

Executive Director
Amie Fishman

BOARD OF DIRECTORS
President
Matthew O. Franklin
MidPen Housing

Vice President
Jacquie Hoffman
Mercy Housing
Management Group

Secretary
Leslye Corsiglia
SV@Home

Treasurer
Dan Sawislak
Resources for
Community Development

Michele Byrd
City of Oakland

Chuck Cornell
Burbank Housing
Development Corporation

Jack Gardner
The John Stewart
Company

Gail Gilman
Community Housing
Partnership

Matt Huerta
Matt Huerta
Consulting LLC

Andrea Papanastassiou
Northern California
Community Loan Fund

Matt Schwartz
California Housing
Partnership Corporation

Joshua Simon
East Bay Asian Local
Development Corporation

Dan Wu
Charities Housing

Malcolm Yeung
Chinatown Community
Development Center

Thursday, October 20, 2016

Hon. Julie Pierce, President, Association of Bay Area Governments
Hon. David Rabbitt, Vice President, Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Re: Item 9 Report on Plan Bay Area 2040

Dear President Pierce and Vice President Rabbitt,

The Non-Profit Housing Association of Northern California (NPH) is grateful to both the ABAG Executive Board and the MTC Commission for being partners in crafting a Plan that can respond to the needs of the Bay Area's lowest income residents. We appreciate your responsiveness to our proposal for additional meetings to discuss feedback on the Plan and for staff's consideration of our concerns.

No one wants to live in a region where half the population spends nearly seventy percent of their income on housing and transportation costs. Nor is it desirable to live in a Bay Area with longer commutes and deteriorated roadways as our workforce is forced to look farther and farther away for homes they can afford. If Plan Bay Area 2040 to be a guiding document then we must plan for a Bay Area that is able to house all of its population including its young people, seniors on fixed income, teachers, medical assistants, and countless service workers who make the economy thrive but who cannot afford the region's astronomical housing costs. We must also work towards ensuring that our region's longtime residents, who have made the Bay Area what it is, can stay in the place that they call home. Unfortunately, the Draft Preferred Scenario fails to create the Bay Area that we want but instead depicts the Bay Area that we are headed towards without meaningful action.

NPH has two requests of the ABAG Executive Board: **1.) We urge staff to develop a meaningful and aggressive implementation plan to address the region's housing affordability and displacement crises that will result in a joint work program and action items for ABAG and MTC staff AND 2.) The ABAG Executive Board should also be open to making policy assumptions and pushing for growth allocations for the Bay Area that may not necessarily be able to be modeled.**

1. Developing a meaningful and aggressive implementation plan to address the region's housing affordability and displacement crises:

Now is the time for bold action if we wish for the Bay Area to maintain any of its income diversity over the next 24 years. Alameda, Santa Clara and San Mateo Counties have already answered the call by placing over \$2 billion worth of affordable housing

Executive Director
Amie Fishman

BOARD OF DIRECTORS
President
Matthew O. Franklin
MidPen Housing

Vice President
Jacque Hoffman
Mercy Housing
Management Group

Secretary
Leslye Corsiglia
SV@Home

Treasurer
Dan Sawislak
Resources for
Community Development

Michele Byrd
City of Oakland

Chuck Cornell
Burbank Housing
Development Corporation

Jack Gardner
The John Stewart
Company

Gail Gilman
Community Housing
Partnership

Matt Huerta
Matt Huerta
Consulting LLC

Andrea Papanastassiou
Northern California
Community Loan Fund

Matt Schwartz
California Housing
Partnership Corporation

Joshua Simon
East Bay Asian Local
Development Corporation

Dan Wu
Charities Housing

Malcolm Yeung
Chinatown Community
Development Center

subsidies on the November ballot, while San Francisco voters approved a \$310 million bond in 2015 and with another on this year's ballot – it is time for the regional agencies to consider similar action to help address the yawning funding gap for affordable housing.

A final Plan Bay Area chapter should detail both the funding gaps and policy changes needed achieve the Plan's housing performance and anti-displacement targets at the desