For Cycle 2, staff proposes to continue this trend by shifting a larger portion of discretionary federal funding to local jurisdictions for taking on a larger share of the region's housing production. Further, additional flexibility is proposed for CMAs to address their respective transportation needs. Specifically, the proposal would:

- Shift more Funding to Locally Managed OneBayArea Grant Program: Dedicate \$214 million or roughly 40% of the Cycle 2 funding program to a new OneBayArea Grant. The funding for the OneBayArea Grant is the result of merging many of the programs in the Cycle 2 framework into a single flexible grant program and is roughly a 70% increase in the funding distributed to the counties as compared to the Cycle 2 framework adopted by the Commission. By comparison, the status quo approach for Cycle 2 would result in 22% going to County Congestion Management Agency (CMA) programs down from 30% in Cycle 1
- Add Flexibility by Eliminating Program Categories: The One Bay Grant proposal provides additional flexibility under Cycle 2 by eliminating required program categories and combining funding for TLC, Bicycle, Local Streets and Roads Rehabilitation, and Safe Routes to School. See figure illustrating this change on the following page. Project selection will be limited to a degree by the project eligibility limitations of CMAQ which will make up approximately half of the funds that each county will receive.



- Leverage Outside Funds to Grow Program and Meet More Objectives: Additional opportunities could be sought through other regional programs, other non-federal sources for affordable housing, and other local funds to augment program objectives. As a start, the Air District proposes \$6 million from its Regional Transportation for Clean Air (TFCA) Program. TFCA eligibility considerations will be guiding the use of these funds in the overall program.
- Continue Key Regional Programs: The remaining funding is targeted to continue regional programs such as Regional Operations, Freeway Performance Initiative, and Transit Capital Rehabilitation. Refer to Attachment A-2 for a description of these regional programs.
- Establish a Priority Conservation Area Planning Program: This new \$2 million program element will provide financial incentives for counties with populations under 500,000 for preservation of resource area and farmland, as defined in California Government Code Section 65080.01.

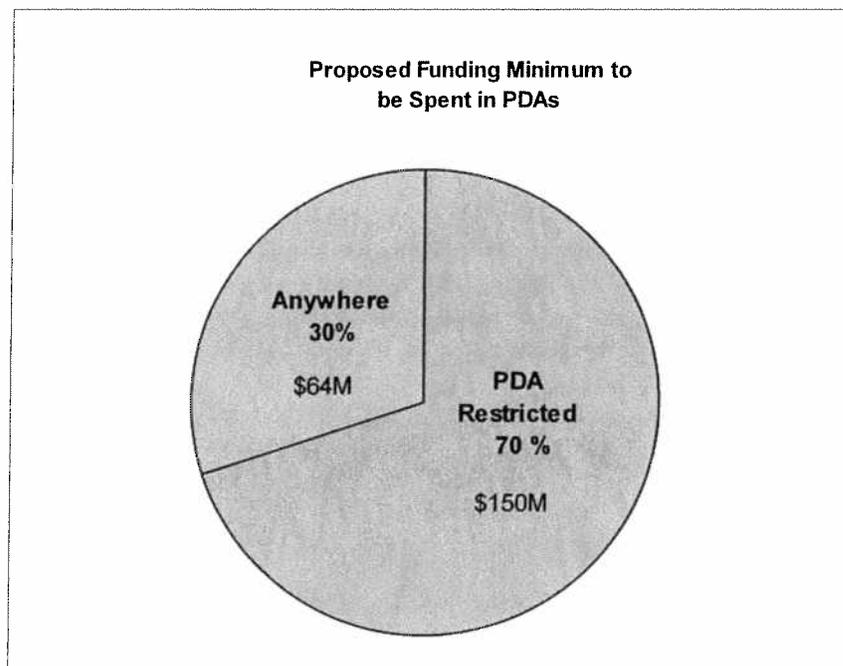
Distribution Formula for the OneBayArea Grant (Attachments B, C, D)

Staff proposes a distribution formula for OneBayArea Grant funding (Attachment B) that includes housing incentives to support the SCS and promote effective transportation investments that support focused development. In order to ease the transition to this new funding approach, staff is also recommending a 50% population share factor in the formula:

1. Formula to Counties: The proposed distribution formula to the counties includes three components: 50% population, 25% Regional Housing Needs Allocation (RHNA) for 2007-2014, and 25% actual housing production. This approach provides incentives for both future housing commitments and actual housing production. The fund distribution will be refined using the new RHNA to be adopted by ABAG next spring along with the SCS. The new RHNA being developed, which covers years 2015-2022, places a greater emphasis on city centered growth. As a result, refinements are likely to result in modest

revisions to the funding distribution consistent with these revised development patterns. The proposed OneBayArea Grant formula also uses actual housing data from 1999-2006, and has been capped such that each jurisdiction receives credit for housing up to its RHNA allocation. Subsequent funding cycles would rely on housing production from ABAG's next housing report to be published in 2013.

2. **Priority Development Area (PDA) Minimum:** Require that at least 70% of funding be spent on projects in Priority Development Areas (planned, potential and growth opportunity areas). Growth opportunity areas are tentatively considered as PDAs until ABAG completes final PDA designations next fall. See Attachment C for PDA program minimums for each county and Attachment D for a map and a list of the PDAs.



The OneBayArea Grant supports Priority Development Areas while providing flexibility to fund transportation needs in other areas.

Performance and Accountability

As noted at the outset, housing allocation according to RHNA and housing production will be the primary metric for distributing the OneBayArea Grant funding. In addition, staff recommends the following performance and accountability requirements.

1. **Supportive Local Transportation and Land-Use Policies:** Staff recommends that local agencies be required to have at least two of the following four policies adopted in order to be eligible for grant funds:
 - a) Parking/pricing policies (e.g. cash out, peak pricing, on-street/off street pricing differentials, eliminate parking minimums, unbundled parking) and adopted city and/or countywide employer trip reduction ordinances
 - b) Adopted Community Risk Reduction Plans (CRRP) per CEQA guidelines
 - c) Have affordable housing policies in place or policies that ensure that new development projects do not displace low income housing

- d) Adopted bicycle/pedestrian plan and complete streets policy in general plans pursuant to Complete Streets Act of 2008
2. Approved Housing Element: Also, a HCD-approved housing element consistent with RHNA/SB375 law is a proposed condition for any jurisdiction receiving Cycle 2 OneBayArea grants. This may be met as follows: 1) adoption of a housing element that meets the current RHNA before the new RHNA is adopted, or 2) the adoption of a housing element that meets the new RHNA after its approval early in 2012. Jurisdictions have 18 months after the adoption of the SCS to meet the new RHNA; therefore, compliance is expected and required by September 2014. Any jurisdiction failing to meet either one of these deadlines will not be allowed to receive grant funding. Lastly any jurisdiction without adopted housing elements addressing the new RHNA by September 2014 will be ineligible to receive any funding after Cycle 2 until they have adopted a housing element.

Implementation Issues

Below are issues to be addressed as we further develop the OneBayArea Grant concept:

1. Federal Authorization Uncertainty: We will need to closely monitor development of the new federal surface transportation authorization. New federal programs, their eligibility rules, and how money is distributed could potentially impact the implementation of the OneBayArea Grant Program as proposed.
2. Revenue Estimates: Staff assumes a steady but modest nominal revenue growth rate of 4% annually. Given the mood of Congress to downsize federal programs, these estimates are potentially overly optimistic if there are significant reductions in STP / CMAQ apportionments over the Cycle 2 time period. Staff recommends continuing to move forward with the conservative revenue assumptions and make adjustments later if needed.

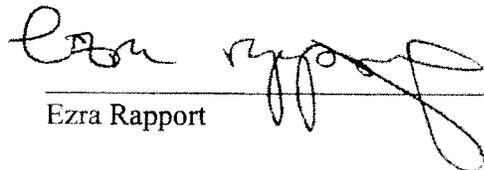
Preliminary Timeline and Next Steps

Staff recommends the Committees release the OneBayArea Grant proposal for public review. Staff will seek feedback from stakeholder and technical working groups over the next several months. The preliminary timeline for development and approval of the OneBay Area Grant is shown on the next page.

July – Sept. 2011	<ul style="list-style-type: none">▪ The Joint MTC Planning Committee / ABAG Administrative Committee release of OneBay Area Grant proposal for public review▪ <i>ABAG releases preliminary draft concepts for RHNA methodology</i>▪ Working Group Discussions of Cycle 2/OneBay Area Grant approach
Fall 2011	<ul style="list-style-type: none">▪ Follow-up Committee Presentation of OneBayArea Grant and Cycle 2 approach▪ <i>ABAG releases draft RHNA methodology</i>
December 2011	<ul style="list-style-type: none">▪ <i>Adoption of Cycle 2 approach based on draft RHNA methodology</i>▪ <i>MTC/ABAG releases draft Preferred SCS</i>▪ Commission adoption of Cycle 2 funding commitments for MTC Regional Programs
February 2012	<ul style="list-style-type: none">▪ <i>MTC/ABAG approves draft preferred SCS</i>
March 2012	<ul style="list-style-type: none">▪ Commission adoption of Cycle 2/OneBay Area Grant with Final RHNA
April 2012 – Feb. 2013	<ul style="list-style-type: none">▪ CMA Project Selection Process
April 2013	<ul style="list-style-type: none">▪ Final SCS adopted



Ann Flemer



Ezra Rapport

Attachments

One Bay Area Grant Proposal

New Act STP / CMAQ Cycle 2 Draft Funding Proposal

June 22, 2011

(amounts in millions \$)

Funding Available: Cycle 1: \$466M (after \$54M Carryover) Cycle 2: \$548M Air District: \$6M	Existing Framework				Cycle 2 One Bay Area		Cycle 2 Total
	Cycle 1		Cycle 2 Status Quo		MTC	One Bay Area Grant*	
	MTC	CMA Block Grant	MTC	CMA Grant			
1 Regional Planning *	23		26		5	21	26
2 Regional Operations	84	0	74	0	74	0	74
3 Freeway Performance Initiative (FPI)	51	0	66	0	66	0	66
4 Transit Capital Rehabilitation *	0	0	125	0	125	0	125
5 Local Streets and Roads Rehabilitation*	6	94	7	70	3	74	77
6 Climate Initiatives *	80		40		25	15	40
7 Regional Bicycle Program *	0	20	0	20	0	20	20
8 Transportation for Livable Communities (TLC) *	51	28	64	32	15	85	102
9 Transportation Oriented Development (TOD) Fund	10	0	0	0			
10 Priority Conservation Area Planning Pilot					2		
11 MTC Res 3814 Transit Payback Commitment	6	0	25	0	25	0	25
Total	324	142	426	122	340	214	554
	70%	30%	78%	22%	61%	39%	

Grant Totals:	Cycle 1 Block Grant		Cycle 2 Status Quo		Cycle 2 One Bay Area	
		142	30%	122	22%	214

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* Air District funding of \$6 million adds capacity to support OneBay Area Grant.

1) Regional Planning:

\$21M (\$7M per year) for CMA Planning to be distributed to CMAs through OneBayArea Grant.

4) Transit Capital Rehabilitation:

100% Transit Rehab assigned as Regional Transit Rehabilitation, as Transit is network based and regional

5) Local Streets and Roads Rehabilitation

\$3M for a scaled back PTAP program

6) Climate Initiative:

\$5M for SFGo in Regional. Eastern Solano CMAQ to Solano TA part of OneBayArea Grant.

7) Regional Bicycle Program:

\$20M as CMAQ rather than TE as originally proposed in Framework

8) Transportation for Livable Communities (TLC)

TLC program eliminated - All TLC funds to OneBayArea grant

Attachment A-2: Regional Programs

Regional Planning to support planning activities in the region carried out by the Association of Bay Area Governments (ABAG), the San Francisco Bay Area Conservation and Development commission (BCDC), and MTC. CMAs would access their OneBayArea grant to fund planning activities.

Regional Operations: This program includes Clipper, 511, Incident Management and a scaled-back Pavement Technical Assistance Program (PTAP).

Freeway Performance Initiative This program emphasizes the delivery of ramp metering projects on the State Highway System throughout the Bay Area to gain the most efficiency out of the existing highway network.

Priority Conservation Area Planning: Staff is recommending a new pilot for the development priority conservation area (PCA) plans for counties with populations under 500,000 to ameliorate outward development expansion and maintain their rural character.

Transportation for the Livable Communities (TLC) and the Affordable Transportation Oriented Development (TOD) Housing Fund: The bulk of the TLC Program's funding will shift to the OneBayArea Grant. The remaining funds under MTC's management are proposed to continue station area planning and/or CEQA assistance to PDAs and support additional investments in affordable housing.

Climate Initiatives: The objective of the Climate Initiatives Program launched in Cycle 1 was to make short-term investments that reduce transportation-related emissions and vehicle miles traveled, and encourage the use of cleaner fuels. Through the innovative projects selected and evaluation process, the region is building its knowledge base for the most effective Bay Area strategies for the Sustainable Communities Strategy and next long-range plan. The proposed funding for the Cycle 2 Climate Initiative Program would allow some continuation of these efforts at the regional level and protect a prior commitment to the SFGo project.

Transit Capital Rehabilitation: The Commission deferred transit rehabilitation needs from Cycle 1 to Cycle 2 in order to allow more immediate delivery of some of the other programs. The program objective, as in the past, is to assist transit operators to fund major fleet replacements, fixed guideway rehabilitation and other high-scoring capital needs that cannot be accommodated within the FTA Transit Capital Priorities program.

MTC Resolution 3814 Transit Payback Commitment: Consistent with the Cycle 2 framework, MTC is proposing to program \$25 million to Lifeline, small operators, and SamTrans right-of-way settlement to partially address a commitment originally envisioned to be met with state spillover funds.

**Attachment B
PROPOSAL**

**OneBayArea Grant Distribution Formula
Cycle 2 (FYs 2013, 2014, 2015)**

County	50%-25%-25% (Pop. RHNA - Housing Production Capped)	Status Quo Grant Program
Alameda	\$43.0	\$25.4
Contra Costa	\$31.9	\$16.6
Marin	\$6.4	\$5.0
Napa	\$4.2	\$2.9
San Francisco	\$25.0	\$11.8
San Mateo	\$17.4	\$11.1
Santa Clara	\$56.1	\$28.1
Solano	\$14.0	\$9.0
Sonoma	\$16.0	\$12.3
Bay Area Total	\$214.0	\$122.1

Difference From Status Quo Grant Program

County	50%-25%-25% (Pop. RHNA - Housing Production Capped)	Status Quo Grant Program
Alameda	\$17.7	-
Contra Costa	\$15.3	-
Marin	\$1.5	-
Napa	\$1.3	-
San Francisco	\$13.2	-
San Mateo	\$6.3	-
Santa Clara	\$28.0	-
Solano	\$5.0	-
Sonoma	\$3.7	-
Bay Area Total	\$91.9	-

% Change From Status Quo Grant Program

County	50%-25%-25% (Pop. RHNA - Housing Production Capped)	Status Quo Grant Program
Alameda	70%	-
Contra Costa	92%	-
Marin	29%	-
Napa	45%	-
San Francisco	112%	-
San Mateo	57%	-
Santa Clara	100%	-
Solano	55%	-
Sonoma	30%	-
Bay Area Total	75%	-

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Notes:

Status quo program based on framework for Cycle 2 adopted by the Commission and continuation of Cycle 1 county block grant policies.

RHNA is based on current 2007-20014 targets

Population data from Department of Finance, US Census 2010

Housing production 1999-2006 is capped at 1999-2006 RHNA thresholds

Attachment C

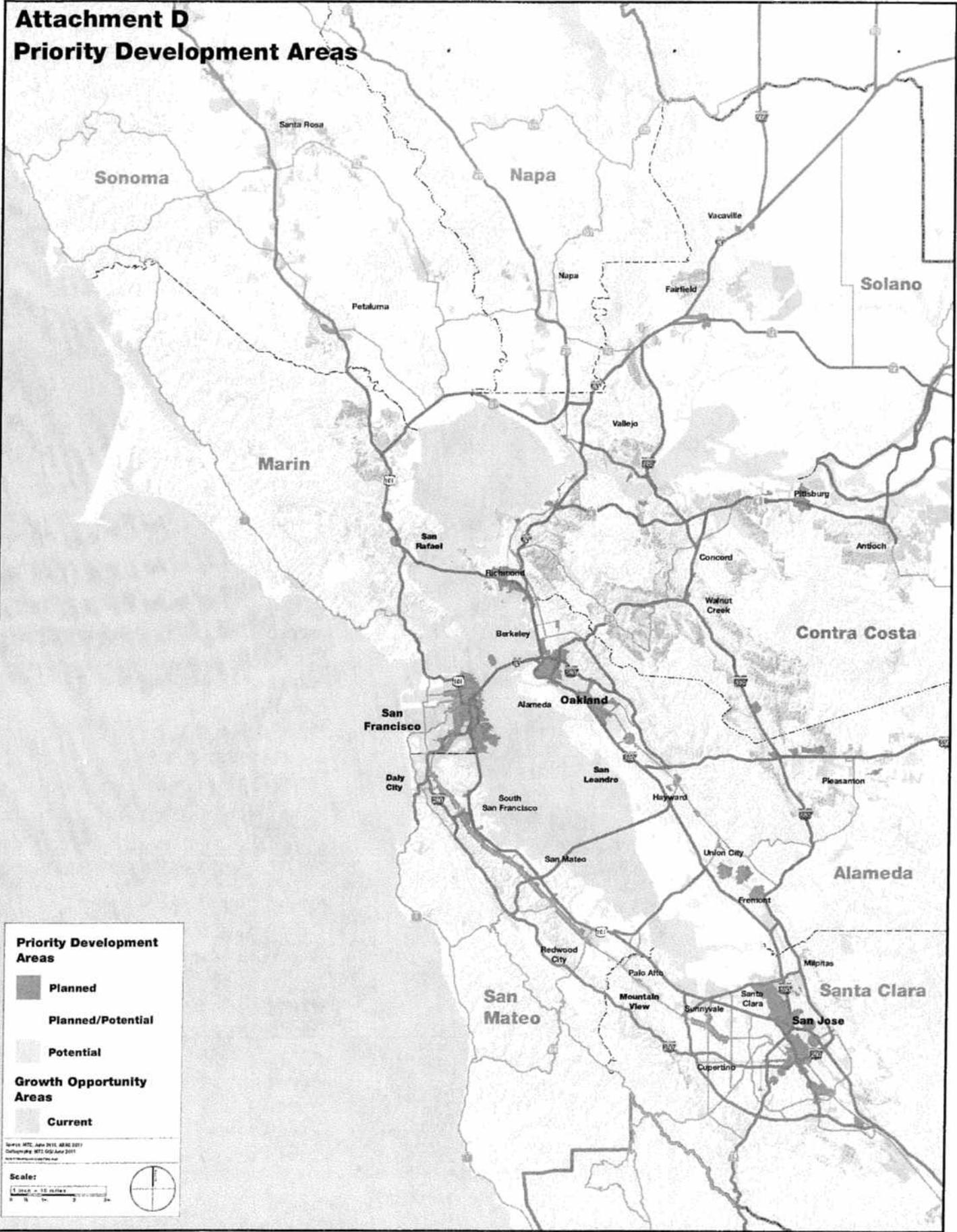
PROPOSAL

PDA Investments for the OneBayArea Grant

50%-25%-25% (Pop.- RHNA - Actual Housing Production Capped) Distribution

Apportionment Area	County Grant Amount	Allocation Areas	
		PDA 70% Minimum	Anywhere in County
Alameda	\$43.0	\$30.1	\$12.9
Contra Costa	\$31.9	\$22.4	\$9.6
Marin	\$6.4	\$4.5	\$1.9
Napa	\$4.2	\$2.9	\$1.3
San Francisco	\$25.0	\$17.5	\$7.5
San Mateo	\$17.4	\$12.2	\$5.2
Santa Clara	\$56.1	\$39.3	\$16.8
Solano	\$14.0	\$9.8	\$4.2
Sonoma	\$16.0	\$11.2	\$4.8
Regional Total	\$214.0	\$149.8	\$64.2

Attachment D Priority Development Areas



Attachment D: Priority Development Areas

Alameda County

Jursidiction or Area Name	PDA Status
Alameda	
Naval Air Station	Planned/Potential
Northern Waterfront	Growth Opportunity Area
Albany	
San Pablo Avenue & Solano Avenue	Growth Opportunity Area
Berkeley	
Adeline Street	Potential
Downtown	Planned
San Pablo Avenue	Planned
South Shattuck	Planned
Telegraph Avenue	Potential
University Avenue	Planned
Dublin	
Downtown Specific Plan Area	Planned
Town Center	Planned
Transit Center	Planned
Emeryville	
Mixed-Use Core	Planned
Fremont	
Centerville	Planned
City Center	Planned
Irvington District	Planned
Ardenwood Business Park	Growth Opportunity Area
Fremont Boulevard & Warm Springs Boulevard Corridor	Growth Opportunity Area
Fremont Boulevard Decoto Road Crossing	Growth Opportunity Area
South Fremont/Warm Springs	Growth Opportunity Area
Hayward	
Downtown	Planned
South Hayward BART	Planned
South Hayward BART	Planned
The Cannery	Planned
Carlos Bee Quarry	Growth Opportunity Area
Mission Corridor	Growth Opportunity Area
Livermore	
Downtown	Planned
Vasco Road Station Planning Area	Potential
Newark	
Dumbarton Transit Oriented Development	Potential
Old Town Mixed Use Area	Potential
Cedar Boulevard Transit	Growth Opportunity Area
Civic Center Re-Use Transit	Growth Opportunity Area

Oakland

Coliseum BART Station Area	Planned
Downtown & Jack London Square	Planned
Eastmont Town Center	Planned
Fruitvale & Dimond Areas	Planned
MacArthur Transit Village	Planned
Transit Oriented Development Corridors	Potential
West Oakland	Planned

Pleasanton

Hacienda	Potential
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San Leandro

Bay Fair BART Transit Village	Potential
Downtown Transit Oriented Development	Planned
East 14th Street	Planned

Union City

Intermodal Station District	Planned
<i>Mission Boulevard</i>	<i>Growth Opportunity Area</i>
<i>Old Alvarado</i>	<i>Growth Opportunity Area</i>

Alameda County Unincorporated

<i>Castro Valley BART</i>	<i>Growth Opportunity Area</i>
<i>East 14th Street and Mission Boulevard Mixed Use Corridor</i>	<i>Growth Opportunity Area</i>

Contra Costa County

Jurisdiction or Area Name	PDA Status
Antioch	
Hillcrest eBART Station	Planned
Rivertown Waterfront	Potential
Concord	
Community Reuse Area	Potential
Community Reuse Area	Potential
Downtown BART Station Planning	Growth Opportunity Area
North Concord BART Adjacent	Growth Opportunity Area
West Downtown Planning Area	Growth Opportunity Area
El Cerrito	
San Pablo Avenue Corridor	Planned
Hercules	
Central Hercules	Planned
Waterfront District	Planned
Lafayette	
Downtown	Planned
Martinez	
Downtown	Planned
Moraga	
Moraga Center	Potential
Oakley	
Downtown	Potential
Employment Area	Potential
Potential Planning Area	Potential
Orinda	
Downtown	Potential
Pinole	
Appian Way Corridor	Potential
Old Town	Potential
Pittsburg	
Downtown	Planned
Pittsburg/Bay Point BART Station	Planned
Railroad Avenue eBART Station	Planned
Pleasant Hill	
Buskirk Avenue Corridor	Potential
Diablo Valley College	Potential
Richmond	
Central Richmond	Planned
South Richmond	Planned
23rd Street	Growth Opportunity Area
San Pablo Avenue Corridor	Growth Opportunity Area
San Ramon	
City Center	Planned
North Camino Ramon	Potential

Walnut Creek

Walnut Creek: West Downtown

Planned

Contra Costa County Unincorporated

Contra Costa Centre

Planned

Downtown El Sobrante

Potential

North Richmond

Potential

Pittsburg/Bay Point BART Station

Planned

West Contra Costa Transportation Advisory Committee: San Pablo Avenue
Corridor

Planned/Potential

Marin County

Jursidiction or Area Name	PDA Status
San Rafael	
Civic Center/North Rafael Town Center	Planned
Downtown	Planned
Marin County Unincorporated	
Urbanized 101 Corridor	Potential
San Quentin	Growth Opportunity Area

Napa County

Jursidiction or Area Name	PDA Status
American Canyon	
Highway 29 Corridor	Potential

San Francisco County

Jursidiction or Area Name	PDA Status
San Francisco	
19th Avenue	Potential
Balboa Park	Planned
Bayview/Hunters Point Shipyard/Candlestick Point	Planned
Downtown-Van Ness-Gearry	Planned
Eastern Neighborhoods	Planned
Market & Octavia	Planned
Mission Bay	Planned
Mission-San Jose Corridor	Planned
Port of San Francisco	Planned
San Francisco/San Mateo Bi-County Area (with City of Brisbane)	Planned
Transbay Terminal	Planned
Treasure Island	Planned
Citywide	Growth Opportunity Area

San Mateo County

Jursidiction or Area Name	PDA Status
Brisbane	
San Francisco/San Mateo Bi-County Area (with San Francisco)	Potential
Burlingame	
Burlingame El Camino Real	Planned
Daly City	
Bayshore	Potential
Mission Boulevard	Potential
Citywide	
East Palo Alto	
Ravenswood	Potential
Woodland/Willow Neighborhood	
Menlo Park	
El Camino Real Corridor and Downtown	Planned
Millbrae	
Transit Station Area	Planned
Redwood City	
Downtown	Planned
Broadway	Growth Opportunity Area
Middlefield	Growth Opportunity Area
Mixed Use Waterfront	Growth Opportunity Area
Veterans Corridor	Growth Opportunity Area
San Bruno	
Transit Corridors	Planned
San Carlos	
Railroad Corridor	Planned
San Mateo	
Downtown	Planned
El Camino Real	Planned
Rail Corridor	Planned
South San Francisco	
Downtown	Planned
Lindenville Transit Neighborhood	Growth Opportunity Area
CCAG of San Mateo County: El Camino Real	Planned/Potential

Santa Clara County

Jurisdiction or Area Name	PDA Status
Cambell	
Central Redevelopment Area	Planned
Winchester Boulevard Master Plan	Growth Opportunity Area
Gilroy	
Downtown	Planned
Los Altos	
El Camino Real Corridor	Growth Opportunity Area
Milpitas	
Transit Area	Planned
Hammond Transit Neighborhood	Growth Opportunity Area
McCandless Transit Neighborhood	Growth Opportunity Area
McCarthy Ranch Employment Center	Growth Opportunity Area
Midtown Mixed-Use Corridor	Growth Opportunity Area
Serra Center Mixed-Use Corridor	Growth Opportunity Area
Tasman Employment Center	Growth Opportunity Area
Town Center Mixed-Use Corridor	Growth Opportunity Area
Yosemite Employment Center	Growth Opportunity Area
Morgan Hill	
Morgan Hill: Downtown	Planned
Mountain View	
Whisman Station	Potential
Downtown	Growth Opportunity Area
East Whisman	Growth Opportunity Area
El Camino Real Corridor	Growth Opportunity Area
Moffett Field/NASA Ames	Growth Opportunity Area
North Bayshore	Growth Opportunity Area
San Antonio Center	Growth Opportunity Area
Palo Alto	
Palo Alto: California Avenue	Planned
Palo Alto: El Camino Real Corridor	Growth Opportunity Area
Palo Alto: University Avenue/Downtown	Growth Opportunity Area
San Jose	
Berryessa Station	Planned
Communications Hill	Planned
Cottle Transit Village	Planned
Downtown "Frame"	Planned
East Santa Clara/Alum Rock Corridor	Planned
Greater Downtown	Planned
North San Jose	Planned
West San Carlos and Southwest Expressway Corridors	Planned
Bascom TOD Corridor	Growth Opportunity Area
Bascom Urban Village	Growth Opportunity Area
Blossom Hill/Snell Urban Village	Growth Opportunity Area
Camden Urban Village	Growth Opportunity Area
Capitol Corridor Urban Villages	Growth Opportunity Area

<i>Capitol/Tully/King Urban Villages</i>	<i>Growth Opportunity Area</i>
<i>Oakridge/Almaden Plaza Urban Village</i>	<i>Growth Opportunity Area</i>
<i>Saratoga TOD Corridor</i>	<i>Growth Opportunity Area</i>
<i>Stevens Creek TOD Corridor</i>	<i>Growth Opportunity Area</i>
<i>Westgate/El Paseo Urban Village</i>	<i>Growth Opportunity Area</i>
<i>Winchester Boulevard TOD Corridor</i>	<i>Growth Opportunity Area</i>
Santa Clara	
<i>Central Expressway Focus Area</i>	<i>Growth Opportunity Area</i>
<i>El Camino Real Focus Area</i>	<i>Growth Opportunity Area</i>
<i>Great America Parkway Focus Area</i>	<i>Growth Opportunity Area</i>
<i>Lawrence Station Focus Area</i>	<i>Growth Opportunity Area</i>
<i>Santa Clara Station Focus Area</i>	<i>Growth Opportunity Area</i>
<i>Tasman East Focus Area</i>	<i>Growth Opportunity Area</i>
Sunnyvale	
<i>Downtown & Caltrain Station</i>	Planned
<i>El Camino Real Corridor</i>	Planned
<i>Lawrence Station Transit Village</i>	Potential
<i>East Sunnyvale ITR</i>	<i>Growth Opportunity Area</i>
<i>Moffett Park</i>	<i>Growth Opportunity Area</i>
<i>Peery Park</i>	<i>Growth Opportunity Area</i>
<i>Reamwood Light Rail Station</i>	<i>Growth Opportunity Area</i>
<i>Tasman Station ITR</i>	<i>Growth Opportunity Area</i>
VTA Cores, Corridors, and Station Areas (estimate)	Potential

Solano County

Jursidiction or Area Name	PDA Status
Benicia	
Downtown	Planned
Northern Gateway	Growth Opportunity Area
Dixon	
Fairfield	
Downtown South (Jefferson Street)	Planned
Fairfield-Vacaville Train Station	Potential
North Texas Street Core	Potential
West Texas Street Gateway	Planned
Rio Vista	
Suisun City	
Downtown & Waterfront	Planned
Vacaville	
Allison Area	Planned
Downtown	Planned
Vallejo	
Waterfront & Downtown	Planned
Solano County Unincorporated	

Sonoma County

Jursidiction or Area Name	PDA Status
<i>Cloverdale</i>	
Downtown/SMART Transit Area	Planned
<i>Cotati</i>	
Downtown and Cotati Depot	Planned
<i>Healdsburg</i>	
<i>Petaluma</i>	
Central, Turning Basin/Lower Reach	Planned
<i>Rohnert Park</i>	
Sonoma Mountain Village	Potential
<i>Santa Rosa</i>	
Downtown Station Area	Planned
Mendocino Avenue/Santa Rosa Avenue Corridor	Potential
Sebastopol Road Corridor	Planned/Potential
North Santa Rosa Station	Growth Opportunity Area
<i>Sebastopol</i>	
Nexus Area	Potential
<i>Sonoma</i>	
<i>Windsor</i>	
Redevelopment Area	Planned
<i>Sonoma County Unincorporated</i>	
8th Street East Industrial Area	Growth Opportunity Area
Airport/Larkfield Urban Service Area	Growth Opportunity Area
Penngrove Urban Service Area	Growth Opportunity Area
The Springs	Growth Opportunity Area

J:\PROJECT\Funding\T4 - New Act\T4 - STP-CMAQ\T4 Cycle Programming\T4 Second Cycle\Cycle 2 Policy Dev\Block Grant\Distribution Options.xls]Distrib Overview
 Provided by ABAG 6/6/2011

MEMO

Date: July 13, 2011
To: ABAG Executive Board
From: Ken Kirkey, ABAG Planning Director
Subject: Regional Housing Needs Allocation (RHNA) Methodology Concepts

Overview

This memo provides an update on the work done by ABAG and MTC staff, with the assistance of the SCS Housing Methodology Committee (HMC), to develop the Regional Housing Need Allocation (RHNA) methodology for the 2015-2022 period. Since January 2011, members of the HMC have been discussing and refining the framework for allocating a portion of the region's total housing need to each jurisdiction in the region. The HMC has reached consensus about the major components of the methodology, however, there are still areas where discussion is ongoing. This memo presents an overview of the proposed methodology framework as well as a summary of the HMC's discussion to date.

Staff is requesting that the Executive Board approve the conceptual framework for the RHNA methodology, which consists of the following elements that are described in more detail below:

- Sustainability Component
- Fair Share Component
 - Upper housing threshold
 - Minimum housing floor
 - Quality of life factors
- Income allocation
- Sphere of Influence (SOI) adjustments

Background

The Regional Housing Need Allocation (RHNA) is a state mandate that requires each community to plan for its share of the state's housing need, for people at all income levels. The California Department of Housing and Community Development (HCD) determines the total housing need for each region in the state and, as the Council of Governments for the San Francisco Bay Area, it is ABAG's responsibility to distribute this need to local governments.¹

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

¹ The total housing need number for the region, the Regional Housing Need Determination, will be provided to ABAG by HCD in October 2011.

Since January, staff from ABAG and MTC has been working with the members of the SCS Housing Methodology Committee—which is made up of staff and elected officials from all 9 counties as well as stakeholder groups—to develop the framework for the RHNA methodology.

The committee’s discussions to date have focused primarily on determining how best to promote consistency between RHNA and the development pattern of the SCS, while ensuring that the allocation of housing need also meets the specific objectives of Housing Element law, including that every jurisdiction accommodate its fair share of the region’s housing need. The committee has also begun to address some of the more technical aspects of the RHNA methodology, including how to address Spheres of Influence.

Proposed Methodology Conceptual Framework

The RHNA methodology consists of several major steps, including determining a jurisdiction’s total RHNA, identifying the share of the jurisdiction’s total RHNA in each income category, and adjusting a jurisdiction’s total RHNA for areas included in its Sphere of Influence.

In developing the RHNA methodology, staff and the HMC have identified two components that would be used together to assign total housing need to local jurisdictions. The first is the “Sustainability Component” that incorporates the Priority Development Areas² (PDAs). The second is the “Fair Share Component” that seeks to ensure that each jurisdiction in the region shares responsibility for accommodating the region’s housing need.

Determining a Jurisdiction’s Total Allocation

Sustainability Component

The Sustainability Component continues and expands upon the inclusion of compact growth principles that began with the 2007-2014 RHNA methodology. Staff is recommending that most of the region’s housing need would be allocated to jurisdictions planning for growth in PDAs. Based on evaluation of numerous options and discussions with the HMC, staff is currently considering basing the share of housing need assigned to PDAs on the proportion of growth in these areas in the Preferred Scenario, as long as it does not exceed 70 percent of the region’s total need.

Using the PDA framework from the SCS in the RHNA methodology promotes growth in sustainable locations and is a key to ensuring consistency between the two planning documents. Directing growth to infill locations is a key component of protecting agricultural and natural resources. This methodology also recognizes the multiple benefits for local communities and the region as a whole of encouraging housing, particularly affordable housing, in the neighborhoods near transit that local communities have identified as priorities for development and investment to create complete communities.

Fair Share Component

It is important that jurisdictions with PDAs are not asked to shoulder too much of the responsibility for meeting the region’s housing need. PDAs are not the only areas in which housing choices are needed, and the RHNA methodology has a responsibility to share the regional need for housing

² The term “PDAs” encompasses the Growth Opportunity Areas as well as Planned and Potential PDAs.

among all jurisdictions. Focusing only on the PDAs could mean that jurisdictions that were unable or unwilling to pick adequate Place Types for these areas or to designate any PDAs at all commensurate with their housing need, would not be allocated their “fair share” of the regional housing obligation. Thus the proposed methodology includes an explicit “fair share” component that is composed of three primary elements:

1. *Upper Housing Threshold*

Staff is proposing to establish an upper threshold that would compare the amount of growth assigned to a jurisdiction’s PDAs in the Preferred Scenario to the amount of growth expected in the jurisdiction based on forecasted household formation growth. If the amount of growth in the PDAs meets or exceeds this threshold, the jurisdiction would retain the amount of growth in those areas, but would not have to accommodate additional growth based on the “quality of life” factors described below. Any growth forecasted in the Preferred Scenario for that jurisdiction in locations outside of the PDAs would be redistributed to jurisdictions throughout the region that have not met upper threshold. After evaluating multiple options with the HMC, staff is considering setting the upper housing threshold at 110 percent of a jurisdiction’s household formation growth.

2. *Quality of Life Factors Outside PDAs*

The “quality of life” factors would apply to the growth in the Preferred Scenario that is expected to occur outside of PDAs. Housing units would be allocated based on factors related to the services and amenities that improve residents’ quality of life. The inclusion of these factors in the methodology is intended to ensure that housing need is allocated in a manner that provides for potentially increased access to communities with good transit access, employment opportunities, and quality schools and services. At the HMC, members have explored the use of a wide variety of factors, including school quality, transit, employment, and past RHNA performance.

3. *Minimum Housing Floor*

Staff is proposing to establish a minimum floor for a jurisdiction’s total allocation that would ensure that each jurisdiction is planning for housing to accommodate at least a portion of the housing need generated by the population within that jurisdiction. The minimum floor would be set at a certain percentage of the jurisdiction’s forecasted household formation growth. If a jurisdiction’s total RHNA (based on the sustainability component and quality of life factors described above) does not reach this floor, this minimum is applied, and the number of units assigned to other jurisdictions is reduced proportionally. After evaluating multiple options with the HMC, staff is considering setting the minimum housing floor at 40 percent of a jurisdiction’s household formation growth.

Determining a Jurisdiction’s Income Allocation

Two primary objectives of the state’s regional housing need process are to increase the supply of housing and to ensure that local governments consider the housing needs of persons at all income levels. In addition to identifying each jurisdiction’s share of the region’s total housing need, the RHNA methodology must also divide this allocation into the four income categories defined by

HCD³. The income allocation portion of the RHNA method is designed to ensure that each jurisdiction in the Bay Area plans for housing for people of every income.

Staff is proposing to use the same method for distributing units by income as the 2007-2014 RHNA. This method is based on a comparison between a jurisdiction's income distribution and the region-wide income distribution. To address concentrations of poverty, each jurisdiction is given 175 percent of the difference between their household income distribution and the region-wide household income distribution. With this method, a jurisdiction receives a higher allocation of units in an income category when it has a smaller proportion of households in that income category compared to the rest of the region.

For example, if a jurisdiction has 36 percent of its households in the very low income category, this would be compared to the regional percentage in this income category, which is 23 percent. The difference between 23 and 36 is -13. This is multiplied by 175 percent (the adjustment factor) for a result of -23. This number is then added to the jurisdiction's original distribution of 36 percent, for a total share of about 13 percent. Therefore, 13 percent of their allocation must be affordable to households with very low income.

A similar calculation can be made for a jurisdiction that has a relatively low proportion of households in the very low income category. If this jurisdiction has 9 percent of its households in the very low income category, when this is subtracted from the regional percentage in this income category, the result is 14. When this difference is multiplied by 175 percent, the result is 25. That amount is added to the jurisdiction's proportion of households in the very low income category, for a total of 34. Therefore, 34 percent of their allocation must be affordable to households with very low income.

HMC Discussion

At its June meeting, the HMC discussed each of the elements of the RHNA methodology described above, and there was widespread support for the conceptual framework. However, although members of the committee agreed in principle with tying RHNA to the Preferred Scenario, there was substantial concern about developing the methodology without knowing the details of the scenario, which is in the very early stages of development.

HMC members requested more transparency about how growth is assigned in the SCS Alternative Scenarios and ultimately the Preferred Scenario, so that they would have confidence in the sustainability component as an input into the RHNA allocation. Members of the committee, as well as others, will have the opportunity to provide input into the development of the Preferred Scenario over the next several months as the Alternative Scenarios are created and evaluated. The HMC is also expected to reconvene in the fall once the results of the analysis of the Alternative Scenarios are released, to provide additional input into the final draft of the RHNA methodology before it is scheduled to be released in November 2011.

³ Very low income is 50 percent or less of area median income (AMI), low income is 50 to 80 percent of AMI, moderate income is 80 to 120 percent of AMI, and above moderate is 120 percent or more of AMI.

With regard to the specific elements of the RHNA methodology framework, most members of the HMC supported using the percentage of growth assigned to PDAs in the Preferred Scenario, with a maximum of 70 percent for the Sustainability Component. The HMC discussed a range of options for the upper housing threshold, but most supported the staff recommendation of using 110 percent. Most agreed with the principle of using a percentage higher than 100 percent to encourage more sustainable growth in PDAs, and felt that 110 percent does not ask jurisdictions with PDAs to shoulder too much of the responsibility for providing housing. The HMC also generally supported the inclusion of the 40 percent minimum housing floor, although there was a desire to see the results of trying different percentages. There was also strong support for using the proposed income allocation methodology, although committee members would like to consider strategies to ensure that affordable units actually get produced.

The element on which additional analysis and discussion is needed is the inclusion of the quality of life factors in the methodology. There was strong support for incorporating some mix of these factors in the methodology as a way to promote greater “access to opportunity,” although the HMC was not yet able to identify exactly which ones to include. There was also some discussion and request for additional analysis about whether the minimum housing floor might adequately address the need to ensure access to opportunity.

With regard to the specific quality of life factors that were considered, there was widespread support for including employment and transit, although some members want to refine the transit factor to exclude PDAs, since transit is already explicitly included in the definition of PDAs. The HMC also considered a factor related to school quality and, although there was some interest in keeping this as part of the methodology, many members had significant concerns about the complexities and challenges of trying to aggregate Academic Performance Index (API) scores at the jurisdictional level. Most members of the HMC requested that staff continue to explore other options for identifying a factor that would capture the idea of promoting access to opportunity.

For the final quality of life factor, past RHNA performance, members of the HMC supported including this in the methodology, but want to consider refining the proposed method. The staff proposal looked at how well a jurisdiction did in issuing permits to meet its RHNA allocations for very low- and low-income units. There was concern about using permits issued, since market forces and available resources play a significant role in whether a jurisdiction can meet these targets. The data is also self-reported by jurisdictions without outside verification. One suggestion was to look at whether a jurisdiction has a certified housing element and zoning in place.

Spheres of Influence

“Spheres of influence” (SOI) must be considered in the RHNA methodology if there is projected growth within a city’s SOI, and most SOI areas within the Bay Area are anticipated to experience growth. Every city in the Bay Area has a SOI, which can be either contiguous with or go beyond the city’s boundary. 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 within a county. The SOI is considered the probable future boundary of a city and a city is responsible for planning areas within its SOI.

For the 2015-2022 RHNA, staff is proposing to use the same approach regarding SOI that was included in the 2007-2014 RHNA, unless ABAG receives a resolution from a county and all the cities in that county requesting a change to the rules outlined below:

1. In Napa, San Mateo, Santa Clara, Solano, and Sonoma counties, the allocation of housing need generated by the unincorporated SOI was assigned to the cities.
2. In Alameda and Contra Costa counties, the allocation of housing need generated by the unincorporated SOI was assigned to the county.
3. In Marin County, 75 percent of the allocation of housing need generated by the unincorporated SOI was assigned to the city; the remaining 25 percent was assigned to the county.

These rules are based on the premise that each local jurisdiction with land use permitting authority over its SOI should plan for the housing need generated within that area. These reflect the fact that each county in the Bay Area is different in terms of whether a city or county has jurisdiction over land use and development within unincorporated SOIs.

These rules reflect the general approaches to SOIs, and agreement between the jurisdictions in each county. Adjustments may be needed to better reflect local conditions. To allow flexibility, the methodology included the following criteria:

1. Adjustments to SOI allocations shall be consistent with any pre-existing written agreement between the city and county that allocates such units, or
2. In the absence of a written agreement, the requested adjustment would allocate the units to the jurisdiction that has permitting authority over future development in the SOI.

Staff is requesting that local jurisdictions provide resolutions requesting a change to the SOI rules by **September 30, 2011**. The specific rule for the SOI in each county will then be adopted by the Executive Board as part of the draft RHNA methodology in November 2011.

Next Steps

The HMC will meet in July to continue its work on refining the details of the RHNA methodology. The committee will also reconvene in the fall to review the results of the analysis of the Alternative Scenarios and provide additional input into the final draft of the RHNA methodology before it is scheduled to be released in November 2011.



MEMO

Submitted by: Ken Kirkey, ABAG Planning Director

Subject: Regional Housing Needs Allocation (RHNA) Methodology Concepts

Date: July 11, 2011

Executive Summary

The Regional Housing Needs Allocation (RHNA) is a state mandate that requires each community to plan for its share of the state's housing need, for people at all income levels. The most recent RHNA covers the seven-year period from 2007-2014. It is ABAG's responsibility to distribute this need to local governments. With the passage of SB 375, ABAG and MTC must identify areas within the region sufficient to house an eight-year projection of the regional housing need for all income groups. Additionally, the housing allocation plan must allocate housing units within the region *consistent with* the development pattern included in the Sustainable Communities Strategy (SCS).

Staff will provide an update on the work done by ABAG and MTC staff, with the assistance of the SCS Housing Methodology Committee (HMC), to develop the Regional Housing Need Allocation (RHNA) methodology for the 2015-2022 period. Since January 2011, members of the HMC have been discussing and refining the conceptual framework for allocating a portion of the region's total housing need to each jurisdiction in the region. The HMC has reached consensus about most of the major components of the methodology, however, there are still areas where discussion is ongoing. Staff will present an overview of the proposed methodology framework as well as a summary of the HMC's discussion to date.

Recommended Action

Adoption of the methodology concepts for RHNA.

Next Steps

Board adoption of the RHNA methodology by November 2011.

Attachments: A memo for this item will be sent out prior to the meeting.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



MEMO

Date: July 11, 2011
To: ABAG Executive Board
From: Ken Kirkey, ABAG Planning Director
Subject: Plan Bay Area: Alternative Scenarios

In June, the Metropolitan Transportation Commission and ABAG's Administrative Committee approved moving forward to evaluate five alternative scenarios to demonstrate how the region might achieve the Plan Bay Area performance targets adopted by MTC and ABAG earlier this year. The primary purpose of the scenario assessments is to compare and contrast the interaction between land use policy and transportation investment strategies as measured by the adopted performance targets related to the economy, the environment and equity. This information will be used to ultimately select a preferred land use forecast and transportation investment strategy that will be the basis of a preferred Sustainable Communities Strategy (SCS) alternative that MTC and ABAG will consider for adoption in Spring 2013.

In response to public comment, the Committees requested staff to consider a proposal for a sixth alternative scenario focused on "Equity, Environment and Jobs" (Letter from social equity advocates, dated June 9, 2011). Staff has refined the proposed methodology for the alternative scenarios to provide greater clarity about how social equity will be integrated into each alternative. More details about the proposed approach are described in the attached memos that were presented to the MTC Planning Committee and ABAG Administrative Committee on July 8, 2011:

- Plan Bay Area: Alternative Scenarios (July 6, 2011)
- Sustainable Communities Strategy (SCS) Land Use Scenario Assumptions (July 5, 2011)
- Response to Equity Groups Regarding Sustainable Communities Strategy (SCS) Land Use Scenario Assumptions (July 5, 2011)

ABAG and MTC staff did not present a recommendation regarding the inclusion of a sixth scenario focused on equity, environment, and jobs to the MTC Planning Committee and ABAG Administrative Committee because we are still working with representatives of equity advocacy groups to define how this task would best be achieved. Staff had several meetings with equity groups prior to the July 8 meeting, and the potential for a sixth scenario will be discussed by the SCS Equity Working Group at its July 13 meeting, with potential to spillover into a second special meeting the following Tuesday, July 19. The topic will also be discussed by the MTC Policy Advisory Committee on July 13.

The results of these discussions will be presented to members of the Executive Board as part of the presentation about the SCS Alternative Scenarios at the July 21 meeting.

June 9, 2011

Mark Green, Chair, and Members
ABAG Administrative Committee

James P. Spering, Chair, and Members
MTC Planning Committee

Dear Chairs and Members:

We join two of your advisory bodies – MTC’s Policy Advisory Council and the RTP/SCS Equity Working Group – in urging you to add a scenario that maximizes social equity to the set of alternatives that MTC and ABAG will develop and analyze this summer. The list of scenarios before you today, which was only released to the public in the past week, will be incomplete without such a scenario. Including one in the analysis is critical to your informed decision making and the public’s meaningful participation.

Instead of voting to accept the set of five alternatives before you today, we ask that you **direct staff to include for analysis an additional scenario that maximizes social equity — the Equity, Environment, and Jobs Scenario (see attached) — and to ensure that *all* of the scenarios advance social equity outcomes.** Staff should then present you with an updated slate of alternatives at your July meeting.

The best Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) will be the one that most strongly promotes all of the “three Es”: equity for low-income communities and communities of color, economic vitality, and environmental health. None of the five proposed Alternative Scenarios before you today offers that choice.

Key components of an Equity, Environment, and Jobs Scenario are summarized on the **attached sheet** and include maximizing the funds needed to operate local transit service while providing affordable housing in job-rich suburban communities as well as in the urban core. We believe that this scenario will outperform the five currently before you, not only in terms of social equity performance measures, but in terms of GHG reduction, local job creation, and other important regional goals. Hard facts support our view: research shows that transit operating expenditures create 40% more jobs than spending on capital projects, and that affordable housing near entry-level jobs improves access to economic opportunity. Similarly, investing in robust local transit operations is the most cost-effective way to maximize GHG reductions, and affordable housing near jobs directly reduces driving.

The failure to include and analyze an equity scenario will not only deprive the public and decision makers of important information about the range of choices available, but will also shut out the meaningful input of advisory groups whose work is not yet completed. The work of your Housing Methodology Committee and Equity Working Group, bodies you created to advise you on the Sustainable Communities Strategy, is ongoing and not reflected in the five scenarios now before you. These bodies should have a meaningful opportunity to inform the scenarios. Rather than voting on an incomplete set of alternatives today, we request that staff be directed to present an updated set of scenarios, including an equity-focused scenario, at your meeting next month.

We look forward to working with staff to develop the specific details of the Equity, Environment and Jobs Scenario, and of the other staff-outlined scenarios.

Sincerely,

ACCE Riders for Transit Justice

Albany Rollers & Strollers

Bay Area Regional Health Inequities Initiative (BARHII)

Bay Localize

Breakthrough Communities

Center for Progressive Action

Ella Baker Center

Genesis

Grassroots Leadership Network of Marin

Green Youth Alliance

PolicyLink

Public Advocates

Public Interest Law Firm, a project of the Law Foundation of Silicon Valley

Regional Asthma Management and Prevention (RAMP), A Project of the Public Health Institute

SF Bay Walks

SF Council of Community Housing Organizations (CCHO)

SF Walks & Rolls

United Seniors of Oakland & Alameda County

Urban Habitat

Walk&Roll Berkeley

Enclosure: Equity, Environment and Jobs Scenario features

cc: MTC Commissioners and ABAG Board Members
MTC and ABAG staff

Plan BayArea

TO: MTC Planning Committee
ABAG Administrative Committee

DATE: July 6, 2011

FR: Deputy Executive Director, Policy, MTC
Executive Director, ABAG

RE: Plan Bay Area: Alternative Scenarios

Last month, the Commission and ABAG's Administrative Committee approved moving forward to evaluate five alternative scenarios to demonstrate how the region might achieve the Plan Bay Area performance targets adopted by MTC and ABAG earlier this year. In response to public comment, the Committee and Commission requested staff to consider a proposal for a sixth alternative scenario focused on "Equity, Environment and Jobs" and to return in July with details on how the approved five alternatives address the components proposed for this sixth alternative scenario.

This memorandum and its attachments provide additional detail on how the five approved alternative scenarios address the land use and transportation components recommended by the advocates and recommends next steps for addressing equity in the alternative scenarios process.

Defining Equity

The 1994 Executive Order 12898, Federal Actions to Address Environmental Justice in Minority and Low Income Population states that "each federal agency shall make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health effects of its programs, policies and activities on minority populations and low income populations." The U.S. Department of Transportation directs all its federal agencies to adhere to the principles outlined in the Executive Order. As such the Executive Order applies to Regional Transportation Plans (RTPs); MTC has therefore conducted equity analyses on its RTPs since 1994.

The Regional Equity Working Group for Plan Bay Area was formed in early 2011 from the membership of the Regional Advisory Working Group and MTC Policy Advisory Council's Equity & Access Subcommittee. The purpose of the Equity Working Group is to assist in identifying and providing advice on the major equity issues in the region from a diverse range of community and professional perspectives, including housing, transportation access and affordability, public health, and infrastructure need. The Equity Working Group has met monthly since February to assist staff in the development of the equity analysis framework for Plan Bay Area.

To date the Equity Working Group developed a set of regional equity priority issues that form the conceptual framework of the five equity analysis performance measures. These are as follows and will be further refined and defined over the next several weeks:

1. **Affordable Housing and Transportation Choices** (including preservation and production of affordable housing near transit)
2. **Equitable Growth** (avoiding displacement of low-income residents/communities, creating “complete communities”)
3. **Making the Jobs/Housing Connection**
4. **Healthy Communities** (public health implications of regional decision making)
5. **Equitable Mobility** (including options for seniors and people with disabilities)

The target populations involved in the equity analysis are determined in part by federal Title VI/EJ requirements. Based on input from the Equity Working Group, staff proposes to expand this definition of target populations for purposes of the equity analysis of each alternative scenario to include the low-income households and low-income or minority communities as analyzed in previous RTPs, as well as communities with concentrations of zero-vehicle households, limited-English-proficient residents, people with disabilities, and seniors over age 75.

Relationship between the Regional Housing Needs Allocation (RHNA) and Plan Bay Area

The proposed RHNA methodology being developed by ABAG staff with the help of the SCS Housing Methodology Committee combines sustainability and fair share criteria as requested by advocates of the “Equity, Environment, and Jobs Scenario”. As currently proposed by ABAG, the RHNA income allocation method would give jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category. Conversely, jurisdictions that have a lower proportion of households in an income category would receive a larger allocation of housing units in that same category.

The alternative scenarios will incorporate most of the elements of the proposed RHNA methodology, including an emphasis on growth in PDAs, the use of “quality of life” factors to distribute growth to areas outside of PDAs, the minimum threshold for growth, and the income shift. We believe this directly addresses the Land Use component #2 in advocates’ scenario.

SB 375 requires RHNA to be consistent with the SCS. As such, the RHNA methodology will closely track the development of the alternative scenarios. The Preferred SCS Scenario ultimately adopted by MTC and ABAG in February 2012 will use the RHNA distribution for first 8 years of the One Bay Area plan.

Equity Considerations in the Approved Scenarios

A. Land Use Elements

The Focused Growth, Core Concentration, and Outer Bay Area Growth scenarios address the land use components requested by the equity leaders and advocates as follows:

1. *Allocation of a substantial proportion of housing growth based on jobs, high-performing schools, transit service levels, and other indicators of opportunity:*

The SCS will pursue the development and strengthening of complete communities to enhance the quality of life in all neighborhoods and centers throughout the region. The PDA framework, in particular, emphasizes residents' access to transit, jobs, stores, quality schools, health services, and entertainment. While many PDAs might not currently have high-performing schools or strong employment growth, the purpose of the SCS is to provide additional support to those communities to address needed improvements. The alternative scenarios will identify some of the policies and investments required to achieve strong complete communities in PDAs.

In addition, some growth in each of the constrained alternative scenarios will be directed to areas outside of the PDAs that have the characteristics of a complete community. Growth outside of the PDAs will be distributed based, in part, on factors that contribute to neighborhood quality of life, such as access to jobs, transit, services, and quality schools. Each jurisdiction will be expected to accommodate a minimum percent of the housing need it is expected to generate based on factors related to demographic change and household formation.

The approach used would be consistent with what is adopted as part of the RHNA methodology for the 2015-2022 period. As currently proposed, the RHNA methodology includes the following components: housing and job growth in PDAs from SCS Preferred Scenario, an upper housing threshold (110 percent of household formation), a minimum housing floor (40 percent of household formation), quality of life factors for growth outside of PDAs, and the income allocation (175 percent shift towards regional average)¹

2. *Allocate extremely low, very-low, and low income housing units to cities with low numbers of low-income residents:*

All three constrained alternative scenarios will address this equity objective by projecting a greater diversity of housing choices across jurisdictions, which is also part of the proposed RHNA methodology described above. As proposed, the income allocation method gives jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category. Conversely, jurisdictions that have a lower proportion of households in an income category would receive a larger allocation of housing units in that same category.

The Focused Growth, Core Concentration, and Outer Bay Area Growth scenarios emphasize different equity approaches based on the underlying land use pattern. The Core Concentration scenario will provide greater access to jobs and services to a higher share of the low-income population than the other scenarios given the concentration of growth in the Inner Bay Area. The Outer Bay Area Growth scenario would increase employment opportunities and access to services and amenities for the predominantly residential neighborhoods in the Outer Bay Area. By accommodating more moderate levels of growth in PDAs throughout the region, the Focused Growth scenario provides a balance between these approaches.

¹ More details about the RHNA methodology are available on the One Bay Area website at: http://www.onebayarea.org/plan_bay_area/housing.htm.

The attached ABAG staff memoranda provide more details for how the land use elements of the alternative scenarios address social equity, including displacement and health and safety issues. Staff believes that the proposed alternative scenarios provide a reasonable range of land use growth assumptions that can incorporate the advocate's land use components.

B. Transportation Elements

Two transportation elements are included in the five MTC/ABAG-approved alternative scenarios: (1) Transportation 2035 network (represented in Alternative Scenarios 3 and 5); and (2) T2035 plus Core Capacity Expansion (represented in Alternative Scenarios 1, 2 and 4). These elements provide a reasonable range of options that we believe can address the components of the proposed "Equity, Environment and Jobs Scenario" as follows:

1. Maximize funding for local transit operations and prioritize service in lower-income areas.

The T2035 plan transit expenditures total about \$140 billion, or about 65% of total funding. Of this \$140 billion, about \$111 billion, or 51% of total expenditures, is invested in maintaining and operating the region's existing transit system. Even with this substantial investment, a combined capital maintenance and operating need remains totaling \$17 billion despite an additional \$6 billion infusion of new RTP discretionary funding for transit capital replacement. The T2035 plan mainly assumes transit service expansion for the fully funded projects (both capital and operating) in Resolution 3434 (MTC's regional transit expansion plan) projects. These projects included SMART, BART/San Jose, and various light rail transit (LRT) and bus rapid transit (BRT) projects. No new bus or fixed guide way service was assumed beyond these projects due to the inability to leverage new operating funds, and due to the combined \$17 billion capital maintenance and operating remaining needs.

Despite not being able to address the T2035-projected combined maintenance and operating needs, the financially unconstrained IVS (Scenario #1) assumes service frequency increases on 70 bus and rail lines that total an estimated additional \$300 million/year in net operating costs. These service increases are located primarily in high-growth PDAs, which also support the Communities of Concern that are identified by MTC as areas with high levels of minority and low-income populations. Federal statute requires that our transportation plans meet the test of financial reasonableness. With this requirement in mind, it is clear that we will need to look to ways to leverage existing funding to cover projected transit unmet needs in T2035 (Scenarios 3 and 5), and to fund desired new services beyond the T2035 envisioned in Scenarios 2 and 4.

2. Flex more transit capital funding into transit operating and backfill transit capital with other capital funding.

An initial assessment of T2035 indicates that, under federal eligibility provisions, we could flex about \$ 7 billion of additional capital maintenance funding for operating revenue. While this transfer reduces the T2035 transit operating need from \$8 billion to \$1 billion, it increases the transit capital replacement need to \$7 billion (from \$17 billion to \$24 billion). We could also assume additional operating revenue in two ways: 1) assume transit cost containment and efficiencies consistent with the Transit Sustainability Project analysis that assumes the region could achieve up to 10% reduction in operating costs under certain cost containment strategies; and 2) determine what uncommitted revenues could be directed to

fund transit operations. As with past RTPs, this latter approach would be subject to Commission deliberations on investment tradeoffs.

3. *Include only the most cost-effective projects, including those from Community Based Transportation Plans.*

Staff will conduct a performance assessment of all projects or project types, similar to what was done for the Transportation 2035 Plan. The assessment will be based on the performance targets previously adopted by MTC and ABAG. All “non-committed” projects are subject to a target assessment. A benefit/cost ratio analysis will be conducted on larger capacity increasing projects (greater than \$50 million). These analyses will provide MTC and ABAG with sufficient information to understand tradeoffs among projects included in the alternative scenarios.

4. *Prioritize capital projects that will improve health and safety.*

In addition to point #3 above, ABAG and MTC adopted the following three health and safety performance targets that will be used in the evaluation of each scenario:

- Reduce premature deaths from exposure to particulate emissions/ incidence of asthma
- Reduce the number of injuries and fatalities from all collisions (including bike and pedestrian)
- Increase the average daily time walking or biking per person for transportation

5. *Use local road discretionary funding and other funding to support communities that provide significant portions of the region's lower-income housing.*

The OneBayArea Grant program (to be released under Agenda Item 2 a.) is based on the premise that those local jurisdictions providing higher shares of the region’s housing growth, which includes lower-income housing per RHNA, would receive more regional discretionary funding. MTC and ABAG will have extensive discussions on investment tradeoff strategies that will determine how One Bay Area Grant and its regional program elements are carried forward into a preferred long-range Plan Bay Area investment strategy expected to be approved in February 2012.

Recommendation

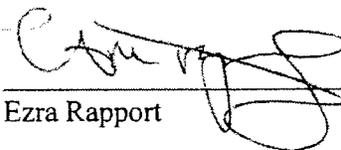
On July 1, MTC and ABAG staff met with representatives of groups proposing the “Equity, Environment and Jobs Scenario” to further discuss the need for this scenario. At that meeting, staff indicated that more details on the land use and transportation elements of the five approved scenarios would be presented at your July 8 meeting. These have been articulated in this memorandum and its attachments. We propose to use this information to continue discussions, review with the Policy Advisory Council and Equity Working Group, and come back to the Commission and ABAG Boards later this month.

Through these discussions, we will further clarify the transportation and land use element assumptions of each scenario to determine the best approach to address the equity components being sought in the “Equity, Environment and Job Scenario”.

Staff recommends that the committees take no action on this topic on July 8 to allow staff to work further with the advocates and others in developing an approach to address equity in the alternative scenario definitions. ABAG is expected to consider this issue at its July 21, 2011 Executive Board meeting and the Commission would do so at its meeting on July 27, 2011.



Ann Flemer



Ezra Rapport

SH/ER:DK

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OneBayArea

Date: July 5, 2011

To: MTC Planning Committee
ABAG Administrative Committee

From: Executive Director, ABAG

Re: Sustainable Communities Strategy (SCS) Land Use Scenario Assumptions

This memo provides an overview of the land use assumptions that will guide development of the alternative scenarios of the Bay Area's Sustainable Communities Strategy.

Background

Under SB 375, the adopted Sustainable Communities Strategy (SCS) must be based on a forecasted land use pattern that utilizes reasonable planning assumptions. Based on the SCS Alternative Scenarios concepts, staff has developed additional details for the five alternatives.

The two unconstrained scenarios—Initial Vision Scenario and Core Concentration—are based on identifying areas within the region that could potentially meet the region's total housing need. Staff has not yet performed sufficient analysis to identify the level of public resources required to implement such a strategy, but our preliminary assessment indicates that it may exceed a reasonable forecast. Although these two scenarios may not meet the requirement that the SCS be based on a reasonable forecasted land use pattern, what we learn about the policies and resources needed for the region to meet the total housing need will inform the development of the final SCS scenario.

The remaining three scenarios (Focused Growth, Core Concentration, and Outer Bay Area Growth) are based on a more financially attainable economic and housing forecast and utilize reasonable planning assumptions. For this reason, this report focuses on these three scenarios, with some additional discussion of the unconstrained scenarios at the end of this report.

In addition, regional agencies staff have responded to concerns raised by equity advocates by explaining and adding specific equity inputs into the Focused Growth, Core Concentration, and Outer Bay Area Growth scenarios. The memo "Response to Equity Groups Regarding Sustainable Communities Strategy (SCS) Land Use Scenario Assumptions" describes in more detail how these concerns were addressed.



Forecasted Constrained Scenarios

The three moderate growth scenarios are *Focused Growth*, *Core Concentration*, and *Outer Bay Area Growth*. These three scenarios take into account reasonable planning assumptions related to funding availability. All three scenarios assume higher rates of employment growth and housing production than the Bay Area has experienced over the previous 20 years. In order to achieve these results, these scenarios assume that over the next 30 years there will be significant reforms in State and regional policies and the availability of new funding sources for affordable housing and infrastructure that replace redevelopment financing.

Land use decisions are governed by local jurisdictions and are a local responsibility. The land use assumptions utilized in the scenarios are based upon local input and strong coordination among local and regional agencies.

Land Use Patterns and Strategies

Focused Growth Scenario

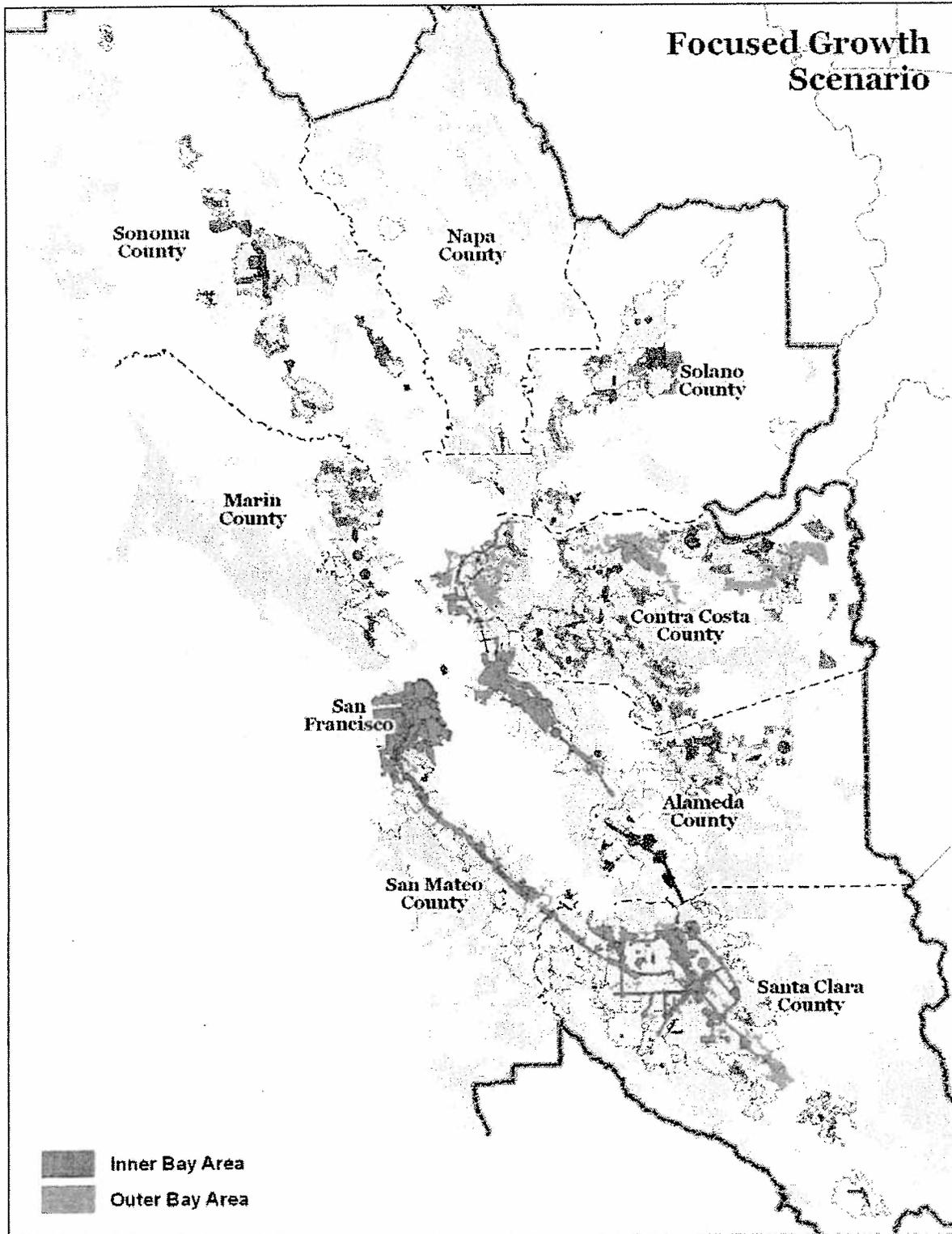
This scenario maximizes the potential of the Priority Development Areas (PDAs)¹ to accommodate household and job growth across the region with an emphasis on density along several transit corridors in the Inner Bay Area (the map on page three shows how this is defined). This scenario would intensify growth in all PDAs, with an emphasis on growth in the PDAs along the major transit corridors. It is expected that around 70 percent of the housing production and around 55 percent of the employment growth would be accommodated within PDAs. Putting more homes and jobs near transit would provide residents and employees with increased access to jobs and services, while providing the densities needed to support more robust transit service.

The growth within the PDAs would be based on the place type proposed by the local jurisdiction and would be tied to input provided by local jurisdictions on the level of growth they can reasonably accommodate given their resources, local plans, and community support. Except for the major cities, where high-rise buildings are considered, most other places would be expected to build three- to five-story buildings of wood frame construction.

Core Concentration Scenario

This scenario builds upon the pattern of growth outlined in the Focused Growth scenario, but shifts additional growth toward the regional and city centers in the Inner Bay Area, to take advantage of the core transit network. This would result in a more compact development pattern, but within reasonable financial constraints. By concentrating more growth in the city centers and regional centers, it goes even further than the Focused Growth scenario in trying to maximize the use of the existing transit network and provide access to jobs and services to most of the population. It would include a higher number of steel frame buildings and higher densities in regional and city centers than in the Focused Growth or Outer Bay Area Growth scenarios.

¹ ABAG/MTC staff expect to expand the PDA framework to incorporate the Growth Opportunity Areas that were identified during development of the Initial Vision Scenario. As a result, the term PDAs in this context refers to both PDAs and Growth Opportunity Areas.



Outer Bay Area Growth Scenario

This scenario also builds upon the Focused Growth scenario, but incorporates a regional employment analysis to address higher levels of growth in PDAs in the Outer Bay Area than those considered in Focused Growth and Core Concentration. Most of the housing production and employment growth would still be accommodated in the Inner Bay Area. However, this scenario would cluster jobs and housing in key transit-served locations as a way to promote economic development and greater access to services and amenities in the Outer Bay Area. Office parks in the Outer Bay Area would be assumed to grow faster in this scenario than the others and would be supported by increased density of PDAs and cities in the Outer Bay Area. While increased use of public transit would be very limited in the Outer Bay Area, some shorter commutes could be expected as jobs are created closer to some primarily residential communities. This scenario would consider intensifying existing office parks, downtown centers, and PDAs in the Outer Bay Area through construction of three- to five-story buildings and town houses.

Scenario Assumptions

All of the scenarios are developed based on growth and land use assumptions that pursue a pattern of sustainable and equitable development. These assumptions guide the scale and location of jobs, housing, and services included in the scenarios.

Community Building

- *Complete communities:* The SCS is intended to pursue the development and strengthening of complete communities to enhance the quality of life in all neighborhoods and centers throughout the region. Some places already have strong complete communities and could accommodate additional population; other places could accommodate growth but need additional support to strengthen their urban qualities. PDAs emphasize residents' access to transit, jobs, stores, quality schools, health services, and entertainment. They also encourage focused employment growth supported by transit, services, and amenities, with the exception of industrial and agricultural employment that have specific land and road requirements. The purpose of the complete communities framework is to use the PDA development process to enhance the quality of life for all residents and workers, current and future, without displacing the existing community. The alternative scenarios will identify some of the policies and investments required to achieve a complete community in each PDA.

Some of the growth in each of the alternative scenarios will also be directed to areas outside of the PDAs that have the characteristics of a complete community. The proportion of growth outside of the PDAs will vary across the three constrained scenarios, depending on the extent to which growth is concentrated in the core of the Inner Bay Area. In all three scenarios, this non-PDA growth will be distributed based, in part, on factors that contribute to neighborhood quality of life, such as access to jobs, transit, services, and quality schools.

- *Place types:* In order to recognize the diversity of places with various development expectations throughout the region, we have defined ten different place types that capture a wide range of urban and rural qualities. Each place type identifies spatial, economic, and social qualities such as the concentration of jobs and housing, levels of transit service, range of building heights and densities, and the diversity of shops and services. Local jurisdictions have chosen a place type for each PDA according to the vision of growth and development they want to pursue in the area. For example, Sonoma has chosen The Springs as a *Rural Mixed-Use Corridor*, cities in San Mateo County and Alameda County have designated portions of the Grand Boulevard and San Pablo Avenue corridor as *Mixed-Use Corridors*, Santa Rosa has designated its downtown as a *City Center*, and San Jose has designated its downtown as a *Regional Center*. The designated place types will guide the distribution of growth in the alternative scenarios. Overall, more growth will be expected in regional and city centers, which will have more buildings of three to ten stories. Less growth will go to rural towns and transit neighborhoods, where most growth will be in townhouses and wood frame buildings of two to five stories.

Growth and Land Use

- *Total regional growth:* Total household and employment growth for the constrained scenarios remains to be defined in consultation with forecasting and regional planning experts. We expect to have a slower pace of growth in the early part of the 30-year period, with faster growth closer to 2040. Total household growth by 2040 would be within the range of 600,000 to 900,000 households. While striving to get as close to the housing need of approximately 900,000 units, the constrained housing forecast will be established based on an assessment of economic growth, financial feasibility, and reasonable planning strategies. Household growth will be forecasted by income level. Employment growth would range between 0.8 and 1.2 million additional jobs. This employment growth is lower than previous forecasts but higher than the trends over previous decades.
- *Population growth:* The scenarios will utilize population growth estimates informed by the 2010 Census data. Based on expected demographic changes in the region's population, it may be possible to establish different thresholds for the number of persons per household and employed residents per household in the Inner and Outer Bay Area. This is related to the growth of our senior population and minority groups. For example, given some growth of multigenerational households and some seniors aging in place, we expect higher household and employed resident density in the Inner Bay Area.
- *Housing production:* The scenarios are designed to improve the quality of housing and access to affordable housing for the entire population in the region. The production of workforce housing in PDAs will be crucial to support sustainable and equitable development. Considering the housing affordability challenges in the region, the scenarios will maximize the production of housing for the low-income and very low-income population at various place types and locations. Different levels of affordable

housing subsidies will be considered across place types. The scenarios will assume policies to retain housing affordability and minimize displacement. No decline in the very low-income or low-income population will be assumed in any of the alternatives. In alignment with the Regional Housing Need Allocation (RHNA) under state regulation, the scenarios will assume each jurisdiction will produce housing that addresses the regional needs of all income groups. No jurisdiction will be assumed to produce housing exclusively for one income group.

Employment, Environment, and Equity

- *Employment:* The scenarios will consider various options for the distribution of employment that will support economic growth across various place types. Each place type is defined by the scale and density of employment and combination of industry groups. Over the next 30 years, professional services and knowledge-based industries are expected to experience the highest growth while manufacturing will significantly slow down across the region. Major employment centers with leading industries are expected to carry a high share of the employment growth. However, scenarios will also assume that small office parks increase their employment density, services, and transit services, and small downtowns strengthen their local services.
- *Environment:* The preservation of farmland and open space can ensure that Bay Area lands will provide clean water, local food, diverse habitats to support a variety of native plants and animals, and recreational opportunities. It further presents an opportunity to remain economically viable by attracting businesses, workers, and visitors that value these lands for their contribution to the quality of life in the Bay Area. To support the goal of open space and agricultural preservation, the alternative scenarios maximize development in the urban footprint, with the benefit of decreasing development pressure on these lands.
- *Equity:* Social equity means increasing access to opportunities and improved quality of life for residents of all neighborhoods in the region. It is the fair and equitable distribution of economic benefits and costs, social benefits and costs, and environmental benefits and costs among all communities. This includes not only an equitable distribution of resources for current residents throughout the Bay Area, but also equitable provision of resources for future residents through an adequate supply of housing options, transit accessibility, and healthy and sustainable communities.

Social equity is promoted in the alternative scenarios through the emphasis on encouraging growth in complete communities, both in PDAs and in the areas outside of PDAs. In addition, each of the alternative scenarios will also distribute growth in a way that ensures that each jurisdiction is planning to accommodate a minimum percent of the housing need it is expected to generate based on factors related to demographic change and household formation. The minimum threshold will be informed by the discussion and analysis at the SCS Housing Methodology Committee.²

² The SCS Housing Methodology Committee is currently considering a minimum threshold of 40 percent.

The three constrained alternative scenarios will also promote social equity by projecting a greater diversity of housing choices across jurisdictions. This is based on the concept embedded in RHNA that encourages access to affordable housing in all jurisdictions and seeks to avoid concentration of households by income. As proposed, the income allocation method gives jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category.³

Consistency Between the SCS and RHNA

SB 375 requires the Regional Housing Need Allocation (RHNA) to be consistent with the SCS. To promote this consistency, the methodology for the RHNA allocation will be based on the growth pattern shown in the Preferred Scenario of the SCS. Here, we are also proposing that elements of the proposed RHNA methodology (including the minimum threshold for household growth, the use of “quality of life” factors to distribute growth, and the changes to the income distribution) be incorporated into the development of the alternative scenarios.

The alternative scenario evaluation will help inform the selection of a Preferred SCS. Once the Preferred SCS is selected, it will form the basis for the RHNA allocations to each jurisdiction for the period between 2015 and 2022 using the total housing need determination provided by the California Department of Housing and Community Development (HCD). As currently proposed, the RHNA methodology includes the following components:

- **Sustainability Component**
 - Housing and job growth in PDAs from SCS Preferred Scenario
- **Fair Share Elements**
 - Upper housing threshold (110 percent of household formation)
 - Minimum housing floor (40 percent of household formation)
 - Quality of life factors outside of PDAs
 - Income allocation (175 percent shift towards regional average)

More details about the RHNA methodology are available on the One Bay Area website at: http://www.onebayarea.org/plan_bay_area/housing.htm.

In conclusion, these assumptions translate into three major criteria for the development of the alternative scenarios:

- (1) Sustainable and complete communities’ growth would be captured in the PDAs, which is largely informed by input from local jurisdictions. This is expected to account for around 70 percent of the total household growth and 55 percent of employment growth.
- (2) The complete community and quality of life criteria would be applied to the growth outside of PDAs and would include factors such as good transit service, high quality schools, or employment.
- (3) Distribute household growth in a way that promotes social equity and a greater diversity of housing choices in all jurisdictions.

³ The SCS Housing Methodology Committee is currently considering a 175 percent income shift.

Comment on the Unconstrained Scenarios

The **Initial Vision Scenario** was completed in March 2011 as the first approach to the SCS. This scenario assumed a strong economy and unconstrained resources for housing production. It assumed the transportation network proposed in the last Regional Transportation Plan (T2035) with a significant increase in bus service. This scenario was designed to meet the housing target. The analysis of greenhouse gas (GHG) emissions resulted in a reduction of 12 percent by 2035, which was short of the target of a 15 percent reduction.

The **Unconstrained Core Concentration** scenario modifies the Initial Vision Scenario to achieve the targeted 15 percent reduction in GHG by concentrating development in the Inner Bay Area and introducing additional land use policies and transportation investments. As with the Constrained Core Concentration scenario, this scenario shifts growth toward regional and city centers in the Inner Bay Area for a more compact development pattern by 2040. However, it also assumes a strong economy and unconstrained resources for housing production. It includes a higher number of steel frame buildings and higher densities than in the Initial Vision Scenario. For transportation, it assumes the transportation network proposed in T2035 as well as the resources needed to increase bus service and implement other transit and infrastructure investments. Overall, it maximizes the use of the existing transit network and provides improved access to jobs and services to most of the population.

OneBayArea

Date: July 5, 2011

To: MTC Planning Committee
ABAG Administrative Committee

From: Executive Director, ABAG

Re: Response to Equity Groups Regarding Sustainable Communities
Strategy (SCS) Land Use Scenario Assumptions

Overview

Social equity leaders and advocates have worked with regional agencies in the development of the equity analysis to be conducted for the alternative scenarios once they are completed. While some questions remain on the scope and indicators included in this equity analysis, it is our understanding that the main concern is related to the equity inputs in the design of the scenarios. Regional agencies staff have responded to this concern by explaining and adding specific equity components to the Focused Growth, Core Concentration, and Outer Bay Area Growth scenarios.

The Joint Committee also requested that staff develop a sixth alternative that would specifically explore issues related to equity, employment, and the environment. The details of this potential scenario are still under development through consultation with the equity groups, so a description of this option has not been included in this memo.

Forecasted Constrained Scenarios

The three moderate growth scenarios are *Focused Growth*, *Core Concentration*, and *Outer Bay Area Growth*. These three scenarios take into account reasonable planning assumptions related to funding availability. All three scenarios assume higher rates of employment growth and housing production than the Bay Area has experienced over the previous 20 years. In order to achieve these results, these scenarios assume that over the next 30 years there will be significant reforms in State and regional policies and the availability of new funding sources for affordable housing and infrastructure that replace redevelopment financing.

Land use decisions are governed by local jurisdictions and are a local responsibility. The land use assumptions utilized in the scenarios are based upon local input and strong coordination among local and regional agencies.



Land Use Patterns and Strategies

Focused Growth Scenario

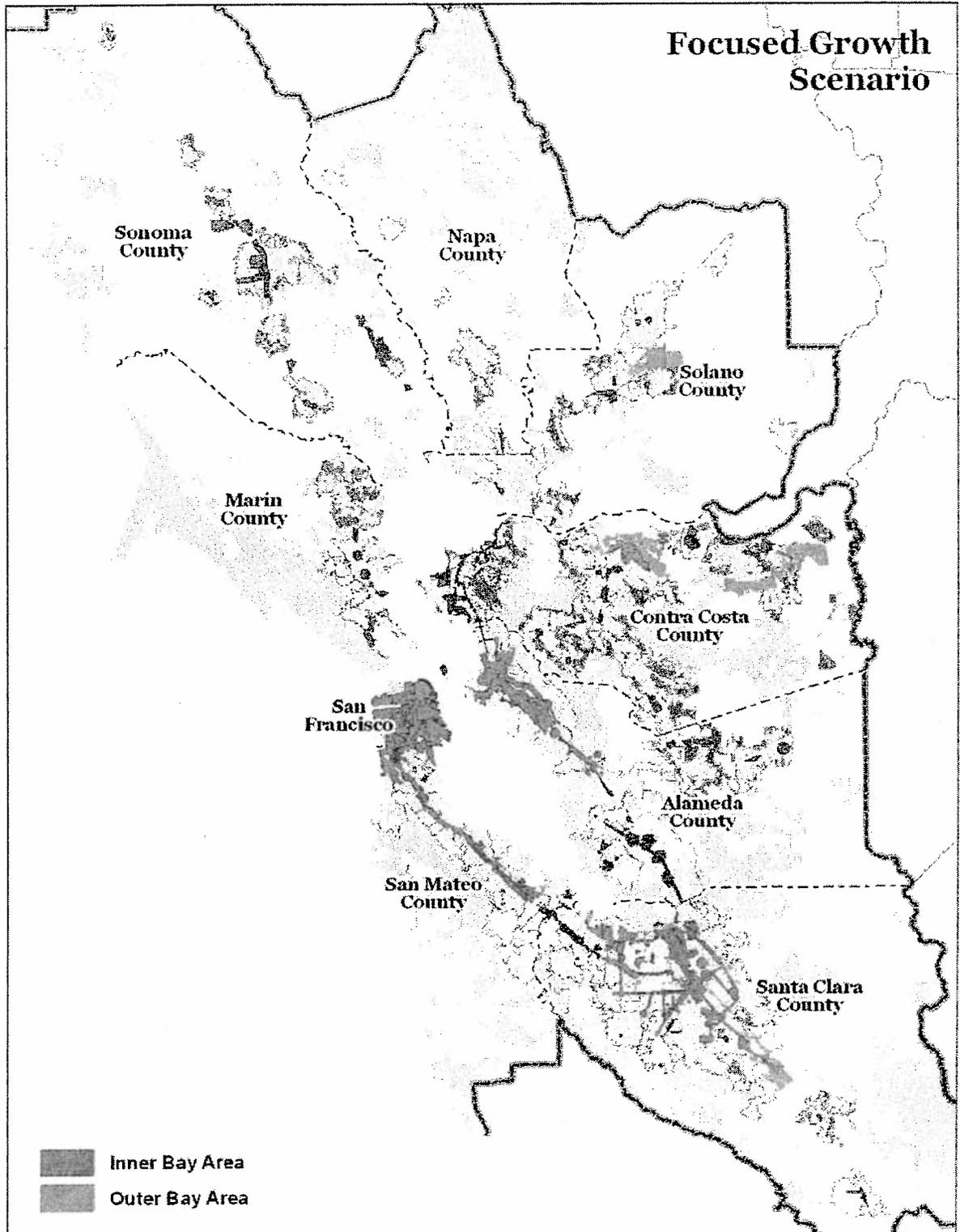
This scenario maximizes the potential of the Priority Development Areas (PDAs)¹ to accommodate household and job growth across the region with an emphasis on density along several transit corridors in the Inner Bay Area (the map on page three shows how this is defined). This scenario would intensify growth in all PDAs, with an emphasis on growth in the PDAs along the major transit corridors. It is expected that around 70 percent of the housing production and around 55 percent of the employment growth would be accommodated within PDAs. Putting more homes and jobs near transit would provide residents and employees with increased access to jobs and services, while providing the densities needed to support more robust transit service.

The growth within the PDAs would be based on the place type proposed by the local jurisdiction and would be tied to input provided by local jurisdictions on the level of growth they can reasonably accommodate given their resources, local plans, and community support. Except for the major cities, where high-rise buildings are considered, most other places would be expected to build three- to five-story buildings of wood frame construction.

Core Concentration Scenario

This scenario builds upon the pattern of growth outlined in the Focused Growth scenario, but shifts additional growth toward the regional and city centers in the Inner Bay Area, to take advantage of the core transit network. This would result in a more compact development pattern, but within reasonable financial constraints. By concentrating more growth in the city centers and regional centers, it goes even further than the Focused Growth scenario in trying to maximize the use of the existing transit network and provide access to jobs and services to most of the population. It would include a higher number of steel frame buildings and higher densities in regional and city centers than in the Focused Growth or Outer Bay Area Growth scenarios.

¹ ABAG/MTC staff expect to expand the PDA framework to incorporate the Growth Opportunity Areas that were identified during development of the Initial Vision Scenario. As a result, the term PDAs in this context refers to both PDAs and Growth Opportunity Areas.



Outer Bay Area Growth Scenario

This scenario also builds upon the Focused Growth scenario, but incorporates a regional employment analysis to address higher levels of growth in PDAs in the Outer Bay Area than those considered in Focused Growth and Core Concentration. Most of the housing production and employment growth would still be accommodated in the Inner Bay Area. However, this scenario would cluster jobs and housing in key transit-served locations as a way to promote economic development and greater access to services and amenities in the Outer Bay Area. Office parks in the Outer Bay Area would be assumed to grow faster in this scenario than the others and would be supported by increased density of PDAs and cities in the Outer Bay Area. While increased use of public transit would be very limited in the Outer Bay Area, some shorter commutes could be expected as jobs are created closer to some primarily residential communities. This scenario would consider intensifying existing office parks, downtown centers, and PDAs in the Outer Bay Area through construction of three- to five-story buildings and town houses.

Equity in the Constrained Alternative Scenarios

The Focused Growth, Core Concentration, and Outer Bay Area Growth scenarios address the land use components requested by the equity leaders and advocates as follows:

1. *Allocation of a substantial proportion of housing growth based on jobs, high-performing schools, transit service levels, and other indicators of opportunity:*

The SCS will pursue the development and strengthening of complete communities to enhance the quality of life in all neighborhoods and centers throughout the region. The PDA framework, in particular, emphasizes residents' access to transit, jobs, stores, quality schools, health services, and entertainment. While many PDAs might not currently have high-performing schools or strong employment growth, the purpose of the SCS is to provide additional support to those communities to address needed improvements. The alternative scenarios will identify some of the policies and investments required to achieve strong complete communities in PDAs.

In addition, some growth in each of the constrained alternative scenarios will be directed to areas outside of the PDAs that have the characteristics of a complete community. Growth outside of the PDAs will be distributed based, in part, on factors that contribute to neighborhood quality of life, such as access to jobs, transit, services, and quality schools. Each jurisdiction will be expected to accommodate a minimum percent of the housing need it is expected to generate based on factors related to demographic change and household formation.

The approach used would be consistent with what is adopted as part of the Regional Housing Need Allocation (RHNA) methodology for the 2015-2022 period. As currently proposed, the RHNA methodology includes the following components: housing and job growth in PDAs from SCS Preferred Scenario, an upper housing threshold (110 percent of household formation), a minimum housing floor (40 percent of household formation),

quality of life factors for growth outside of PDAs, and the income allocation (175 percent shift towards regional average)²

2. Allocate extremely low, very-low, and low income housing units to cities with low numbers of low-income residents:

All three constrained alternative scenarios will address this equity objective by projecting a greater diversity of housing choices across jurisdictions, which is also part of the proposed RHNA methodology described above. As proposed, the income allocation method gives jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category. Conversely, jurisdictions that have a lower proportion of households in an income category would receive a larger allocation of housing units in that same category.

The Focused Growth, Core Concentration, and Outer Bay Area Growth scenarios emphasize different equity approaches based on the underlying land use pattern. The Core Concentration scenario will provide greater access to jobs and services to a higher share of the low-income population than the other scenarios given the concentration of growth in the Inner Bay Area. The Outer Bay Area Growth scenario would increase employment opportunities and access to services and amenities for the predominantly residential neighborhoods in the Outer Bay Area. By accommodating more moderate levels of growth in PDAs throughout the region, the Focused Growth scenario provides a balance between these approaches.

² More details about the RHNA methodology are available on the One Bay Area website at: http://www.onebayarea.org/plan_bay_area/housing.htm.

MEMO

Submitted by: Ezra Rapport, ABAG Executive Director and Danielle Hutchings, ABAG Earthquake and Hazards Program Coordinator

Subject: Bay Area Regional Disaster Resilience Action Plan Initiative

Date: July 21, 2011

Executive Summary

Background/Efforts to Date

ABAG has been actively leading efforts to develop a Bay Area Disaster Recovery and Resilience Plan, particularly in regards to major earthquakes. Between 2008 and 2010 the Regional Planning Committee developed eight issue papers highlighting long-term disaster recovery issues around the areas of infrastructure, housing, economy, government services, education, health and healthcare, environment, and land use. All of these issue papers are available online at <http://quake.abag.ca.gov/recovery>. As a result of these issue papers, the Regional Planning Committee determined that there was a need for a governance structure to plan the regional recovery around these issues, developed the concept of a Regional Recovery Planning Council and sought state legislature sanction of this Council in order to provide an institutionalized structure for recovery planning (SB 1205). ABAG was able to achieve regional stakeholder and legislature consensus for the concept of the Council, but little support was received from FEMA and CalEMA and the bill was eventually vetoed by Governor Schwarzenegger.

Proposed Regional Disaster Resilience Initiative

Building on the efforts of SB 1205 and the stakeholder support, ABAG is partnering with the Bay Area Center for Regional Disaster Resilience to launch a Bay Area Regional Disaster Resilience Action Plan Initiative with a focus on recovery and restoration. The Initiative will convene key stakeholder organizations and constituencies to identify existing Bay Area capabilities to address major disasters and incidents and to identify gaps and specific activities to improve the Bay Area's capacity to withstand, adapt, and rapidly return to normal and in some cases a "new normal." Emphasis will be on reconstituting lifeline and other critical infrastructures, businesses, government services, community institutions, housing and essential services and facilities that underpin the Bay Area economy and the health, safety, and overall well-being of its citizens.

ABAG proposes to achieve this goal by convening a Regional Resilience Council which will comprise members of the RPC plus additional key stakeholders. The Resilience Council is the *policy body* that will provide guidance and oversight of the Regional Disaster Resilience Action Plan Initiative and will explain the Initiative to their respective constituencies.

The Resilience Council will be supported by a Bay Area Resilience Coalition of stakeholder organizations that will work together to develop the Regional Disaster Resilience Initiative. The Coalition is the *operational body* for the initiative and will serve as an umbrella consortium to assure involvement of all key stakeholders agencies, associations, collaborations, and groups with responsibilities or significant interests in disaster preparedness, recovery and response. The Coalition will be comprised of: local government officials (e.g., emergency management, law enforcement, and public health), key private sector practitioners and experts (e.g., utilities and other critical infrastructures, businesses) non-profits (schools and community institutions, faith-based and ethnic groups, social service organizations) and academic/research institutions. Its role will be to provide operational and subject matter expertise to enable the Resilience Council to ensure accurate, practical, and implementable Initiative outcomes.

The process used to develop the Regional Resilience Action Plan will be a multi-step approach that has been used in other regions of the nation to develop regional resilience action strategies. This process will entail eight steps and be 14 months in duration, beginning in August 2011 and ending October 2012. The Initiative will be

conducted through a series of stakeholder and experts meetings, conference calls, interviews/surveys, development and conduct of an educational Recovery and Restoration Workshop, a targeted Regional Recovery and Restoration Tabletop Exercise, and a final Disaster Resilience Action Planning Workshop for stakeholder coordination, validation and finalization of the Action Plan. This effort will be funded in part by the Regional Catastrophic Preparedness Grant Program (RCPGP) of the Bay Area UASI. An important element of the Initiative is producing a regional baseline assessment or Gap Analysis of existing Bay Area disaster preparedness/management capabilities and needs that can demonstrate where mitigation measures and other resilience improvement investments are required.

About the Bay Area Center for Regional Disaster Resilience

The Bay Area Center for Regional Disaster Resilience (Bay Area CRDR) is a California Non Profit (Section 501(c) (3)) corporation (application for non-profit status in process) established for the charitable and educational purposes of raising awareness and empowering action among individuals and public/private sector and non-profit organizations on all hazards disasters, health, safety, economic, environmental, and societal consequences and preparedness gaps. Towards this end, the Bay Area CRDR fosters information sharing and networking to develop cooperative, actionable strategies to improve community and regional capabilities to withstand, respond, and recover from disasters and major incidents. The Bay Area CRDR partners with the Association of Bay Area Governments, other regional associations, and local, state, and federal agencies to provide stakeholders the knowledge and capabilities necessary to collectively advance toward cost-effective, sustainable regional and community disaster resilience. A key focus is developing the trusted relationships and partnerships necessary to enable communities to meet the challenges of an increasingly interdependent and uncertain world.

Recommended Action

Following comment from the ABAG Executive Board and members of the public, staff respectfully asks for the ABAG Executive Board to:

- (1) endorse the Regional Resilience Action Plan Initiative; and
- (2) endorse the formation of the Disaster Resilience Council, comprised of RPC members plus additional stakeholders.

Next Steps

- (1) Based on RPC feedback, staff recommends that the first Disaster Resilience Council meeting be held in conjunction with RPC at the August 3rd meeting with subsequent meetings held on the first Wednesday of the month from 1-3pm in November, March, May, and July.
- (2) Staff will continue to build the stakeholder Resilience Coalition in coordination with the Resilience Council and plans to hold the kick-off workshop for the Initiative on October 12th.

Attachments:

Proposed Bay Area Regional Disaster Resilience Action Plan Initiative. Focus: Recovery and Restoration



Proposed Bay Area Regional Disaster Resilience Action Plan Initiative Focus: Recovery and Restoration

The Association of Bay Area Governments (ABAG), in partnership with Bay Area public, private sector and non-profit organizations, and regional agencies and associations, will collaborate to develop a Bay Area Regional Disaster Resilience Action Plan focusing on recovery and restoration after major disasters and incidents.

Purpose

The Initiative will convene key stakeholder organizations and constituencies to identify existing Bay Area capabilities to address major disasters and incidents and to identify gaps and specific activities to improve the Bay Area's capacity to withstand, adapt, and rapidly return to normal and in some cases a "new normal." Emphasis will be on reconstituting lifeline and other critical infrastructures, businesses, government services, community institutions, housing and essential services, and facilities that underpin the Bay Area economy and the health, safety, and overall well-being of its citizens. The Initiative will be funded in part by the Regional Catastrophic Preparedness Grant Program (RCPGP) of the Bay Area Urban Areas Security Initiative (UASI), and by private sector and other contributions.

Background

ABAG has been actively leading efforts to develop a Bay Area Disaster Recovery Plan, particularly in regard to major earthquakes. Lessons learned from recent earthquakes in Haiti, Chile, New Zealand, and especially Japan have highlighted the importance of ensuring the quality of life, the economy, and economic competitiveness of the Bay Area in the event of a major disaster or incident that causes widespread damage or destruction to interdependent lifelines and other infrastructures, businesses, residential housing, and the institutions—schools, healthcare facilities, government services, and social services—that support Bay Area citizens. Consequently, it is imperative that the Bay Area develop as soon as possible a Regional Disaster Resilience Action Plan focusing on recovery and restoration from major disasters and incidents. The Action Plan would be compatible with and supplement current Bay Area emergency management, continuity, mitigation and other plans, procedures, policies, and technologies, as well as best practices from other regions. The Action Plan will take into account interdependencies and mutual assistance and other cooperative agreements with regions beyond the Bay Area that will expedite recovery and restoration. By being able to adapt and bounce back rapidly, the Bay Area will be able to retain, sustain, and expand its economic base.

Development of a Bay Area Regional Disaster Resilience Action Plan to address recovery and restoration will require an unprecedented level of involvement and collaboration among the nine counties, 101 cities, and many special districts, businesses, and non-profit organizations that comprise the region. Recognizing that this will be a volunteer effort, to maximize stakeholder contribution and minimize demands on their time, ABAG will provide a skilled facilitating team to develop and conduct meetings, workshops, and undertake surveys and other data collection for input into the Regional Action Plan; draft invitations, agendas, after action reports, and other support documents; produce a regional resilience capabilities Gap Analysis; and develop successive Regional Action Plan drafts for stakeholder review before finalizing the Plan.

Initiative Objectives

1. Bring together key state and local agencies, utilities, academic and community organizations, and interest groups (e.g., faith-based and ethnic associations, social services, environmental groups); high tech, manufacturing, service industries, and commercial businesses (e.g., grocery stores, pharmacies, other retailers, restaurants, hotels, and shopping malls and centers) essential for sustaining the regional economy and way-of-life for citizens in order to:
 - Identify and share priority concerns and issues and to build trusted relationships;
 - Gain broader and more in-depth understanding of impacts from major disasters and incidents and associated infrastructure interdependencies; economic, environmental, and societal consequences; and ways to deal with these challenges;
 - Identify and examine preparedness, mitigation, and response needs that will adversely affect expeditious post-disaster recovery and restoration;
 - Identify current regional disaster preparedness/management capabilities and lessons learned from past major disasters, workshops, and exercises to identify where improvement is needed;
 - Address how to harmonize Bay Area jurisdictional, private sector, non-profit, and other organizational disaster preparedness and recovery plans;
 - Examine changing roles and responsibilities from pre-event through recovery with emphasis on what would be the optimal regional organizational structures for decision-making;
 - Foster collaboration and joint training and exercises to improve recovery capabilities among private sector organizations, public health, emergency management, and social service groups.
2. Develop through a regional stakeholder-driven process a comprehensive Regional Disaster Resilience Action Plan focusing on recovery and restoration after a major disaster or incident that covers all aspects of preparedness, prevention, protection, mitigation, and response that have a direct bearing on the extent and length of post-disaster reconstitution

to a “new normal.” The Action Plan will incorporate information and insights gained to identify:

- Needs in each of these areas and recommendations for innovative methods, mechanisms, and other solutions that can be put in place pre-disaster to expedite Bay Area recovery and restoration;
 - Prioritized activities to achieve these solutions that can build on existing Bay Area capabilities to address shortfalls and facilitate development and implementation of a practical and cost-effective regional recovery and restoration strategy with necessary investment and other resources.
3. Development of a process with detailed time-table and milestones for Action Plan implementation that include projected funding requirements and potential sources of technical and other assistance.

Project Scope

The Initiative will focus on the nine-county Bay Area region. It will expand to adjacent counties and beyond where significant infrastructure interdependencies and organizational supply chains exist. It will also focus on cross-state border issues (e.g., resource acquisition and displaced population issues) as necessary.

Organization and Activities

The process used to develop the Regional Resilience Action Plan will be a multi-step approach that has been used in other regions of the nation to develop regional resilience action strategies. This process will entail eight steps and be 14 months in duration, beginning August 1, 2011 and ending September 30, 2012. The Initiative will be conducted through a series of stakeholder and experts meetings, conference calls, interviews/surveys, development and conduct of an educational Recovery and Restoration Workshop, a targeted Regional Recovery and Restoration Tabletop Exercise, and a final Disaster Resilience Action Planning Workshop for stakeholder coordination, validation, and finalization of the Action Plan. An important element of the Initiative is producing a regional baseline assessment or Gap Analysis of existing Bay Area disaster preparedness/management capabilities and needs that can demonstrate where mitigation measures and other resilience improvement investments are required.

Multi-Step Regional Disaster Resilience Action Plan Development Process

Step 1. Establish a Bay Area Regional Disaster Resilience Council. This Council, which will be the senior leadership body that will oversee the Regional Disaster Resilience Initiative, will be accomplished through expanding the ABAG Regional Planning Committee to include additional key stakeholders. The role of the Regional Disaster Resilience Council will be to provide guidance and oversight of the Regional Disaster Resilience Action Plan Initiative. The goal is to establish a regional collaborative process through which stakeholders in the Bay Area can progressively improve disaster resilience for years to come. The Action Plan Initiative will lay the initial foundation for this ongoing effort.

Step 2. Convene a Bay Area Resilience Coalition of stakeholder organizations that will work together to develop the Regional Disaster Resilience Initiative. This Coalition will serve as an umbrella consortium to assure involvement of all key stakeholder agencies, associations, collaborations, and groups with responsibilities or significant interests in disaster preparedness, response, and recovery. The Bay Area Resilience Coalition will be the operational body for the Initiative and will provide the expertise necessary to develop the Regional Action Plan and enable the Resilience Council to ensure accurate, practical, and implementable Initiative outcomes. Convening of the Coalition will be accomplished through identifying and bringing together, in an Initiative Kick-Off Meeting, relevant experts and representatives of local jurisdictions, state agencies (emergency management, public health, transportation, etc.), and federal partners, and utilities, businesses, non-profits, and community groups to function as a steering group that will, through conference calls, meetings, and other activities, identify, share, collect, and coordinate information on existing capabilities and gaps to develop the Regional Resilience Action Plan.

Step 3. Development and execution of an educational Regional Recovery and Restoration Workshop for Bay Area stakeholders to explore significant issues with experts for incorporation into the Action Plan. The workshop will begin to develop a shared vision for post-disaster recovery and restoration through identifying goals among public and private sector and non-profits on recovery, restoration, and broader economic and community resilience issues; examine current plans, roles, and responsibilities and decision-making, and desired recovery and restoration outcomes; as well as expectations, interests, and barriers. Lessons learned from the Workshop will be summarized in a report, coordinated with stakeholders, and incorporated into the initial draft Action Plan framework.

Step 4. Conduct a Gap Analysis assessing economic, environmental, and societal recovery and restoration needs vs. current regional capabilities and capacities. The Gap Analysis will identify collaborative activities, jurisdictional plans, procedures, mechanisms, and tools, technologies, and other resources available for recovery/restoration activities and the shortfalls. *(Lessons learned from relevant workshops, exercises, and events conducted by other Bay Area agencies, associations, and groups will be incorporated into the Gap Analysis as appropriate.)*

Step 5. Development and validation of major topics and subtopics (focus areas and priority issues) that will serve as the outline for the Regional Disaster Resilience Action Plan and incorporation of these elements into an initial draft Action Plan Framework.

Step 6. Development and conduct of a Regional Disaster Recovery and Restoration Tabletop Exercise. This scenario-based intensive workshop will not test plans and procedures but rather focus on raising awareness of potential vulnerabilities, consequences, and wide array of issues that will be factors in recovery and restoration from a major disaster or incident. To ensure accuracy and relevance, the tabletop will be designed by interested key stakeholders who are participants in the Bay Area Resilience Coalition. Exercise lessons learned will be used to illuminate gaps and areas for enhancement in the draft Action Plan.

Step 7. Development and conduct of a post-exercise Action Planning Workshop to examine and incorporate in the Action Plan the findings and recommendations in the exercise report and information from other relevant activities. Workshop participants will also

discuss a prioritized implementation strategy for incorporation into the Action Plan that includes a process, schedule, and milestones for determining lead organizations for priority activities, establishing project work groups to define requirements and implementation timeframes, projected funding requirements, and potential sources of technical and other assistance (e.g., government grants and programmatic funds and expertise; private sector and non-profit contributions, including in-kind assistance, etc.).

Step 8. Final coordination with Bay Area Resilience Coalition key stakeholders, followed by finalization of the Regional Disaster Resilience Action Plan and accompanying Implementation Strategy. (Process, Schedule, and Milestones).

Action Plan Implementation

Phase 2 of the Initiative, which will focus on Action Plan implementation, will be determined by the Bay Area Regional Disaster Resilience Council in coordination with the Bay Area Resilience Coalition, taking into account changing needs and availability of resources. The Action Plan should be considered a dynamic document to be revised and expanded as resilience improvement activities are completed and new activities are added based on insights or lessons learned from future disasters and events, exercises and workshops.

Regional Disaster Resilience Action Plan Development Schedule

Month	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Aug.	Constitute Bay Area Regional Disaster Resilience Council; hold Resilience Council Initial Meeting	Convene Bay Area Resilience Coalition of Stakeholders; hold Initiative 1st Planning Meeting						
Sept.	Continue oversight	Undertake planning process for Initiative Kick-off Workshop						
Oct.	Continue oversight	Hold Initiative Kick-Off Workshop		Initiate Gap Analysis information collection process	At Kick-off workshop, agree on Focus Areas and Priority Issues to constitute Action Plan Framework			

Month	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Nov.	Disaster Resilience Council Meeting	Produce summary of Kick-Off workshop highlights	Begin Recovery and Restoration Issues Workshop development	Begin focus groups, interviews, stakeholder surveys, and other Gap Analysis activities	Begin to incorporate data into Action Plan Framework			
Dec.	Continue oversight	Continue Initiative development activities	Continue to develop Recovery and Restoration Workshop	Continue Gap Analysis	Incorporate results of focus groups, survey and interviews into Action Plan			
Jan.	Continue oversight	Continue Activities	Hold Recovery and Restoration Workshop	Continue Gap Analysis	Continue to incorporate data into Action Plan Framework	Set up Design Team for Recovery/ Restoration Tabletop Exercise		
Feb.	Continue oversight	Continue activities	Produce Workshop Summary and Incorporate results into framework	Add data from Workshop Summary into Gap Analysis	Continue to incorporate data	Continue to develop tabletop exercise		
Mar.	Disaster Resilience Council meeting	Continue activities		Augment Gap Analysis	Continue to incorporate data	Continue to develop exercise		
Apr.	Continue oversight	Continue activities		Augment draft Gap Analysis	Continue to incorporate data	Continue to develop exercise		
May	Disaster Resilience Council meeting	Continue activities		Augment draft Gap Analysis	Continue to incorporate data	Conduct tabletop exercise		
June	Continue oversight	Continue activities		Augment with Exercise Report Outcomes	Continue to incorporate data	Produce/ coordinate Exercise After Action Report	Begin developing Action Planning Workshop	With exercise results produce initial draft full-scale Action Plan
July	Disaster Resilience Council meeting	Continue activities		Incorporate exercise results into Gap Analysis		Finalize Exercise Report	Continue planning Action Planning Workshop	Continue augmenting and refining Action Plan

Month	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Aug.	Continue oversight	Continue activities		Conduct Gap Analysis coordination			Conduct Action Planning Workshop; Produce Workshop Summary	Add Workshop outcomes to Action Plan and produce "final" draft
Sept.	Approval by Resilience Council of Action Plan	Last conference call by Resilience Coalition stakeholders to input final comments		Finalize Gap Analysis and Incorporate into Action Plan as Annex				Last stakeholder coordination Finalize Plan

LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE

Committee Chair: Supervisor Mark Luce—Napa County

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

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

Kathleen Cha – Senior Communications Officer 510/ 464-7922; KathleenC@abag.ca.gov

Thursday, July 21, 2011 – 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 19, 2011, L&GO meeting.	Information/ Action
3.	2011 STATE LEGISLATIVE SESSION: NEW BILLS FOR CONSIDERATION Committee review of the following new bills: AB 255 (Wieckowski) Hazardous Waste: Latex Paint—Collection Facility AB 343 (Atkins) Redevelopment Plans: Environmental goals AB 723 (Bradford) Energy: Public Goods Act AB 809 (Feuer) Firearms: Long Gun Transfer Records AB 144 (Portantino & Ammiano) Firearms: Open Carrying of Unloaded Handguns SB 310 (Hancock) Local Development SB 878 (DeSaulnier) Regional Planning: Bay Area Federal Legislation: HR 1825 (Blumenauer) Commuter Relief Act Bills previously considered will be updated and status reviewed for first half of 2011 legislative cycle	Information/ Action
	ADJOURNMENT Next meeting is scheduled for September 15, 2011.	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.

**ASSOCIATION OF BAY AREA GOVERNMENTS
LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE**

**Thursday, May 19, 2011
Summary Minutes**

Members Present:

Supervisor Susan L. Adams, County of Marin, ABAG Vice President
Councilmember Desley Brooks, City of Oakland
Councilmember Carol Dillon Knutson, City of Novato, Vice Chair
Supervisor Rose Jacobs Gibson, County of San Mateo
Mayor Jack Gingles, City of Calistoga
Mayor Mark Green, Union City, ABAG President
Supervisor Scott Haggerty, County of Alameda
Supervisor Barbara Kondylis, County of Solano
Councilmember Julie Pierce, City of Clayton

Staff Present:

Patricia Jones—ABAG
Ezra Rapport – ABAG
Kathleen Cha – ABAG
Laura Thompson—ABAG
Bruce Beyaert—Trails for Richmond Action Committee
Sandra Threlfall—Executive Director, Waterfront Action

1. **Introductions:** Councilmember Carole Dillon Knutson, L&GO Vice Chair, called the meeting to order at 3:45.
2. **Minutes:** March 17, 2011, minutes were approved.
3. **2011 STATE LEGISLATIVE SESSION: NEW BILLS FOR CONSIDERATION**

AB 392 (Alejo) Ralph M. Brown Act—OPPOSE

The staff-generated report process proposed is ambiguous, would have unintended consequences, and the kind/scope of web implementation proposed could be impractical.

AB 485 (Ma) Was Local Planning: Transit Village Development Districts and now amended to Infrastructure Financing **SUPPORT**

Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan.

AB 506 (Wieckowski) Local Government: Bankruptcy—Mediation
OPPOSE

Adds numerous state mediation requirements and proceedings to a local public entity declaring bankruptcy under federal bankruptcy law.

AB 710 (Skinner) Local planning: Infill and Transit-oriented Development
OPPOSE

Do not want the state to set parking requirements for development—wish to leave that decision to local jurisdictions

AB 880 (Perez) Environmental Quality: CEQA—Expedited Environmental Review WATCH

Number of concerns about adding to different projects/categories, including energy efficiency to expedited CEQA Review and other implications.

AB 913 (Feuer) Certified Green Business Program SUPPORT

Develops a California Green Business Program for the voluntary certification of business, supporting the network of statewide local government programs in implementing their guidelines and structures.

AB 1103 (Huffman) Land Use: Housing Element SUPPORT

Even with amendments this is a first step in identifying broader range of housing element approaches that can be added and counted by local jurisdictions meeting their housing element and RHNA.

AB 1112 (Huffman) Oil Spill Prevention and Administration Fee (Oil Spill Preparedness Act) SUPPORT

Will improve risk assessment and monitoring and inspections of oil transfer operations and provide a funding source for the administration.

AB 1220 (Alejo) Land Use and Planning: Cause of Actions—Time Limitations OPPOSE

Would unnecessarily expand from over one year to five years the statute of limitations to sue a city or county, challenging the adoption of housing element or a number of related ordinances, as well as planning interpretations.

AB 1430 (Com. on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Omnibus Bill SUPPORT

Technical clean up bill –clarifying definitions of terms from definitions of affected district to contiguous what is meant by legal representative.

SB 184 (Leno) Land Use: Zoning Regulations (Inclusionary Housing Requirements) SUPPORT

Authorizes the ability of a jurisdiction to adopt ordinances to establish, as a condition of development, inclusionary housing requirements.

SB 286 (Wright) Redevelopment OPPOSE

Do not feel the reforms proposed are warranted and are unnecessary

SB 419 (Simitian) Solid Waste: Home Generated Sharps SUPPORT

Clean up bill to clarify reporting requirements of pharmaceutical companies about their product stewardship plan for disposal of sharps waste.

SB 515 (Corbett) Recycling: Product Stewardship—Batteries SUPPORT

This bill requires battery manufacturers to design, fund and operate a full product stewardship plan for managing the disposal of household batteries.

SB 555 (Hancock) Local Government: Community Facilities Districts SUPPORT

This bill would authorize Mello-Roos community facilities districts to finance the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements

SB 582 (Emmerson) Regional Commute Benefit Policies SUPPORT

Sponsored by MTC and the Air District, this bill would authorize an MPO and an air district to adopt jointly a regional commute benefit ordinance requiring employers to offer employees commute benefits.

SB 653 (Steinberg) Local Taxation: Counties—School Districts—General Authorization WATCH

Need more information about the costs, administration and scope of potential taxes, and their repercussions statewide and locally.

SB 790 (Leno) Electricity: Community Choice Aggregation SUPPORT

Bill strengthens existing law by clarifying, amending and adding key provisions to allow jurisdictions to pursue Community Choice Aggregation (CCA) without undue barriers and excessive burdens

4. DISCUSSION REGARDING NAMING OF THE BAY TRAIL

Supervisor Scott Haggerty and ABAG Bay Trail Project Manager Laura Thompson reported out about retaining the name of the San Francisco Bay Trail and a proposal to honor Treasurer Lockyer with a special monument on the Bay Trail.

For reference: The Bay Trail Board made the following motion at their April 18th meeting:

- *The Bay Trail Board recognizes the contribution of Treasurer Lockyer for his efforts to seek funding for the Bay Trail and other contributions. We recognize this contribution by supporting the placement of a suitable monument recognizing his efforts and others. We will work with staff and Supervisor Scott Haggerty's office to craft the language for this recognition.*

Under Open Agenda:

Bruce Beyaert from Trails for Richmond Action Committee, shared the milestone of Richmond completing 30 miles of Bay trail and distributed brochures showing the Ferry Point Loop Trail and the Wildcat Marsh and Landfill Loop Trail Guides.

Sandra Threlfall, Executive Director of Waterfront Action, shared a map and guide to Oakland-Alameda Waterfront Parks, Trails and Public Access, also part of the Bay Trail

7. Adjourn: The meeting adjourned at 5 p.m. The next meeting will be **May 19, 2011**.



ASSOCIATION OF BAY AREA GOVERNMENTS
 Representing City and County Governments of the San Francisco Bay Area

LEGISLATION
2011 State Legislative Session
Legislation & Governmental Organization Committee
July 11, 2011

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
*NEW BILLS					
<i>Bills to be reviewed are listed in numeric order with Assembly bills listed first, followed by Senate bills</i>					
New Bills					
AB 144 Portantino & Ammiano	Firearms: Open Carrying of Unloaded Handguns	SEN Third Reading	Support		This bill (1) makes it a misdemeanor punishable by up to six months in jail and a \$1,000 fine to openly carry an unloaded handgun on ones person or in a vehicle; (2) makes it a misdemeanor punishable by up to one year in county jail and a \$1,000 fine to openly carry an unlawfully possessed unloaded handgun and ammunition in public in an incorporated city; (3) establishes specified exceptions to this prohibition; (4) makes it a misdemeanor, punishable by up to six months in jail and a fine of up to \$1,000 for the driver of a vehicle to knowingly allow a person to bring an openly carried, unloaded handgun into the vehicle; and (5) makes conforming and nonsubstantive technical changes to affected statutes.
AB 255 Wieckowski	Hazardous Waste: Latex Paint—Collection Facility	SEN Appropriations Com Hearing 7/11	Support Product Stewardship Council		Sponsored by StopWaste.Org.: would allow businesses that are "conditionally exempt small quantity generators" to bring in higher volumes of recyclable latex paint than are currently allowed to HHW facilities, so they can avoid making several trips to recycle paint lawfully. Specifically: Allows a household hazardous waste facility authorized to accept hazardous waste from a conditionally exempt small quantity generator to accept recyclable latex paint from any generator. -- Allows a household hazardous facility to accept more than 100 kilogram per month of recyclable latex paint. -- Requires the household hazardous waste facility to track and report the amount of recyclable latex paint accepted and sent for recycling.

Bold Face/Shading in Legislation Summary indicates change/ amendments.

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 2
AB 343 Atkins	Redevelopment Plans: Environmental Goals	SEN Governance and Finance	Support MTC Support		<p><i>Intent is to make it easier and less expensive for businesses to manage their waste latex paint because: "Surplus, unused, and leftover latex paint is a major component of hazardous waste in California from both household and business sources. Recent waste characterization studies suggest that up to half of surplus and leftover paint in California is illegally discarded in landfills, much of it by businesses."</i></p> <p>Requires every redevelopment plan be consistent with the regional sustainable communities strategy or alternative planning strategy adopted by the metropolitan planning organization or council of government.</p>	
AB 723 Bradford	Energy: Public Goods Charge	SEN Committee on Energy, Utilities and Communica- tions	Support		<p>Extends the public benefits charge until 2020, leaving in place existing allocations; and revises energy efficiency programs, reprogramming the energy efficiency program currently implemented by the CPUC.</p>	
AB 809 Feuer	Firearms: Long Gun Transfer Records	SEN Appropriations	Support		<p>The purpose of this bill is to (1) conform requirements for reporting and record retention involving the transfer of long guns with those of handguns; (2) repeal the prohibition on peace officers, Department of Justice (DOJ) employees, and the Attorney General (AG) from retaining or compiling records of long gun transfers; (3) expand the requirement for a personal handgun importer to report certain information relative to bringing a handgun into the state, as specified; (4) expand the reporting requirements to apply to the importation of long guns; and (5) expand requirements for firearms dealers to keep a register or record of information pertaining to firearms transactions to include information pertaining to transactions involving all guns.</p>	
SB 310 Hancock	Local Development	ASM Third Reading	Support MTC Support		<p>Amended 6/20: This bill would eliminate the requirement of voter approval and authorize the legislative body to create the Infrastructure Financing district, adopt the plan, and issue the bonds by resolutions.</p> <p>This bill would, in addition, authorize a district to reimburse a developer that meets specified requirements for permit expenses or expenses related to the construction of affordable housing units. Would also require that an infrastructure financing plan also include a plan to finance any potential costs for reimbursing a developer that meets specified requirements for permit expenses.</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
					<p>(2) <i>The Transit Village Development Planning Act of 1994 authorizes a city or county to create a transit village plan for a transit village development district that addresses specified characteristics. In order to increase transit ridership and to reduce vehicle traffic on the highways, the act encourages local, regional, and state plans to direct new development close to transit stations and provide financial incentives to implement these plans. This bill would establish the Transit Priority Project Program, and authorize a city or county to participate in the program by adopting an ordinance indicating its intent to participate in the program. Would require a city or county that elects to participate in the program to amend its general plan, and community plan, if the city or county has one, and if it is necessary, to authorize participating developers to build at an increased height of a minimum of 3 stories. This bill would exempt from its provisions a city or county that has adopted specified language in its charter, or by ordinance or resolution.</i></p>
SB 878 DeSaulnier	Regional Planning: Bay Area	SEN Re-referred to Housing and Transporta- tion Com	Watch		<p>Amended June 9: Would require the Joint Policy Committee to submit a report to the Legislature by January 31, 2013, on, among other things, methods and strategies for developing and implementing a multiagency set of policies and guidelines relative to the Bay Area region's sustainable communities strategy, including recommendations on organizational reforms for the regional agencies. The bill would require preparation of a work plan for a regional economic development strategy to be submitted to the Legislature on that date. The bill would also require the member agencies to report on public outreach efforts that they individually or jointly perform. The bill would require public meetings in each of the region's 9 counties and creation of advisory committees, as specified. By imposing new duties on local agencies, the bill would impose a state-mandated local program.</p>
H.R. 1825 Blumenauer	Federal Legislation Commuter Relief Act	House Com. on Ways and Means	Support		<p>Revises the Transportation Fringe Benefit Program to make permanent the equal treatment of parking, vanpooling and public transit benefits, eligible for exclusion from taxation up to \$200/month (from \$230/month in 2011). Raises the bicycle reimbursement benefit from \$20 to \$40 per month and allows the bicycle benefit to be used in conjunction with other benefits.</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 4
AB 57 Beall	Metropolitan Transportation Commission	SEN Transportation and Housing	Watch LCC Watch	SUPPORT	This bill would, instead, require the Metropolitan Transportation Commission to consist of 21 members, including one member appointed by the Mayor of the City of Oakland and one member appointed by the Mayor of the City of San Jose. The bill would require the initial term of those 2 members to end in February 2015. The bill would, effective with the commission term commencing February 2015, prohibit more than 3 members of the commission from being residents of the same county, as specified. By imposing new requirements on a local agency, this bill would impose a state-mandated local program.	
AB 184 Swanson	Contractual Assessment Programs: Seismic Safety Improvements	Approved by Governor 6/18 Chartered by Secretary of State - Chapter 28, Statutes of 2011.	Support LCC Watch CSAC Pending	SUPPORT	This bill would enact the Seismic Safety Finance Act, which would expand these provisions to also authorize contractual assessments to finance the installation of seismic strengthening improvements that are permanently fixed to real property, as specified. The bill would define "public agency," for purposes of financing the installation of seismic strengthening improvements, to mean a city, county, or city and county.	
AB 392 Alejo	Ralph M. Brown Act: Posting Agendas	ASM Appropriations Com. Held under submission	Oppose CSAC Oppose LCC—Notice of Concern	Oppose	Amended 4/14: This bill would require the legislative body of a local agency to post the agenda and specified staff generated reports that relate to items on the agenda on its Internet Web site, if any, as specified. ---The bill would prohibit the legislative body from acting on or discussing an item on the agenda for which a related staff generated report was not properly disclosed at least 72 hours prior to the meeting, except as provided. -The bill would require the legislative body of the local agency, if it does not have an Internet Web site, to disclose on the posted agenda a public location where the agency would make an applicable staff generated report available for copying and inspection by a member of the public for at least 72 hours prior to the meeting. --By expanding the duties of local agencies, this bill would impose a state-mandated local program.	
AB 485 Ma	New title: Infrastructure Financing (was Local Planning: Transit Village Development Districts)	SEN Government and Finance	Watch LCC Watch	Support	Existing law authorizes the legislative body of the city or county to adopt an infrastructure financing plan, create an infrastructure financing district, and issue bonds for which only the district is liable, to finance specified public facilities, upon voter approval. This bill would eliminate the requirement of voter approval for the	

<p>AB 506 Wieckowski</p>	<p>Local Government: Bankruptcy— Mediation</p>	<p>ASM Appropriations Com. Suspense File</p>	<p>Oppose LCC Oppose CSAC Oppose</p>	<p>Oppose</p>	<p>adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit village development district. The bill would require a city or county that uses infrastructure financing district bonds to finance its transit village development district to use at least 20% of the revenue from those bonds for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing; to require that those housing units remain available and occupied by moderate-, low-, very low, and extremely low income households for at least 55 years for rental units and 45 years for owner-occupied units; and to rehabilitate, develop, or construct for rental or sale to persons and families of low or moderate income an equal number of replacement dwellings to those removed or destroyed from the low- and moderate-income segment of the housing market as a result of the development of the district, as specified. The bill would set forth the findings and declarations of the Legislature, and the intent of the Legislature that the development of transit village development districts be environmentally conscious and sustainable, and that related construction meet or exceed the requirements of the California Green Building Standards Code.</p> <p><i>Under existing law, any taxing agency or instrumentality of the state may file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States.</i></p> <p>Amended 6/29/11</p> <p>Assembly Bill 506 prohibits a local public entity from filing a petition and exercising powers under federal bankruptcy law unless it participates in a neutral evaluation process, and meets certain conditions.</p> <p>Requirements for seeking bankruptcy protection .</p> <p>Specifically, AB 506 prohibits a local public entity from filing for bankruptcy protection unless it participates in a neutral evaluation process, receives a good faith certification from the neutral evaluator, and:</p> <p>Reaches an out-of-court agreement with all interested parties regarding a plan of adjustment; <u>or</u>,</p> <p>Is unable to reach an out-of-court agreement and the neutral evaluator certifies in writing that the parties have participated in the neutral evaluation process in good faith; <u>or</u>,</p> <p>Interested parties did not participate in the neutral evaluation process.</p> <p>AB 506 prohibits a local public entity from filing a petition and exercising powers under federal bankruptcy law if the neutral evaluator determines that the local entity failed to participate in the neutral evaluation process in good faith. Failure to</p>
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Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 6
AB 710 (Skinner)	Local planning: Infill and Transit-oriented Development	SEN Government and Finance	Support LCC Watch CSAC Watch	Oppose	<p>participate in good faith includes the failure to provide accurate and essential financial information, the failure to attempt to reach settlement with all interested parties to avert bankruptcy, or evidence of manipulation to delay and obstruct a timely agreement.</p> <p><i>Formerly:</i> This bill would provide that a local public entity shall not file under federal bankruptcy law unless the local public entity has participated in mediation with interested parties, as defined, has received a certificate of good faith participation, and if the mediation results in either an agreement for debt readjustment, or if the mediator certifies in writing that continued mediation will not contribute to a resolution of the parties' dispute, under certain circumstances. The bill would also require the California Debt and Investment Advisory Commission to adopt mediation guidelines, as specified.</p> <p>Amended 6/29: The Legislature further declares that the need to address infill development and excessive parking requirements is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this act shall apply to all cities, including charter cities.</p> <p><i>This bill would state the findings and declarations of the Legislature with respect to parking requirements and infill and transit-oriented development, and would state the intent of the Legislature to reduce unnecessary government regulation and to reduce the cost of development by eliminating excessive minimum parking requirements for infill and transit-oriented development. This bill would also prohibit a city or county from requiring a minimum parking standard greater than one parking space per 1,000 square feet of nonresidential improvements and one parking space per unit of residential improvements for any new development project in transit intensive areas, as defined.</i></p> <p><i>(2) Existing law sets forth the duties of the Strategic Growth Council, including the duty to recommend policies and investment strategies and priorities to the Governor, the Legislature, and to appropriate agencies to encourage the development of sustainable communities, as described. This bill would modify the description of sustainable communities to additionally include communities that incentivize infill development.</i></p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 7
<p>AB 880 V. Manuel Perez</p>	<p>Environmental Quality: CEQA— Expedited Environmental Review</p>	<p>SEN Environmental Quality Com</p>	<p>Watch LCC Watch</p>	<p>Watch—many questions on elements added and projects covered</p>	<p><i>Existing law requires specified state and local government agencies to perform a specified environmental analysis at the time of the adoption of a rule or regulation requiring the installation of pollution control equipment, or a performance standard or treatment requirement, including a rule or regulation that requires the installation of pollution control equipment pursuant to the California Global Warming Solutions Act of 2006.</i></p> <p>This bill would instead require that those agencies perform that environmental analysis at the time of the adoption of a rule or regulation requiring the compliance with an energy efficiency standard or compliance mechanism including that rule or regulation adopted pursuant to the California Global Warming Solutions Act of 2006 (AB 32).</p> <p>Amends CEQA to expand the authorized use of a "focused" environmental impact report (EIR) for installation of required pollution control equipment to also include projects that consist of new or modified equipment, implementation of other facility process changes, or both, necessary or used to achieve compliance with a rule or regulation adopted pursuant to the AB 32.</p>	
<p>AB 913 Feuer</p>	<p>Environment: Certified Green Business Program</p>	<p>ASM Appropriations Hearing 7/11</p>	<p>Support LCC Watch</p>	<p>SUPPORT</p>	<p>Amended 6/13: This bill would establish a California certified green business program that would provide for the voluntary certification of businesses that adopt environmentally preferable business practices including, but not limited to, increased energy efficiency, reduced greenhouse gas emissions, and reduced waste generation. The bill is not a state-mandated local program. Requires the Department of Toxic Substances Control (DTSC) to develop a California Green Business Program. Specifically, 1) Requires, as part of implementing the source reduction program, DTSC to develop a California Green Business Program that provides <u>support and assistance to local government programs that provide for the voluntary certification of small businesses</u> that adopt environmentally preferable business practices, including, but not limited to, increased energy efficiency, reduced greenhouse gas emissions, promotion of water conservation, and reduced waste generation. 2) Requires the California Green Business Program to do all of the following: a) Assist the network of statewide local government programs in implementing guidelines and structures that establish and promote a level of consistency among green business programs across the state; b) Support, through staffing and contracts, the development and maintenance of a statewide database to register businesses and</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 8
AB 1103 Huffman	Land Use: Housing Element	SEN Transportation and Housing Committee	Support LCC Watch CSAC Pending	Support	<p>track measurable pollution reductions and cost savings;</p> <p>c) Solicit participation of additional local programs and facilitate the startup of new local programs; and,</p> <p>d) Develop technical guidance on pollution prevention measures, conduct industry studies and pilot projects, and provide policy coordination for participating local programs.</p> <p>Amended (5/4) to add second units and units on foreclosed property to the types of existing units a local government can count toward meeting housing element obligations if it provides funding to make the units affordable to low-an very low-income households for at least 40 years. Would add that criterion to the list of potential criteria, until January 1, 2017.</p> <p><i>(originally) Would allow "flexibility for local governments to find creative and innovative ways of providing affordable housing and incentives for smart growth development, while ensuring local governments meet their regional housing needs."</i></p> <p><i>-- Would provide that a city or county may request its council of governments to adjust the city's or county's densities for their share of regional housing need for lower income households based on a demonstration by the jurisdiction that the density is consistent with their designation as non-metropolitan, suburban, or metropolitan</i></p> <p><i>--Would specify that the city/county may meet the appropriate RHNA without using land use controls to set aside the appropriate densities.</i></p> <p><i>--Would authorize a local government to county each housing unit that meets the requirements of the jurisdiction's SCS as 1½ units for purposes of meeting the RHNA assessment.</i></p> <p><i>Sustainable communities: would give local governments' extra credit for creating new housing that meets the sustainable community model (close to places of work or regional transportation hubs).</i></p>	
AB 1112 Huffman	Oil Spill Prevention and Administration Fee: State Lands Commission (Oil Spill Preparedness Act)	ASM Appropriations Com. Suspense File	Support Support SF Bay Area Estuary Partnership	Support	<p>This bill adjusts the Oil Spill Prevention Administration Fund revenues to current inflation levels and requires the state's oil spill prevention agency to increase its oversight of vessels conducting oil transfers; requires a financial report on the state's oil spill prevention program; and require the State Lands Commission to submit safety recommendations to the Legislature.</p> <p>Amended 6/23: --Would require the Administrator for oil spill response to develop and implement a screening mechanism and conduct a risk assessment of vessels engaged in bunkering and lightering operations and determine the highest risk transfers and comprehensive risk-based monitoring program for inspecting</p>	

<p>AB 1220 Alejo</p>	<p>Land Use and Planning: Cause of Actions—Time Limitations</p>	<p>SEN Third Reading</p>	<p>Oppose LCC Oppose CSAC Oppose APA Oppose</p>	<p>Oppose</p>	<p>the bunkering and lightering operations of vessels at anchor and alongside a dock. The bill also would require that the administrator identify bunkering and lightering operations that pose the highest risk of a pollution incident and coordinate with the United States Coast Guard to routinely monitor and inspect those operations. The bill would require the administrator to establish regulations to provide for the best achievable protection during bunkering and lightering operations in the marine environment. Would specify requirements regarding monitoring and inspections of oil transfer operations.</p>
				<p>Oppose</p>	<p>Revises the statute of limitations and remedies for specified housing-related challenges: Requires a specified notice to be filed with the local government within five years after an action to adopt, amend, or revise a housing element, actions relating to housing development approval, annual limits on housing permits, and the adequacy of a density bonus ordinance. 2) Excludes from the types of challenges that may be brought during this time period any action related to the Housing Accountability Act, the Subdivision Map Act, or the application of a Density Bonus ordinance to a particular project, all of which are project-specific actions. 3) Requires a challenging party to first serve the legislative body of the city, county, or city and county with a notice identifying the deficiencies in the housing element, and allows the city or county 60 days to correct the deficiency, following which a dissatisfied party may file an action in court. 4) Provides that in any action or proceeding brought to challenge the items listed in #1 no remedy, and no injunction pursuant to those prescribed by a court during a challenge regarding the validity of a general plan, shall abrogate, impair, or otherwise interfere with the full exercise of the rights and protections granted to: a) A completed tentative map application; or, b) A developer under a vested tentative map or a development agreement. 5) Provides that if a third party challenges the adequacy of a housing element in court and the court finds that the housing element substantially complies with all of the requirements of housing element law, the element shall be deemed to be in compliance for purposes of state housing grant programs. 6) Provide that a housing element from a prior planning period may not be challenged if the city or county has adopted a revised housing element for the new planning period. 7) States that it is the intent of the Legislature in enacting Section 2 of the bill to modify the court's opinion in <i>Urban Habitat Program v. City of Pleasanton</i> (2008) 164 Cal.App.4th 1561, with respect to</p>

Bill Author	Subject	Status	Staff Recommendation	L&CO Position	Legislation Summary	Page 10
AB 1430 Com. on Local Government	The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Omnibus Bill	SEN Inactive File	Watch	Support	<p>the interpretation of Section 65009 of the Government Code.</p> <p>Existing law defines various terms for purpose of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise some of the definitions within this Local Government Reorganization act; terms being revised include the following: "affected city, affected county, affected district, affected local agency, certificate of termination, change of organization, conducting authority, contiguous, district, independent special district, landowner, and legal representative." conforming and technical changes</p> <p>Would additionally authorize the legislative body of any city or county to adopt ordinances to establish, as a condition of development, inclusionary housing requirements and would declare the intent of the Legislature in adding this provision.</p>	
SB 184 Leno	Land Use: Zoning Regulations (Inclusionary Housing Requirements)	SEN Inactive File	Support LCC Support CSAC Support	Support	<p>Expands, until January 1, 2017, the State Controller's authority to perform audits or investigations of counties, cities, special districts, joint powers authorities, and redevelopment agencies, if the State Controller has reason to believe, supported by documentation, that a local government is violating specified financial requirements.</p> <p>Amended 3/22 and 4/6: If the Controller has reason to believe that any county, city, special district, joint powers authority, or redevelopment agency is not complying with the financial requirements in state law, local charters, or local ordinances, he or she may perform an audit or investigation of the issue. The basis for the decision to conduct an audit or investigation shall be supported by credible documentation, including input from the local agency. The Controller shall prepare a report of the results of the audit or investigation that shall include documentation used as the basis for the decision to perform the audit or investigation. A copy of the report shall be filed with the legislative body of the county, city, special district, joint powers authority, or redevelopment agency, subject to the audit or investigation. Any finding of illegal acts or fraud shall be communicated to the appropriate authorities, including the county grand jury.</p> <p>(2) For purposes of this subdivision, documentation means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.</p> <p>Amended 3/10/11 (added language in italics and underlined) This bill</p>	
SB 186 Kehoe & DeSaulnier	The Controller	SEN Local Government Com: failed passage; reconsidera- tion granted	Watch, pending further information LCC Watch CSAC Concerns	OPPOSE		

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SB 200 Wolk	<p>Sacramento-San Joaquin Delta: Bay Delta Conservation Plan</p> <p>(was: State Water Facilities: Sacramento-San Joaquin Delta—Delta Conveyance Facility)</p>	<p>SEN Natural Resources & Water Set Second Hearing (hearing on 4/26 cancelled at request of author)</p>	<p>Watch LCC no position CSAC no position</p>	<p>WATCH</p>	<p>will authorize the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, <u>joint powers authority</u>, or redevelopment agency, if necessary, to ensure compliance with <u>the financial requirements in state law</u>, grant agreements, local ordinances. and to determine fiscal viability. This bill would require the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body. This bill would also provide that specified costs incurred by the Controller shall be borne by the county, city, <u>special district, joint powers authority</u>, or redevelopment agency and state that reimbursements collected, upon appropriation to the Controller, be available to offset costs of enforcing this provision.</p> <p>Amended 3/24: Existing law imposes requirements on the Department of Water Resources in connection with the preparation of a Bay Delta Conservation Plan (BDCP). The Delta Reform Act of 2009 requires the Delta Stewardship Council to consider the BDCP for inclusion in a specified Delta Plan, and authorizes the incorporation of the BDCP into the Delta Plan if the BDCP meets certain requirements. This bill would require any state agency that is responsible for authoring or implementing any action in implementation of the BDCP to ensure that the action is consistent with specified requirements prescribed by the bill. The bill would make related legislative findings and declarations.</p> <p>(Originally) This bill would prohibit the construction of a new Delta conveyance facility, as defined, unless specified conditions are met, including (A) the adoption of an agreement by the Department of Water Resources and the Department of Fish and Game that specifies the stages of construction of the new Delta conveyance facility and (B) the establishment plans and agreements for the construction of specified water facilities and implementation of specified water programs meeting prescribed conditions as part of the state Central Valley Project.</p> <p>The bill would prohibit the transportation of water for the federal Central Valley Project through state project facilities, with specified exceptions, unless certain conditions are met. The bill would require the Department of Water Resources to enter into contracts with specified Delta agencies for purposes of recognizing the right of users to make use of the waters of the Delta and establishing criteria for minimum water quality in the Delta. The bill would require differences between the state and the Delta agencies to be resolved by arbitration if contracts have not been executed by January 1, 2012.</p>
SB 209 Corbett	<p>Common Interest Developments: Electric Vehicle Charging Stations</p>	<p>In SEN Concurrence in ASM amendments</p>	<p>Watch, pending further information</p>	<p>WATCH</p>	<p>Amended 3/22 and 4/5: This bill would provide that any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 12
		pending	LCC Watch CSAC no position		<p>development, or any provision of the governing documents of a common interest development, that effectively prohibits or restricts the installation or use of an electrical vehicle charging station is void and unenforceable.</p> <p>The bill would authorize an association, as defined, to impose reasonable restrictions on those stations, as specified, and would impose requirements with respect to an association's approval process for those stations. If the station is to be placed in a common interest area or an exclusive use common area, the homeowner would be responsible for various costs associated with maintaining and repairing the station, as well as costs for damage to common areas and adjacent units resulting from installation and maintenance of the station.</p> <p><i>Amended 6/6: The bill would also require the homeowner to maintain a homeowner's insurance policy impose other responsibilities on the homeowner, including maintaining an umbrella liability coverage policy of \$1,000,000 that names the common interest bill's provisions would be liable for damages and a civil penalty, as specified.</i></p> <p><i>(originally)</i> This bill would provide that any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest development, or any provision of the governing documents of a common interest development, that effectively prohibits or restricts the installation or use of an electrical vehicle charging station is void and unenforceable. The bill would authorize an association, as defined, to impose reasonable restrictions on those stations, as specified, and would impose requirements with respect to an association's approval process for those stations. An association that violates the bill's provisions would be liable for damages and a civil penalty, as specified.</p>	
SB 214 Wolk	Infrastructure Financing Districts: Voter Approval—Repeal	ASM Third Reading	Watch LCC Watch CSAC Support	WATCH	<p>Eliminates the requirement of voter approval to create an infrastructure financing district (IFD) and revises the provisions governing the public facilities that may be financed by an IFD.</p> <p>Amended 4/25 to include provisions below (bold faced and underlined)</p> <p>Existing law authorizes a legislative body, as defined, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval.</p> <p>This bill would eliminate the requirement of voter approval and authorize the legislative body to create the district, adopt the plan, and issue the bonds by resolutions. <u>The bill would authorize a district to finance specified actions and projects and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer.</u></p> <p>(2) Existing law also requires that an infrastructure financing plan created by a legislative body to include a date on which the district</p>	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SB 286 Wright	Redevelopment	Re-referred to SEN Governance and Finance	Support LCC Support CSAC Concerns	Oppose	<p>will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted. This bill instead would specify that the date on which the district would cease to exist would not be more than 40 years from the date on which the legislative body adopted the resolution adopting the infrastructure financing plan. The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.</p> <p>Comprehensive Redevelopment Reform: Would impose tough new reforms to increase accountability and limit the size and cope of redevelopment in California to improve the operations, transparency and accountability of redevelopment agencies statewide.</p> <p><i>Specifically,</i> would tighten the definition of blight; prohibit agencies from collecting the school share of local property tax or tax increment in new project areas starting in 2010; limit the percentage of total land area of a jurisdiction which may be included in redevelopment project areas; and prohibit use of tax increment for specific purposes such as golf courses and race tracks. Would strengthen agency reporting and accountability requirements; and focus redevelopment activities on priorities such as job creation, cleaning up contaminated property, basic infrastructure needs, and affordable housing.</p> <p>Amended May 31st: changed topic</p>
SB 301 DeSaulnier	New title: Enterprize Zones: Applications Housing and Community Development: Redevelopment— Seismic Retrofits	ASM Com on Jobs, Economic Development and Economy	Watch, pending further information LCC Watch	WATCH	<p>This bill updates the requirements dealing with seismic safety retrofit rehabilitation or alterations to refer to building codes currently in use in California.</p> <p>-- Would revise building code references regarding seismic retrofits relating to unreinforced masonry building, buildings that qualify as "historical property," and others in relation to a redevelopment agency projects' building rehabilitation or alteration in construction. This bill does not change building standards requirements; it only changes how building codes are referenced in statute.</p>
SB 419 Simitian	Solid Waste: Home-generated Sharps	ASM Appropriations	Support LCC Watch CSAC Support	Support	<p>This bill requires pharmaceutical manufacturers to provide their annual reports on disposal of sharps waste to the Department of Resources Recycling and Recovery (DRRR) electronically and make them readily available on their website.</p> <p>Addresses implementation challenges learned after first round of</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 14
*SB 515 Corbett	Recycling: Product Stewardship—Batteries—Universal Waste Management Facilities	SEN Appropriations Com Held in Com-Under submission	Support Support LCC Support CSAC	Support	reports required pursuant to SB 486. SB 515 will require battery manufacturers to design, fund and operate a stewardship program to properly manage household batteries in order to sell their products in California. SB 515 will also require battery manufacturers to meet collection goals each year (25% by 1/1/15; 45% by 1/1/17; by 1/1/18 meaningful improvement annually thereafter in collection rate). Require report data to Dept. of Resources Recycling and Recovery DRRR who will oversee the implementation of each manufacturer's stewardship plan. This bill is similar to the author's SB 1100 of 2010. Sponsor: Stopwaste.org (Alameda County)	
SB 555 Hancock	Local Government: Community Facilities District	SEN Third Reading	Support	Support	Adds the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements that are affixed to the types of facilities that a community facilities district (CFD) may finance, or refinance, regardless of whether the buildings or property are privately or publicly owned. Would authorize Mello-Roos community facilities districts to finance and refinance the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements to or on real property and in buildings. Would include in the provisions that a bond secured by a special tax on property levied by specified community facilities districts be included in what is defined as PACE bonds.	
SB 582 Emmerson	Commute Benefit Policies	ASM Third Reading	Support LCC Watch	Support	This bill would authorize, until January 1, 2017, a metropolitan planning organization and an air district to adopt jointly a regional commute benefit ordinance that requires certain employers located within their common area of jurisdiction to offer their employees specified commute benefits with the goal of reducing single-occupant vehicle trips. Sponsored by MTC and BAAQMD	
SB 653 Steinberg	Local Taxation: Counties—School Districts: <u>Community College Districts: County Offices of Education—General Authorization</u>	SEN Third Reading	Watch Support CSAC LCC Watch	Watch	<i>The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them.</i> Amended 6/6: This bill would authorize the governing board of any county or city and county and any school district community college district and any county office of education , subject to specified constitutional and voter approval requirements, to levy, increase, or extend a local personal income tax, transactions and use tax, vehicle license fee, and excise tax, including, but not limited to, an alcoholic beverages tax, a cigarette and tobacco products tax, a sweetened beverage tax, and an oil severance tax, as provided.	

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary
SB 790 Leno	Electricity: Community Choice Aggregation	ASM Utilities and Commerce Committee	Support LCC support CSAC support	Support	<p>This bill would require the State Board of Equalization, the Franchise Tax Board, or the Department of Motor Vehicles to perform various functions incident to the administration and operation of a local tax if the county or city and county or the school district contracts with the state agency to perform those functions.</p> <p>This bill for each fiscal year would also require a county or city and county and a school district to reimburse the state for any losses incurred by the state General Fund due to any deductions allowed under the Personal Income Tax Law and the Corporation Tax Law for any local taxes levied, increased, or extended pursuant to this authorization by that county or city and county or school district, as specified. This bill would, for each fiscal year, require the Franchise Tax Board, with the assistance of the State Board of Equalization, to estimate the losses incurred by the state General Fund attributable to each county or city and county or a school district due to any local taxes levied, increased, or extended by that county or city and county or school district.</p> <p>This bill will revise and expand the definition of Community Choice Aggregation (CCA), require the PUC to initiate a Code of Conduct rulemaking, and allow CCAs to receive Public Purpose funds to administer energy efficiency programs.</p> <p>Strengthens existing law by clarifying, amending and adding key provisions that enable Community Choice Aggregation (CCA) to function as originally intended, foster fair market competition, and allow jurisdictions to pursue CCA without undue barriers and excessive burdens.</p> <p>This measure would prohibit an initiative measure that would result in a net increase in state or local government costs, (other than costs attributable to the issuance, sale, or repayment of bonds), from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.</p>
SCA 4 DeSaulnier and Wolk	Initiative Measures: Funding Source	SEN Third Reading	Support CSAC Support	SUPPORT	<p>This measure would prohibit an initiative measure that would result in a net increase in state or local government costs, (other than costs attributable to the issuance, sale, or repayment of bonds), from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.</p>
AB 56 Hill	Legislation Reviewed—No position Changed to Public Utilities: Rate Recovery and Expenditure—Intrastate Pipeline Safety	ASM Appropriations	Watch, pending further information LCC Watch	No Position	<p>Implements a number of public safety measures with regard to natural gas pipeline facilities, including requiring the owner or operator of a gas pipeline to develop a public safety program and a facilities modernization program, and requiring the California Public Utilities Commission (CPUC) to track</p>

Bill Author	Subject	Status	Staff Recommendation	L&GO Position	Legislation Summary	Page 16
	(was Fines and Penalties)		CSAC Watch		<p>proposed repairs to gas facilities to determine if the repairs were made.</p> <p>AMENDED: 3/17 ADDED FOLLOWING PROVISIONS <i>—The commission shall develop protocol to ensure that pipelines that are located in seismic active areas and in populated areas, including those pipelines located within a Class 3 or Class 4 high consequence area, receive the highest priority and are designed with the highest level of safety. In adopting and enforcing compatible safety standards pursuant to this paragraph, the commission shall consult with seismic experts and shall publish maps of known and active seismic faults on which owners and operators will rely to address risks.</i> <i>—Require the owner or operator of commission-regulated gas pipeline facilities to maintain a record of tests on all pipelines to substantiate their current maximum allowable operating pressure. If complete records are not available, the owner or operator shall reduce the maximum operating pressure and report the condition to the commission. Before restoring the pipeline pressure to its maximum operating pressure the facility shall be inspected using the most effective and appropriate inspection technology.</i></p>	
SB 201 DeSaulnier	Flexible purpose corporations: Corporate Mergers	SEN Appropriations Suspense File	Watch LCC no position CSAC no position	NO POSITION	<p>This bill would enact the Corporate Flexibility Act of 2011 and would authorize and regulate the formation and operation of a new form of corporate entity known as a flexible purpose corporation. The bill would authorize existing corporations and other forms of business entities to merge into or convert into a flexible purpose corporation upon completion of specified requirements, including approval of the transaction by a supermajority 2/3 vote of shareholders, or a greater vote if required in the articles, as specified. The bill would also authorize a flexible purpose corporation to convert into a nonprofit corporation, a corporation, or a domestic other business entity, upon satisfaction of equivalent conditions. <i>Under current law, companies can be sued by shareholders or investors for taking environmental or social measures that negatively affect shareholders' financial returns. This legislation would enable a new form of for-profit corporation, expressly allowing companies to pursue other things besides simply making money. Maryland and Vermont recently enacted measures to allow "for-benefit" companies to exist.</i></p>	

ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, July 21, 2011, 5:00 p.m.
ABAG Conference Room
MetroCenter—8th and Oak Streets
Oakland, CA

Recommendation**

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|-----|---|--------------------------------|
| 1. | Public Comments | Information |
| *2. | Minutes of May 19, 2011 Meeting | Action |
| *3. | Financial Reports – ABAG
<i>The April and May 2011 Financial reports are enclosed with the agenda packet.</i> | Action |
| *4. | Resolution to Establish ABAG Contingency Reserve Policy
<i>Staff has prepared a proposed ABAG Reserve Policy.</i> | Action |
| 5. | 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 |
| *** | Status Report on the Strategic Planning for a Joint Regional Agency Co- | Information |
| 6. | location Facility
<i>The Finance and Personnel Committee will receive a staff report regarding the acquisition of a condominium interest in 390 Main Street, San Francisco which is the location for the regional government facility to be jointly occupied by Bay Area Toll Authority, Metropolitan Transportation Commission, the Bay Area Quality Management District and ABAG.</i> | |
| | THE FOLLOWING ITEMS WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT. | Information/
Action |
| 7. | Conference with Legal Counsel—Anticipated Litigation
<i>Significant exposure to litigation pursuant to Government Code section 54956.9(b)(1); One item</i> | Information |
| 8. | Personnel Matter (continued from May 19 meeting)
<i>Public Employee Performance Evaluation
Title: Executive Director</i> | Information/
Action |
| 9. | 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.

*** Cover letter from Executive Director and other material can be found with Executive Board agenda.

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

May 19, 2011

Members Present

Supervisor Rose Jacobs Gibson, Chair
Supervisor Susan Adams
Supervisor John Gioia
Mayor Mark Green
Supervisor Scott Haggerty
Supervisor Barbara Kondylis
Councilmember A. Sepi Richardson

Jurisdiction

County of San Mateo
County of Marin
County of Contra Costa
City of Union City
County of Alameda
County of Solano
City of Brisbane

Members Not in Attendance

Supervisor David Cortese
Vice Mayor Peter McHugh

County of Santa Clara
City of Milpitas

Officers and Staff Present

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

- 1) The meeting was called to order at 5:10 p.m.
- 2) Summary Minutes of the March 17, 2011 meeting were approved.
/M/Adams/S/Green/C/approved.
- 3) Pike provided an overview of the February and March 2011 Financial Reports.
/M/Haggerty/S/Gioia/C/approved.
- 4) Moy reviewed the provisions under which ABAG members can obtain *per diem* reimbursement for attending a meeting of another group by convening a “joint meeting.” Such a process requires no change in current policy or procedure. However, for the one meeting where a Committee was invited to attend the joint meeting of two other committees, it was recommended the Executive Board authorize the payment of *per diem* be paid to the “invited” Committee due to confusion of process at the time.
/M/Haggerty /S/Green/C/approved.

(continued)

F&PC AGENDA ITEM #2

- 5) Pike reported on the new fund balance procedure being implemented pursuant to GASB 54, the best practices regarding reserve balances and a recommendation as to a target fund balance reserve and the minimum amount that should be sought to augment the fund balance each year. /M/Gioia/S/Adams/C/ directing staff to return with a formal resolution at the next meeting establishing a target reserve balance of \$2 million and to seek a minimum annual contribution of \$50,000.
- 6) Rapport provided a brief update of the five proposals deemed to be responsive to the RFP for a proposed Regional Facility.
- 7) Closed Session—Employee performance evaluation and other confidential issues to be discussed.
- 8) Meeting adjourned at 7:15 p.m.

TO: Finance and Personnel Committee

DT: May 19, 2011

FM: Herbert Pike, Finance Director

Re: Financial Reports
--April 2011

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

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

At April 30th, the Agency's net financial position is only marginally off from the forecast with a year-to-date operating surplus of roughly \$178 thousand, or about 1.04 percent of year-to-date revenues, an improvement over the previous month of about \$43 thousand. The surplus derives primarily from unexpected transfers from FAN for various services. Cash balances have significantly improved, reflecting both the cash from FAN and the impact of new energy projects reducing indirect overhead costs.

Cash on Hand (Figure 1)

Cash on hand increased to \$1.68 million on April 30th from \$0.93 million on March 31st. The increase of \$743 thousand is attributed primarily to the reduction in receivables by \$658 thousand. The other contributing factor is that revenues exceeded expenditures for the month by \$178 thousand; this is attributed to the number of agency personnel moved from overhead and agency administration to energy projects that are finally commencing operations. The April balance includes approximately \$0.88 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The April 30th cash balance is approximately \$553 thousand greater than the prior year.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$2.86 million on April 30th, a decrease of \$658 thousand from the month prior. The month to month decrease is attributed to overcoming stalls in commencing several energy projects and their related billing procedures, as well as favorable resolution in finding funding for Planning/Research operations. Receivables are approximately \$58 thousand less than they were a year prior in spite of higher billing volumes.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through April 30th amounted to about \$16.86 million, or 73.3 percent, of the projected annual expense of \$23.0 million for FY 10-11.

Actual vs. Budgeted Revenues (Figure 10)

As of April 30th, total revenues amounted to about \$17.04 million, or 74.1 percent, of the projected annual revenue of \$23.0 million for FY 10-11.

As of April 30th, both revenues and expenses are below pro rated (83.3 percent) "projected" annual totals. While revenues and expenditures might be expected to be 83.3 percent after the first ten

months of the fiscal year, they are less largely due to the lag between when contractors perform the work and when the contractor bills ABAG.

Fund Equity (Figure 5)

As of April 30th, general fund equity was approximately \$1.20 million, an increase of \$43 thousand from March 31st. The Agency's restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 41.90 percent of direct labor cost as of April 30th, or 1.05% below the budgeted rate of 42.95 percent for FY 10-11. The continuing decline is attributed to the diversion of staff from indirect administrative support to direct charges as they provide assistance on the several new energy and other grants. This could lead to the first time in several years that indirect administrative expense may be less than administrative expense overhead recoveries, thereby eliminating the need to collect additional revenue in FY 2012-13 to make up any deficit.

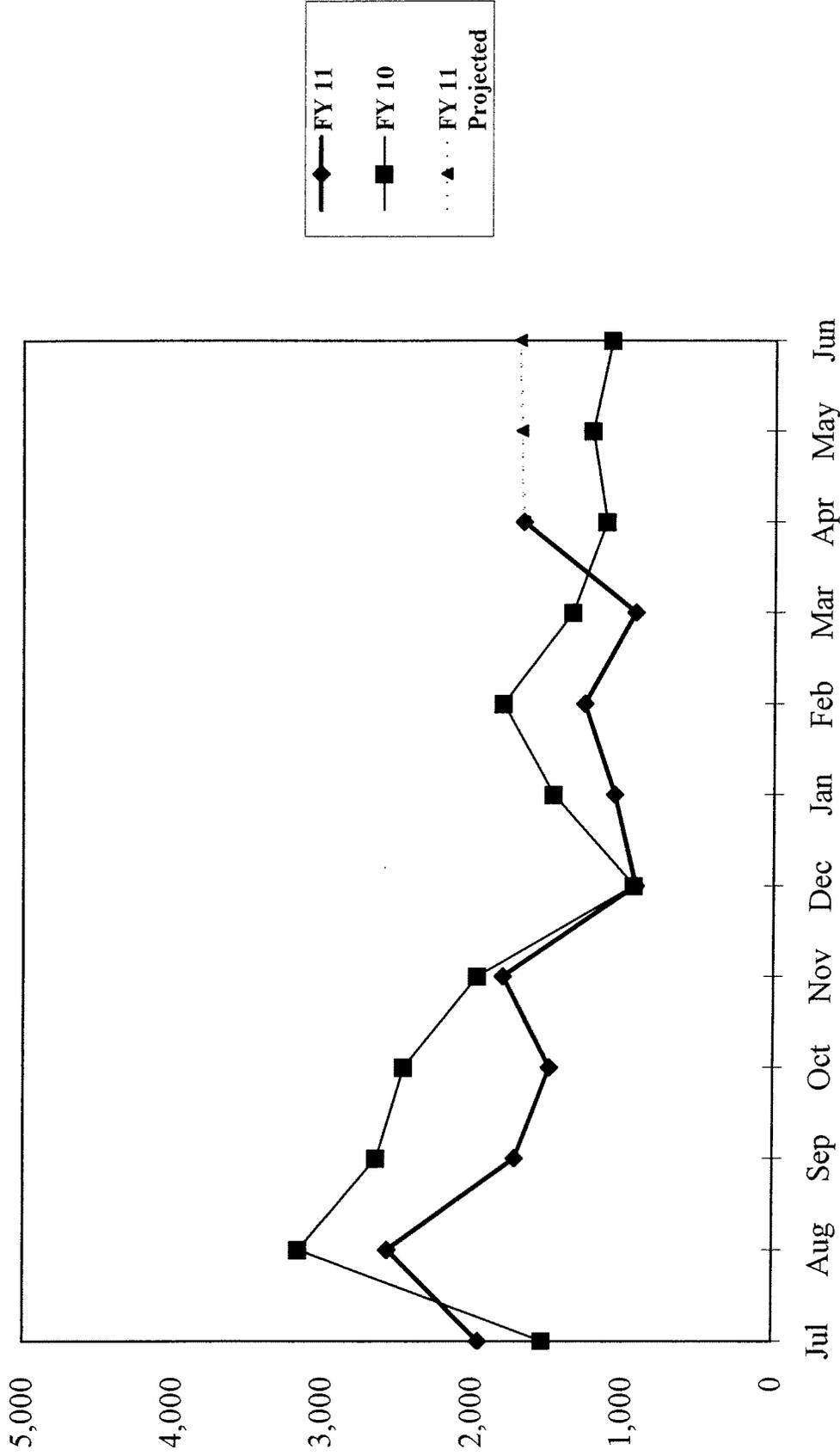
ABAG FINANCIAL REPORTS

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ABAG Financial Indices

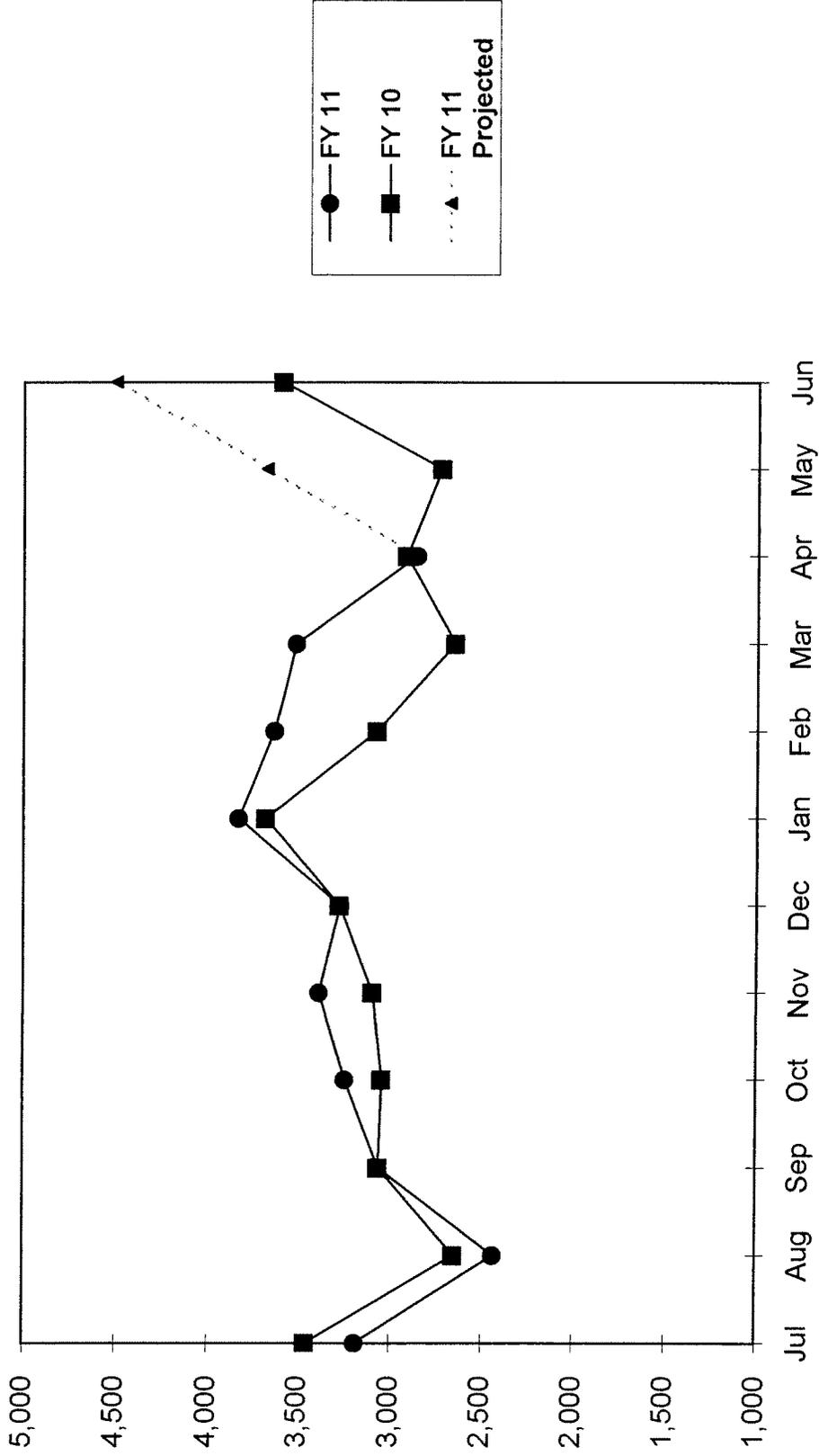
Figure 1--Cash on Hand--FY 10 and FY 11 (\$'000)



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

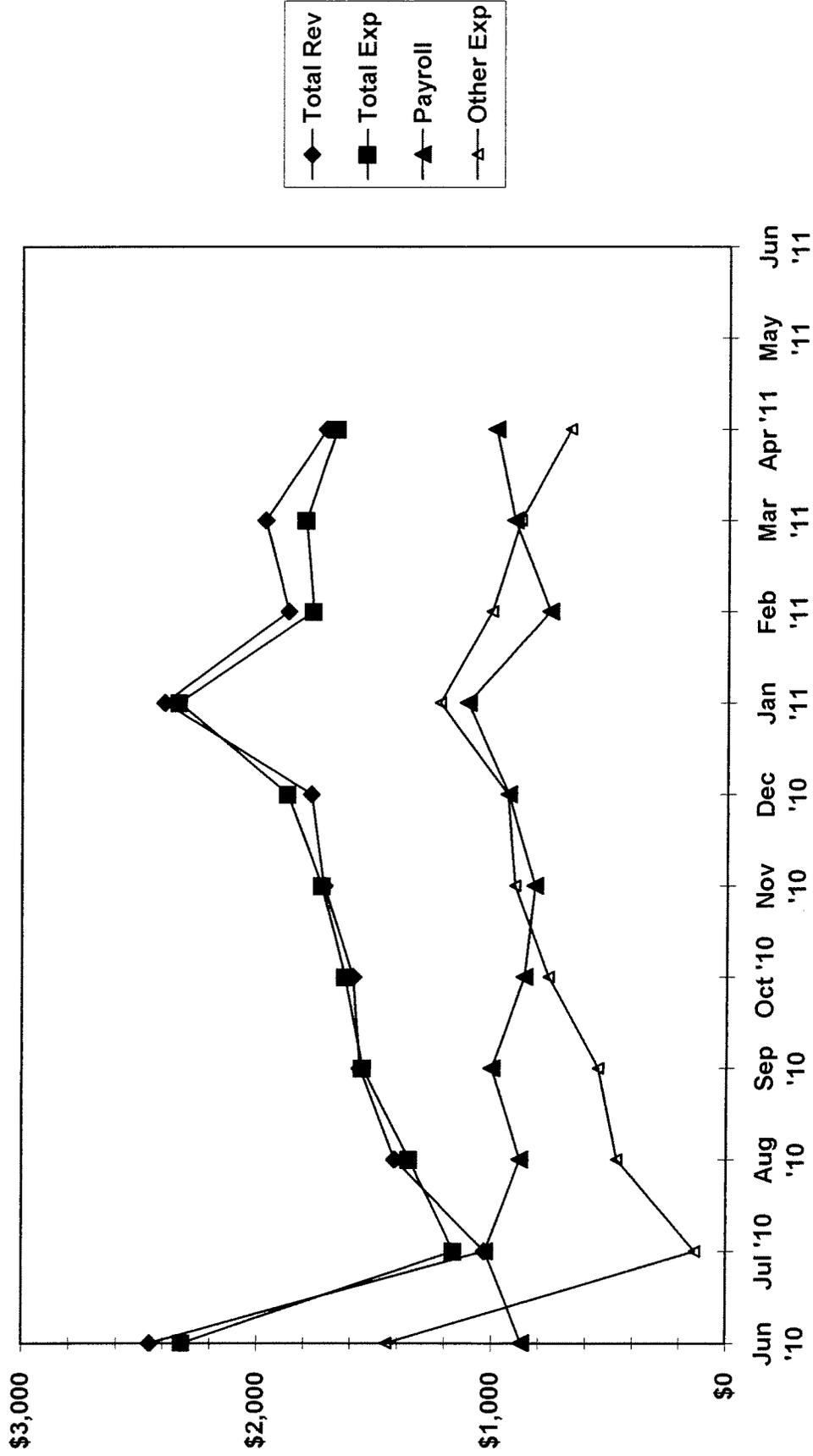
Figure 2--Accounts Receivable--FY 10 and FY 11 (\$'000)



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.

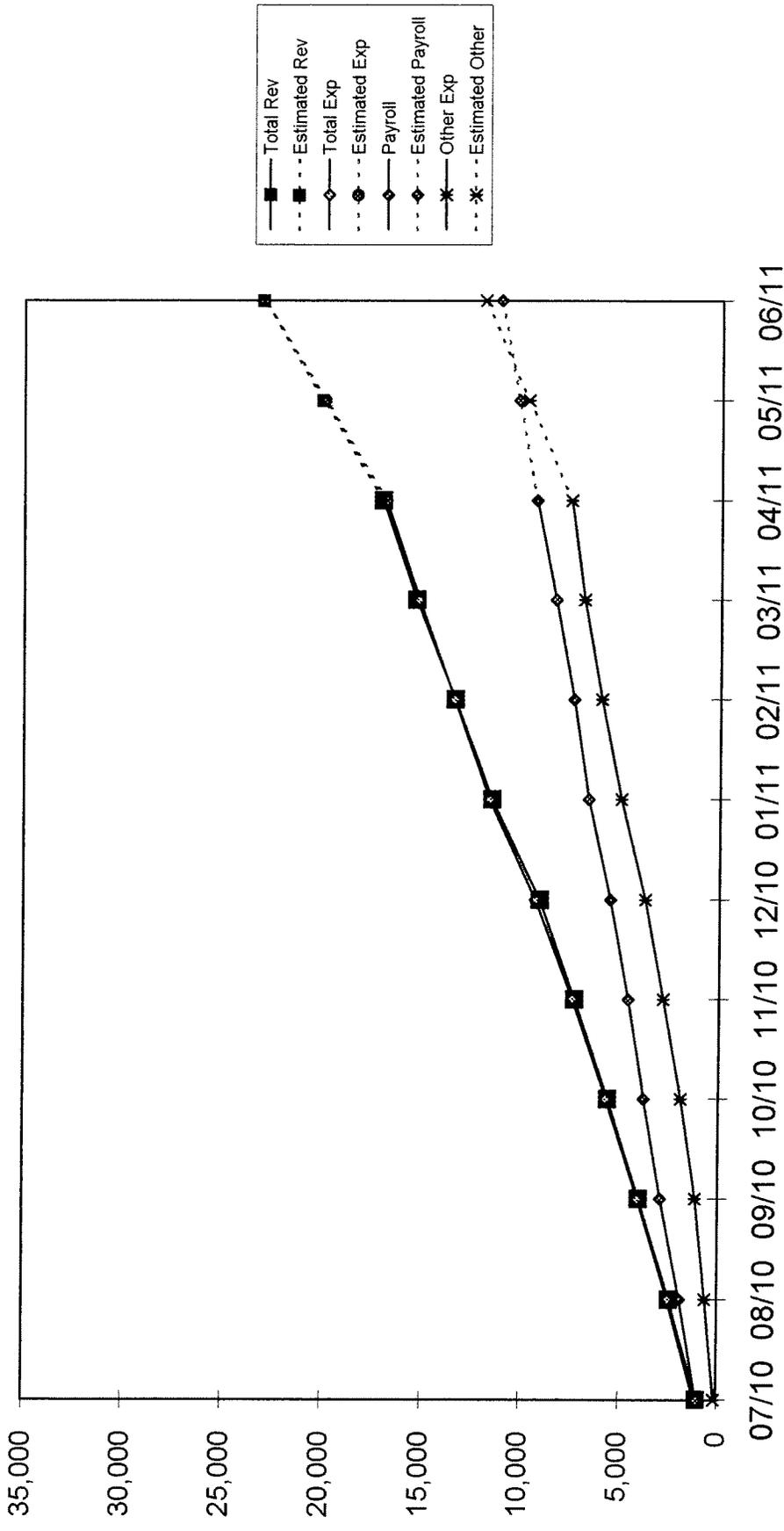
ABAG Financial Indices

Figure 3--Current Month Revenues & Expenses
FY 10-11 (\$'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.

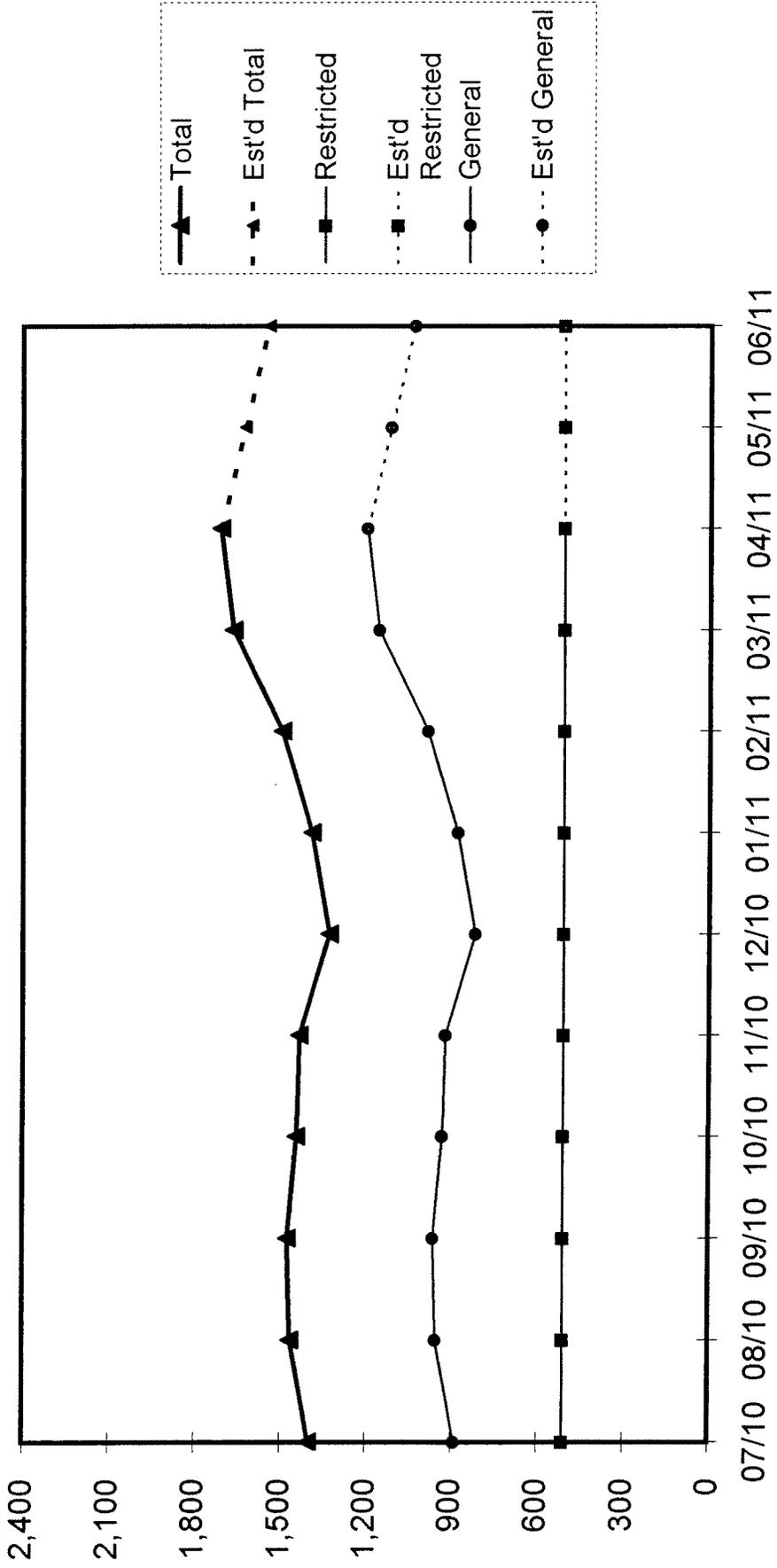
ABAG Financial Indices
Figure 4-- Year-to-date Revenues & Expenses
FY 10-11 (\$'000)



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.

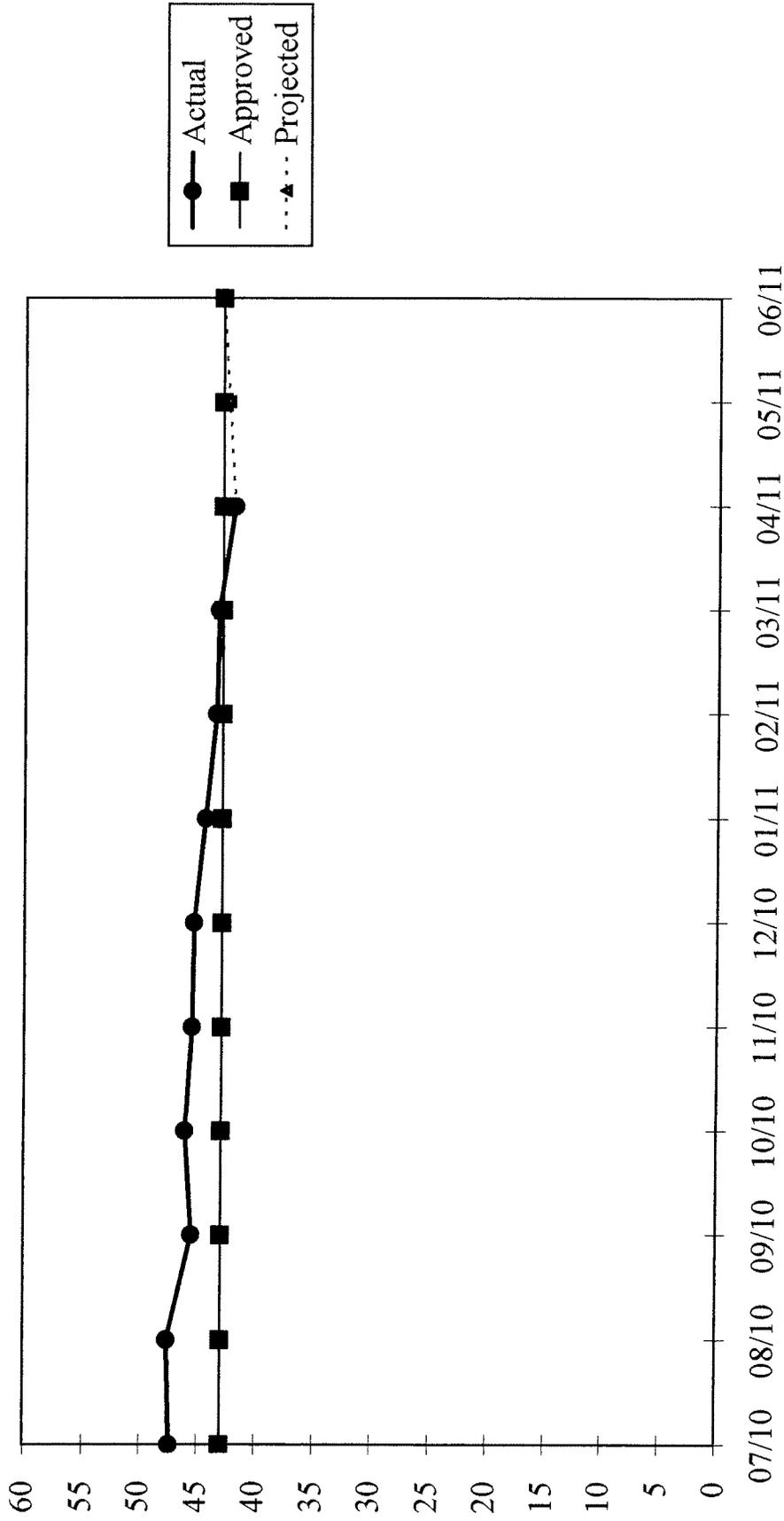
ABAG Financial Indices

Figure 5--Fund Equity
FY 10-11 (\$'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 and capital. These restricted equities represent the Association's equities set aside for specific purposes. Total equity is the sum total of general and restricted equities.

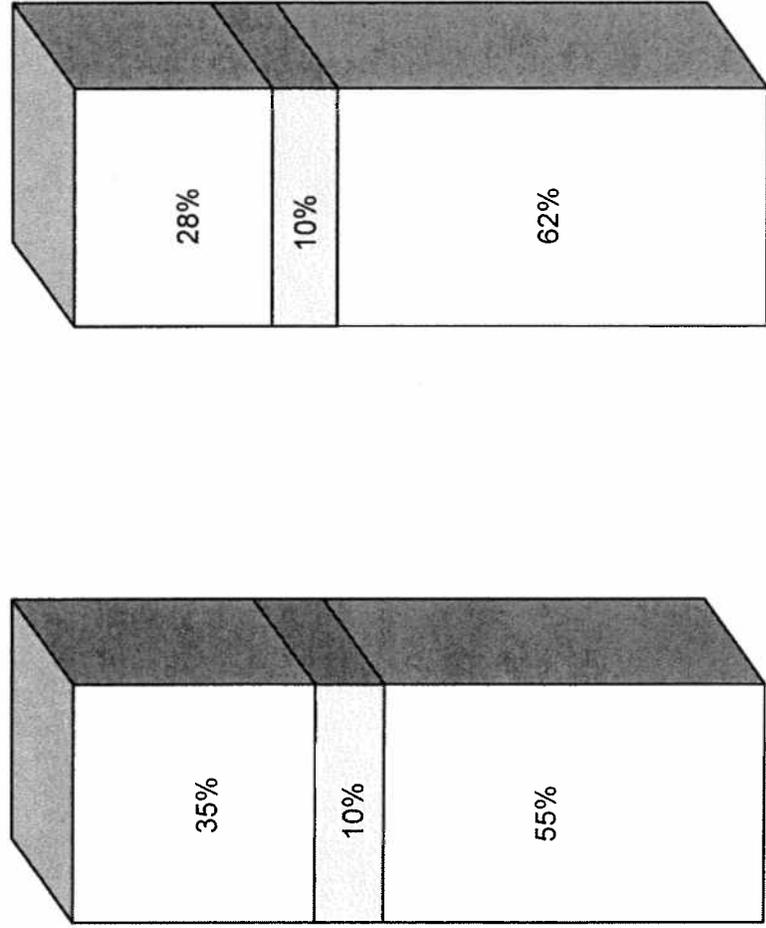
ABAG Financial Indices
Figure 6--Indirect Cost Rate (% of Direct Labor Cost)
FY 10-11



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 10--FY 11
Year to Date
(\$'000)

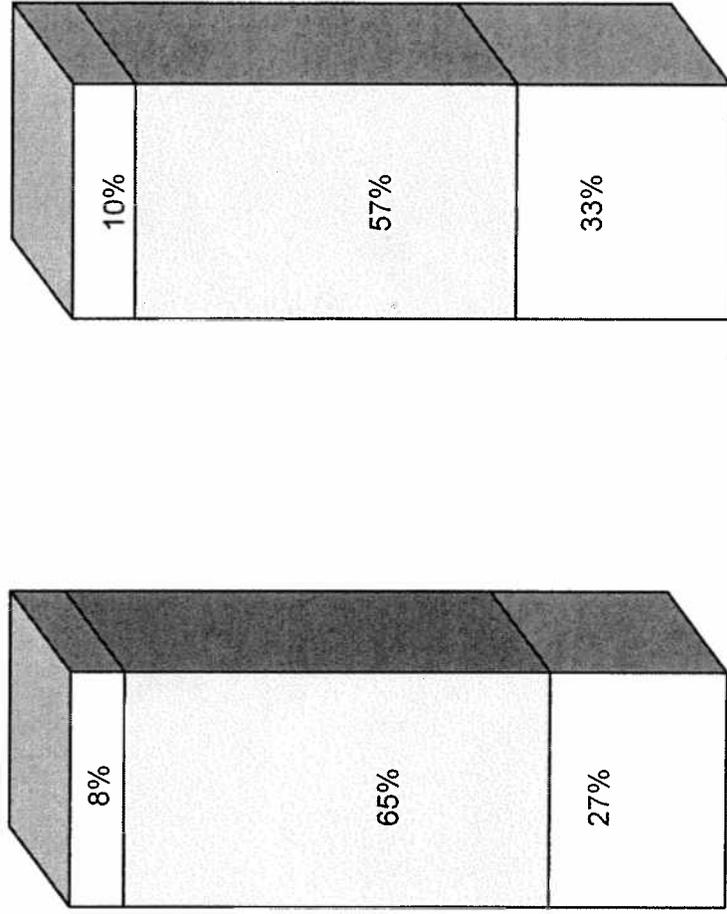


	FY10-11 Expenses (Total \$16,860)	FY09-10 Expenses (Total \$14,748)
□ Consultants	\$5,864	\$4,191
□ Others	\$1,691	\$1,385
□ Payroll	\$9,305	\$9,172

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 10--FY 11
Year to Date
(\$'000)**

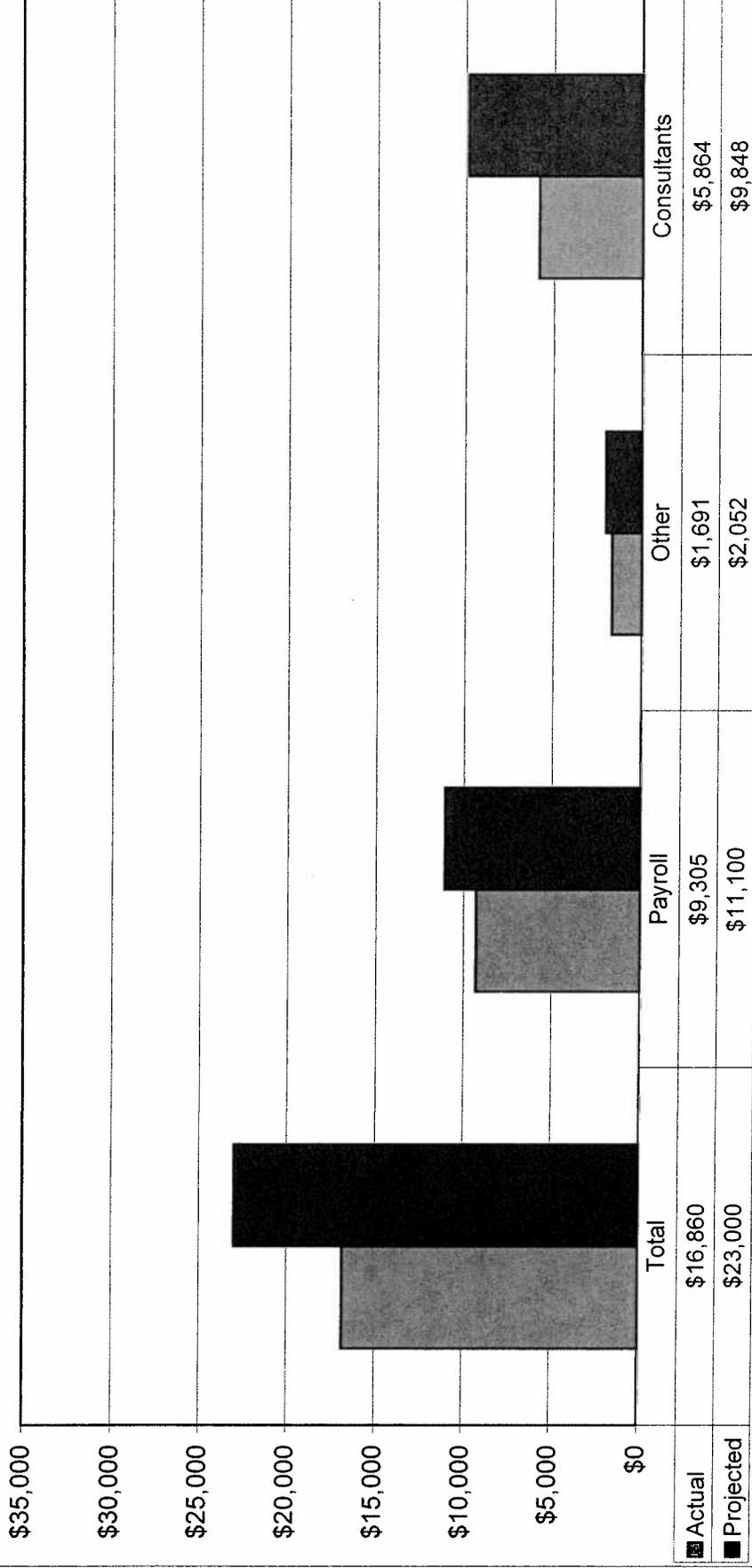


	FY 10-11 Revenue (Total \$17,038)	FY 09-10 Revenue (Total \$14,570)
□ Membership	\$1,408	\$1,385
□ Grants	\$11,021	\$8,440
□ Services & Others	\$4,609	\$4,745

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

ABAG Financial Indices

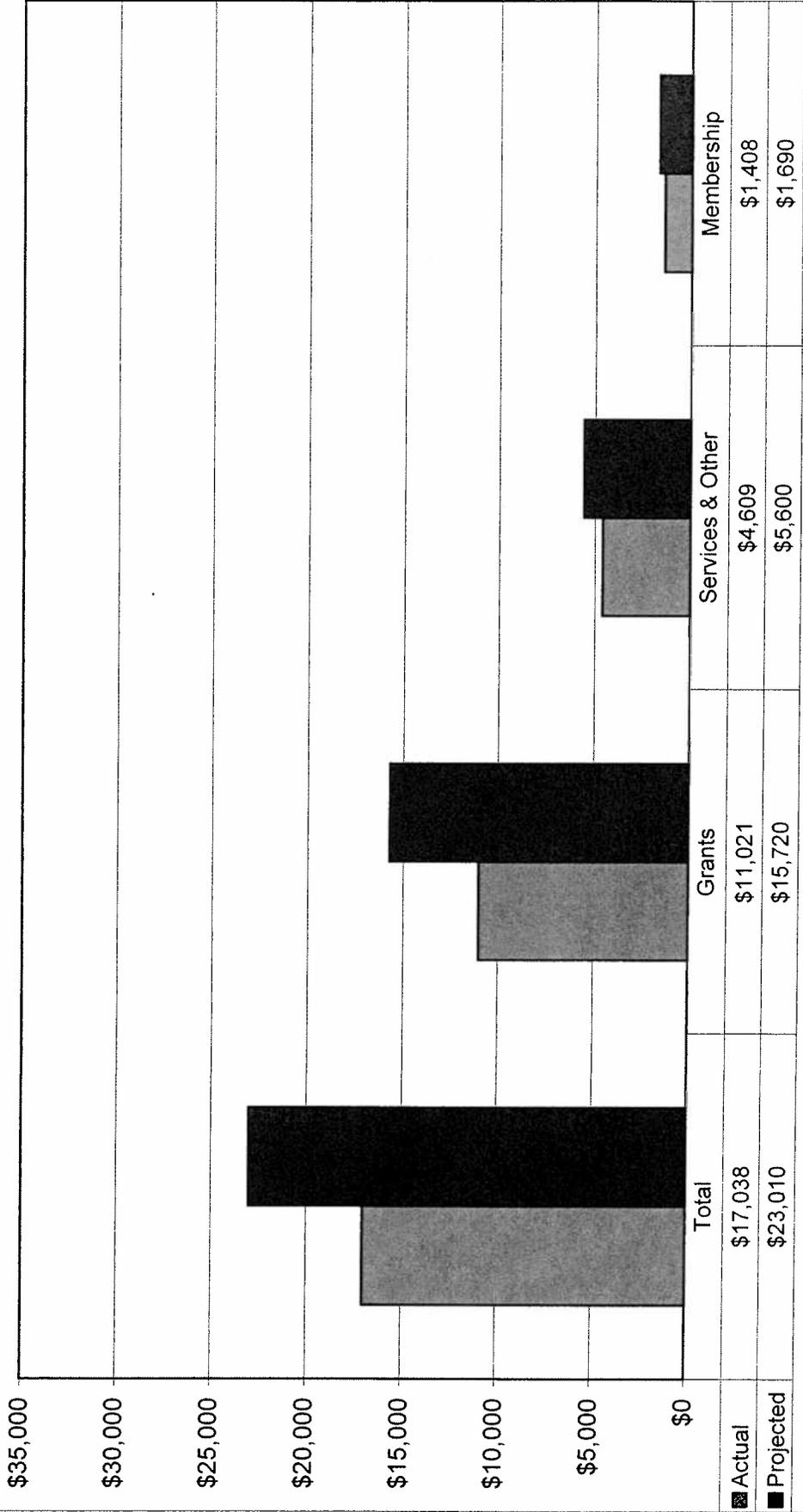
Figure 9--Actual vs Projected Expenses--FY 10-11
Year to Date (\$'000)



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

ABAG Financial Indices

Figure 10--Actual vs Projected Revenues--FY 10-11
Year to Date (\$'000)



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

TO: Finance and Personnel Committee

DT: June 21, 2011

FM: Herbert Pike, Finance Director

Re: Financial Reports
--May 2011

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

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

At May 31st, the Agency's net financial position is only marginally off from the forecast with a year-to-date operating surplus of roughly \$161 thousand, or about 0.85 percent of year-to-date revenues, a decrease from the previous month of about \$17 thousand. The surplus derives primarily from unexpected transfers from FAN for various services. Cash balances have significantly improved, reflecting both the cash from FAN, the impact of new energy projects reducing indirect overhead costs and the advance of \$500,000 from the grantor for prospective Bay Trail capital projects. While there are several annual adjustments that are done as part of the year-end process in closing the books as of June 30, the prognosis is good that a modest surplus in operating costs will be realized for the fiscal year.

Cash on Hand (Figure 1)

Cash on hand increased to \$2.35 million on May 31st from \$1.68 million on April 30th. The increase of \$668 thousand is attributed primarily to an advance of \$500 thousand for proposed Bay Trail capital allocations and the collection of annual dues from ABAG members. The May balance includes approximately \$0.88 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The May 31st cash balance is approximately \$1.13 million greater than the prior year.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.24 million on May 31st, an increase of \$380 thousand from the month prior. The month to month increase reflects a \$808 thousand increase in billed grants receivables offset by a decrease of \$454 thousand in unbilled receivables. The higher receivables also reflect the increasing volume as energy and trash capture device grant programs increase in activity. Receivables are approximately \$322 thousand higher than they were a year prior reflecting the higher activity level in the current fiscal year.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through May 31st amounted to about \$18.84 million, or 81.9 percent, of the projected annual expense of \$23.0 million for FY 10-11.

Actual vs. Budgeted Revenues (Figure 10)

As of May 31st, total revenues amounted to about \$19.01 million, or 82.6 percent, of the projected annual revenue of \$23.0 million for FY 10-11.

As of May 31st, both revenues and expenses are below pro rated (91.7 percent) “projected” annual totals. While revenues and expenditures might be expected to be 91.7 percent after the first eleven months of the fiscal year, they are less largely due to the lag between when contractors perform the work and when the contractor bills ABAG. There are also many contracts that may not be completed by the end of the fiscal year that will lead to a lower denominator as the projected is supplanted by the actual revenues and expenditures.

Fund Equity (Figure 5)

As of May 31st, general fund equity was approximately \$1.18 million, a decrease of \$17 thousand from April 30th. The Agency’s restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

Indirect Cost (Figure 6)

The Agency’s actual indirect cost (overhead) rate was 41.35 percent of direct labor cost as of May 31st, or 1.60% below the budgeted rate of 42.95 percent for FY 10-11. The continuing decline is attributed to the diversion of staff from indirect administrative support to direct charges as they provide assistance on the several new energy and other grants. This could lead to the first time in several years that indirect administrative expense may be less than administrative expense overhead recoveries, thereby eliminating the need to collect additional revenue in FT 2012-13 to make up any deficit.

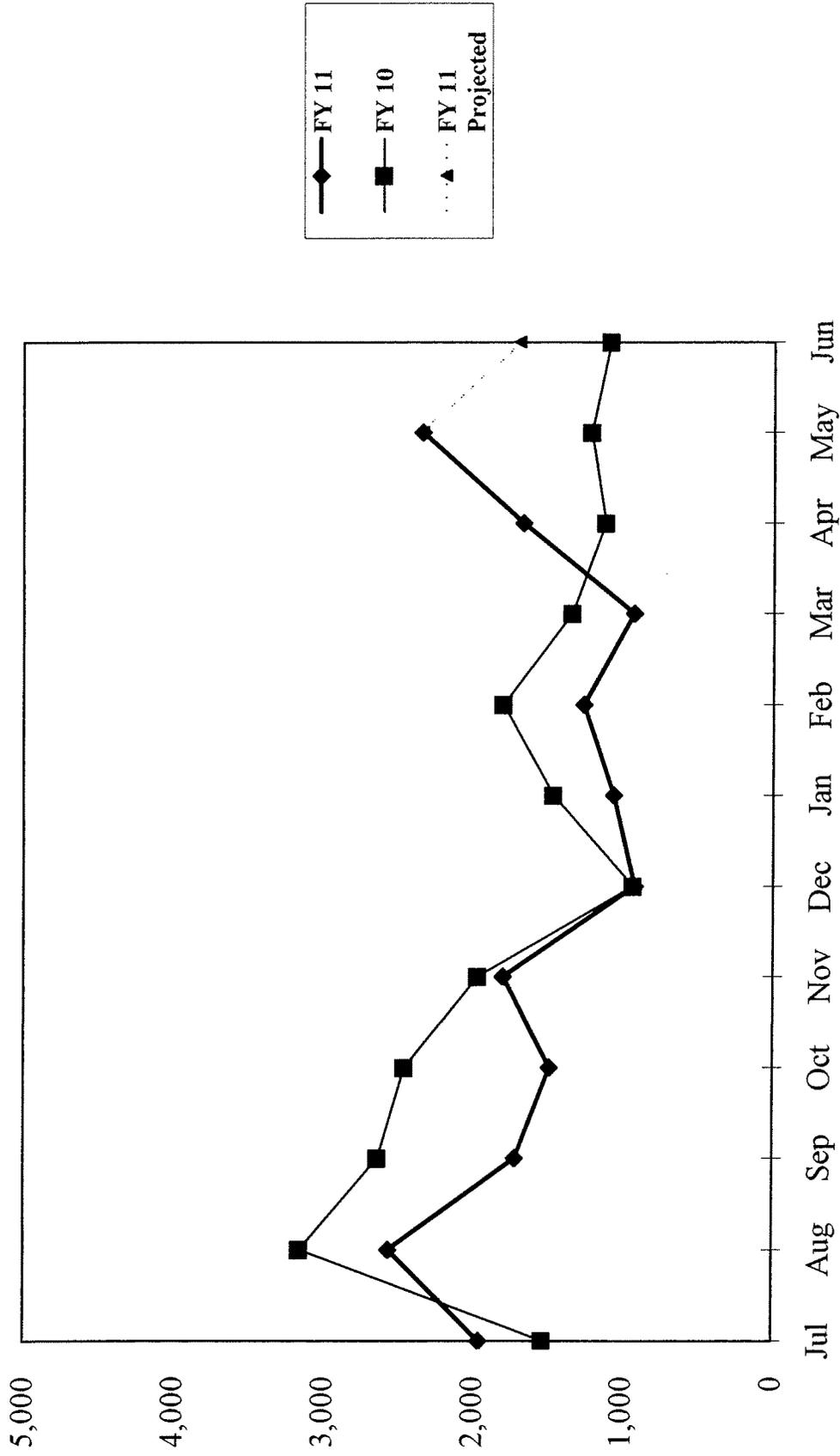
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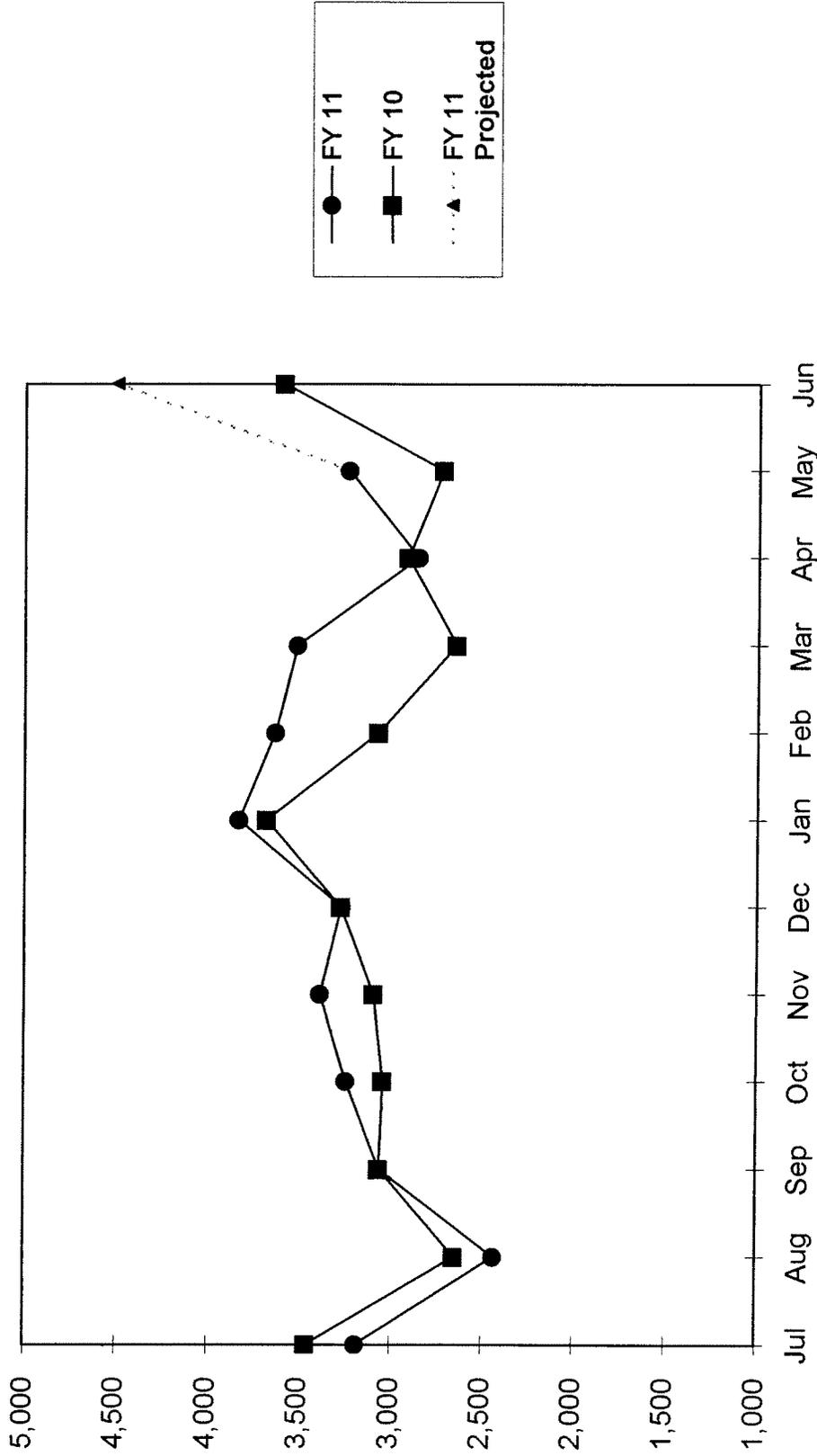
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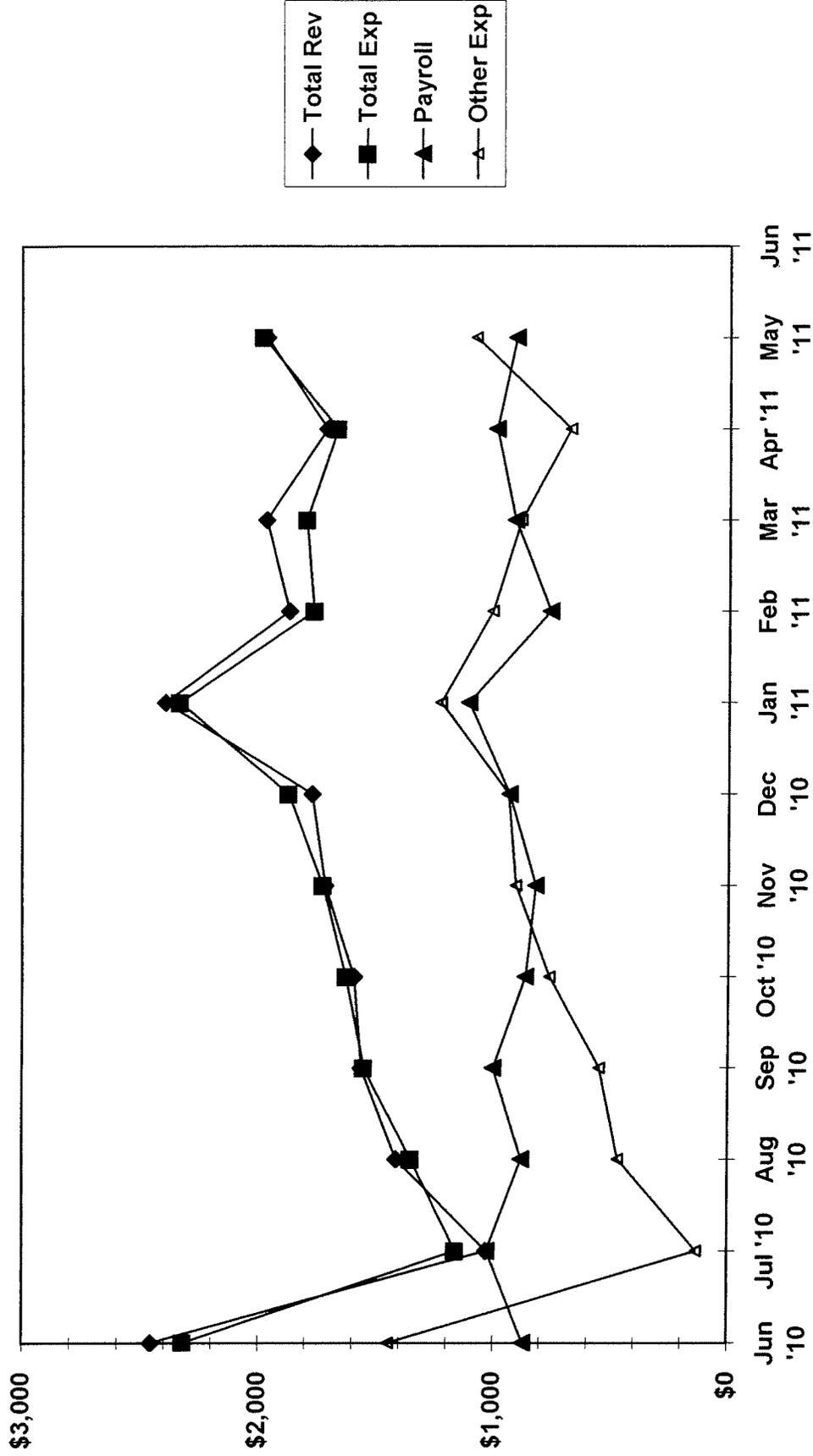
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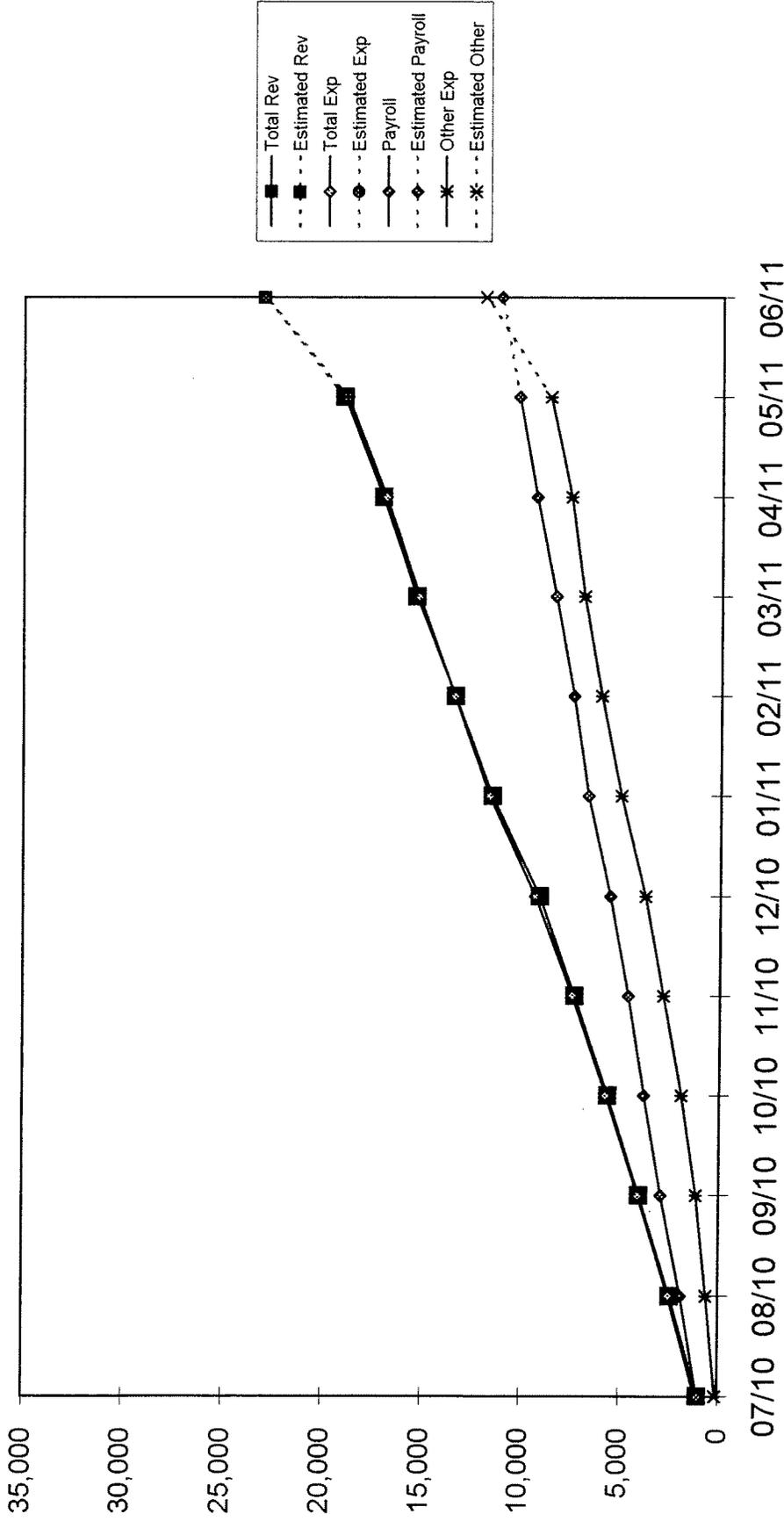
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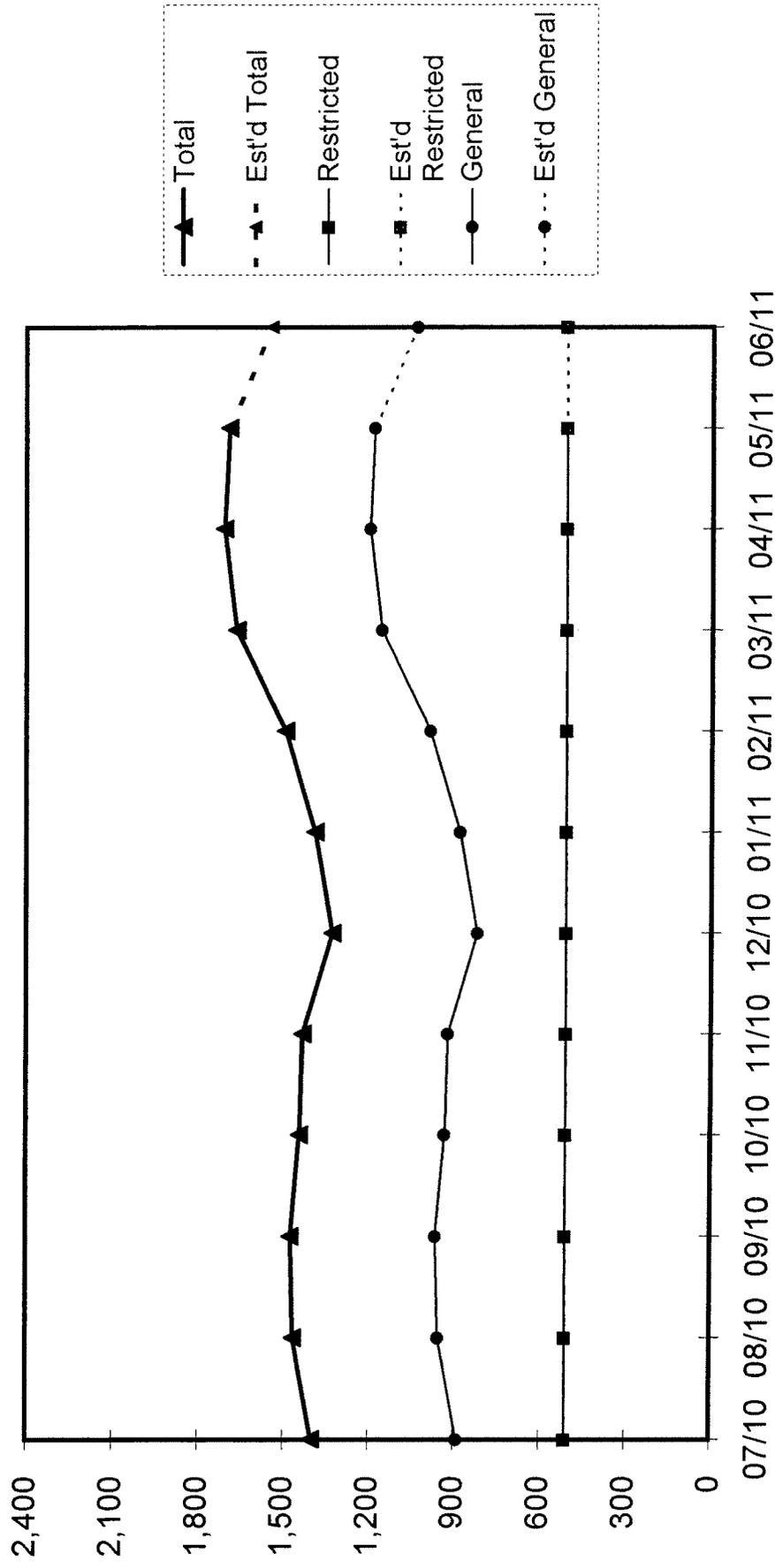
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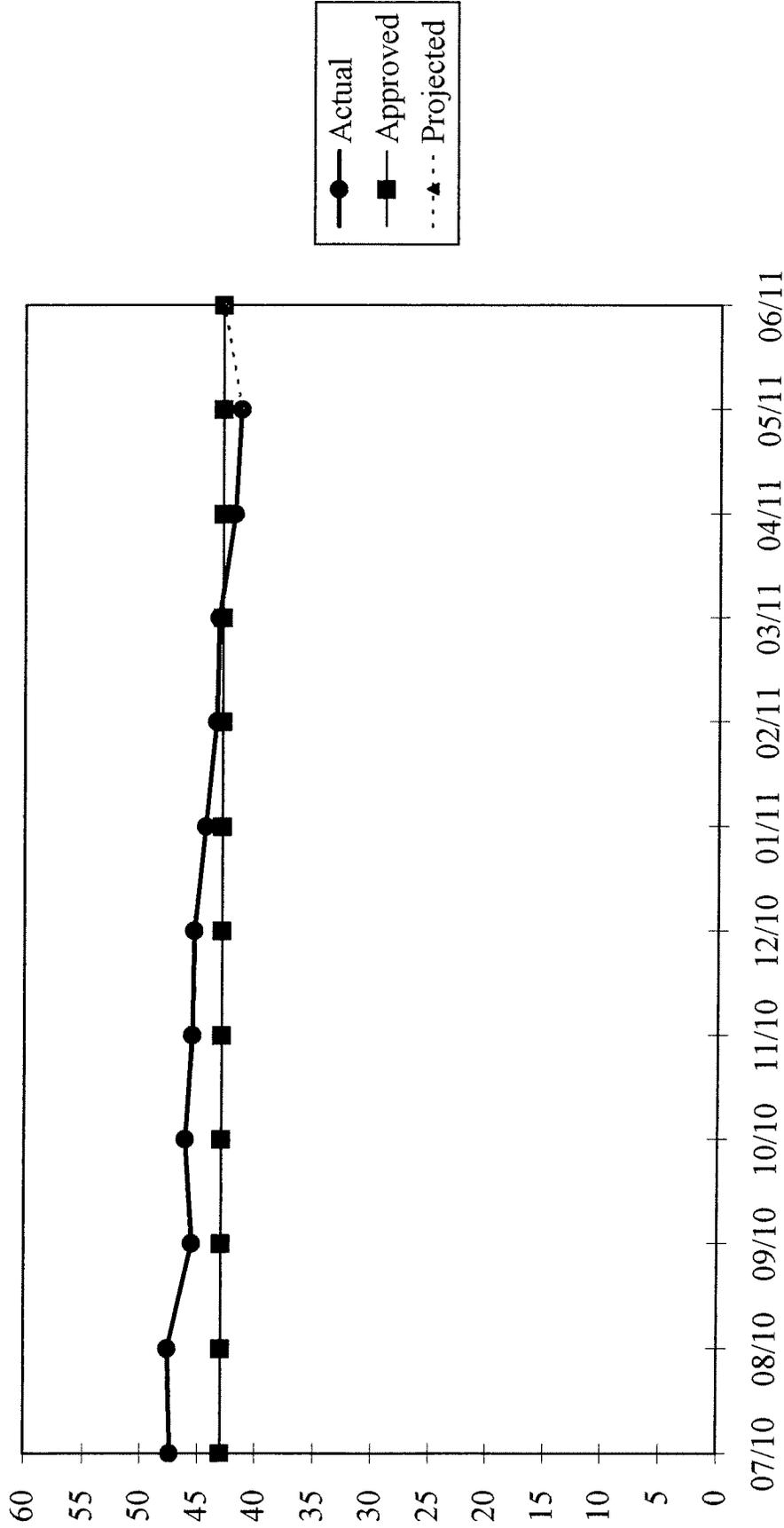
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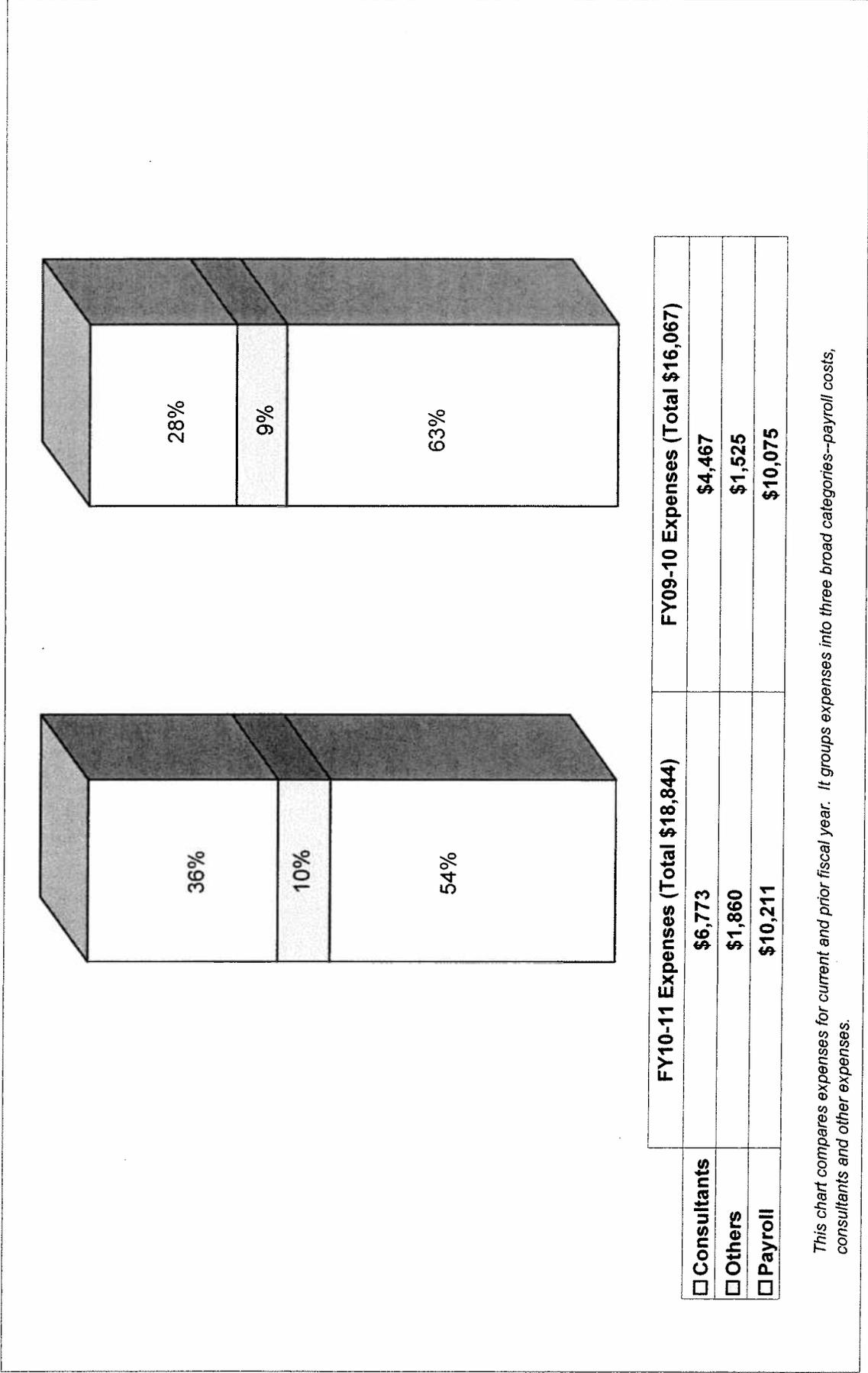
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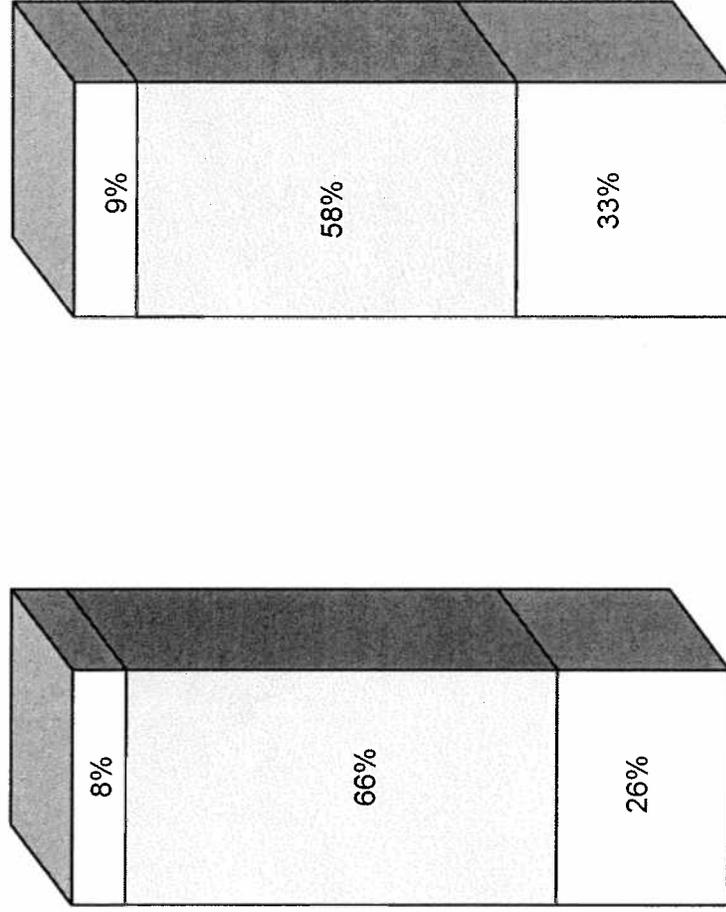
ABAG Financial Indices

Figure 7-- Composition of Expenses FY 10--FY 11
Year to Date
(\$'000)



ABAG Financial Indices

**Figure 8-- Composition of Revenues FY 10--FY 11
Year to Date
(\$'000)**

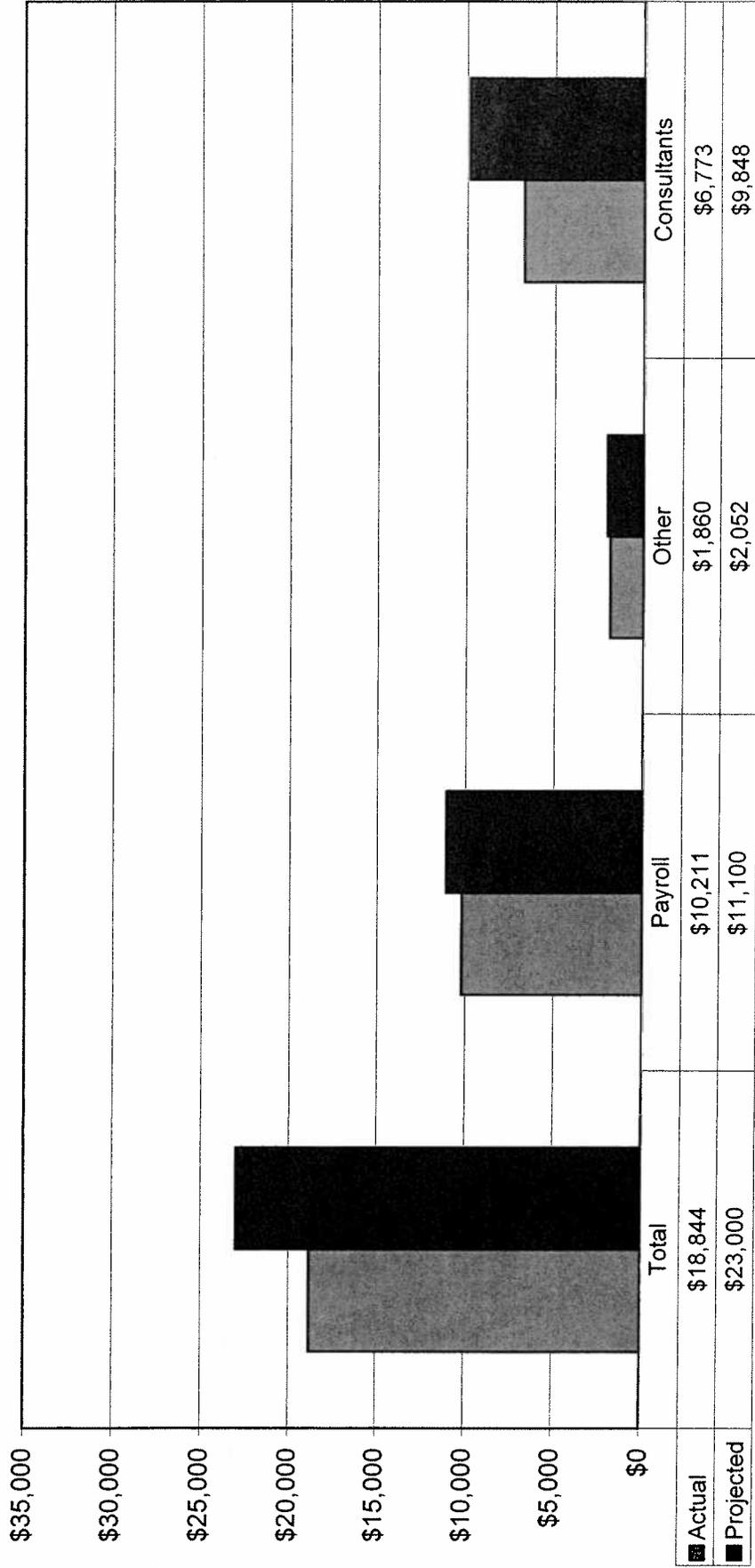


	FY 10-11 Revenue (Total \$19,005)	FY 09-10 Revenue (Total \$15,898)
□ Membership	\$1,549	\$1,524
□ Grants	\$12,480	\$9,173
□ Services & Others	\$4,976	\$5,201

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

ABAG Financial Indices

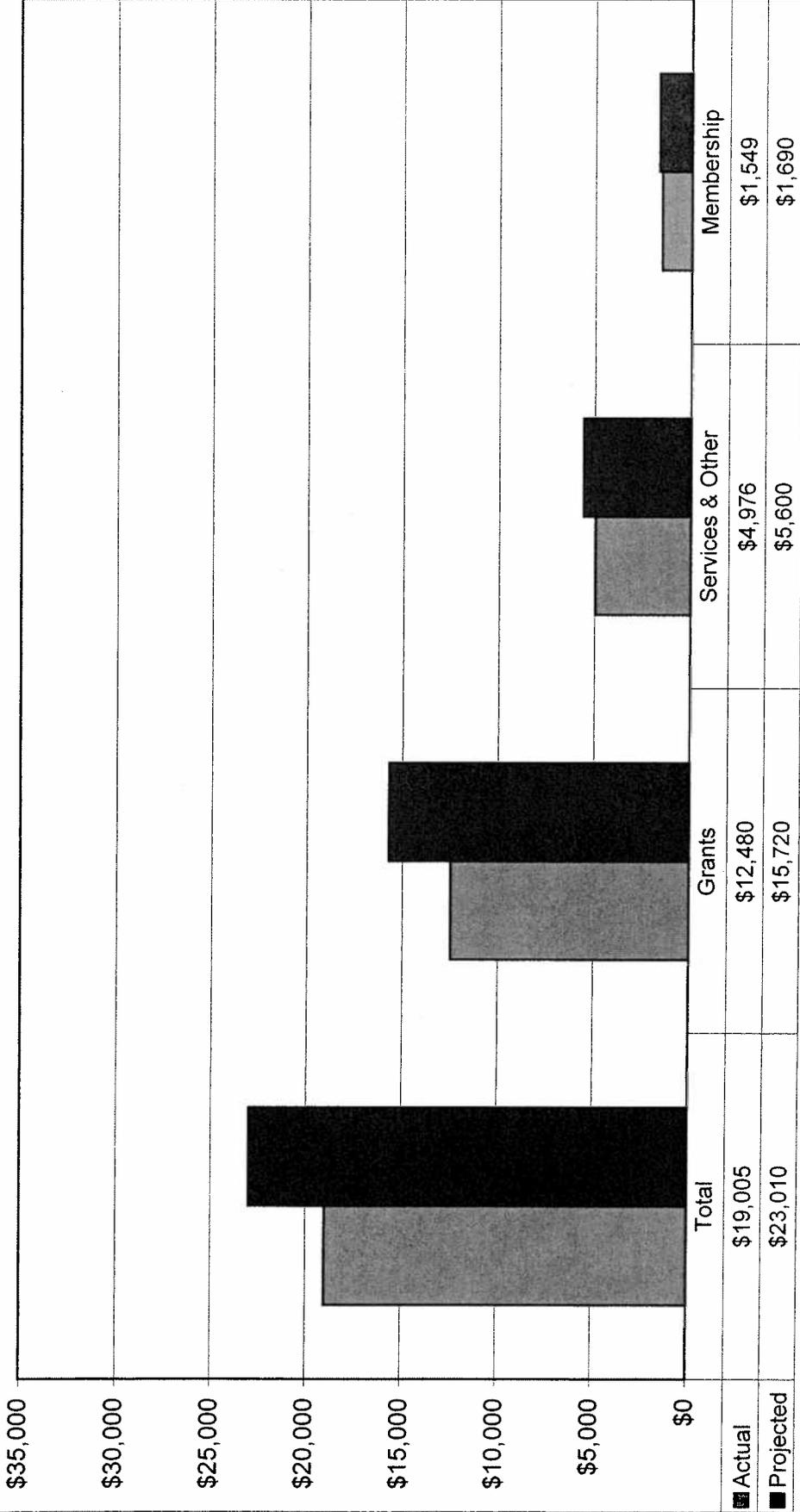
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ABAG Financial Indices

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

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

<u>Index Description</u>	<u>May-11</u>	<u>Apr-11</u>	<u>Mar-11</u>	<u>May-10</u>	<u>Apr-10</u>
Cash	2,345	1,677	930	1,218	1,124
Receivables	3,237	2,857	3,515	2,723	2,915
Payroll Cost-YTD	10,211	9,305	8,313	10,075	9,172
-Month	906	992	911	903	932
Total Other Expense-YTD	8,633	7,555	6,881	5,992	5,576
-Month	1,078	674	887	416	629
Total Expenses-YTD	18,844	16,860	15,194	16,067	14,748
-Month	1,984	1,666	1,798	1,319	1,561
Total Revenues-YTD	19,005	17,038	15,329	15,898	14,570
-Month	1,967	1,709	1,969	1,328	1,638
Fund Equity-General	1,182	1,199	1,156	884	875
Total Restricted	510	510	510	510	510
Total Fund Equity	1,692	1,709	1,666	1,394	1,385
Approved Overhead	42.95%	42.95%	42.95%	42.95%	42.95%
Overhead Rate %	41.35%	41.90%	43.27%	43.80%	43.97%

Date: July 21, 2011

To: Members of the Finance & Personnel Committee

From: Herbert L. Pike, Finance Director

Subject: **Proposed Resolution Establishing Criteria for a Contingency Reserve Fund**

Staff has prepared the attached Resolution to establish a Contingency Reserve Fund with the target of a \$2 million fund balance to be achieved by annually planning for and committing an increase in the previous year's fund balance by \$50,000. The proposed resolution represents staff's synthesis of the Committee's discussions at the May 10, 2011 meeting.

Staff welcomes any additional changes the Committee desires. If there are no changes suggested, staff would recommend forwarding the attached to the full Executive Board for their approval. If additional changes are desired, staff recommends approval of the resolution for forwarding to the Executive Board be deferred to the Committee's regular September meeting at which time a revised resolution can be presented.

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 13-11

ESTABLISHING CONTINGENCY FUND RESERVE POLICY

WHEREAS, it is prudent and a best practice to maintain a reasonable reserve to withstand adverse fiscal circumstances such as natural or human-made disasters, state budget takeaways, large unexpected costs and economic downturns; and

WHEREAS, the Association of Bay Area Governments (ABAG) is highly reliant upon grants and the timely reimbursement by the grantors (Federal, State, private and others) of expenditures made on behalf of those grants, with delayed reimbursements causing significant strain on ABAG's ability to maintain adequate cash balances; and

WHEREAS, the availability of a fund balance to provide start-up (seed) funding to move into new areas and institute new initiatives to better serve ABAG's members; and

WHEREAS, ABAG desires to exemplify and model behavior in preparing for and initiating regional economic recovery operations after a major catastrophe such as a major earthquake; and

WHEREAS, an increase in a reserve fund balance would enable to retain our most significant asset, the knowledge of our employees, and other assets when a disaster strikes.

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

1. work toward achieving a two million dollar (\$2,000,000) Contingency Reserve fund; and
2. develop and submit an annual budget that, if followed, provides for an increase of at least \$50,000 in the Contingency Reserve fund by the end of the fiscal year over what is in the Reserve at the beginning of the fiscal year; and
3. each year, upon completion of ABAG's financial audited statements, the Executive Director will report the status of the Contingency Reserve fund to the ABAG Finance and Personnel Committee. If in any fiscal year the Contingency Reserve fund policy is not met, the Executive Director shall present to the Finance & Personnel Committee a strategy to meet the Contingency Reserve Policy.

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 13-11**

4. The amounts identified as the Contingency Reserve fund may be expended only to mitigate or resolve unusual, unanticipated or seemingly insurmountable events of hardship of ABAG. The Executive Director will report to the Finance & Personnel Committee any need to dip into the annual set-aside and seek prior approval, if possible, if an amount greater than \$50,000 is needed to address one or more of the specified needs identified above.

The foregoing adopted by the Executive Board this 21st day of July, 2011.

Mark Green
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 21st day of July, 2011.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

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

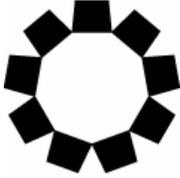
County of	Representative	Alternate
ALAMEDA	** Supervisor Nadia Lockyer	Supervisor Keith Carson
ALAMEDA	** Supervisor Scott Haggerty	Supervisor Nathan Miley
CONTRA COSTA	* Supervisor Gayle B. Uilkema	To Be Appointed
CONTRA COSTA	* Supervisor John Gioia	Supervisor Mary Piepho
MARIN	** Supervisor Susan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

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

Advisory Members	Representative	Alternate
RWQCB	Terry Young	Bill Peacock

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

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



ABAG

Meeting Schedule **2011**

Executive Board Meetings

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

START TIME
7:00 PM

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

Spring General Assembly

April 14
Oakland Marriott

Fall General Assembly

October 13
St. Francis Hotel, San Francisco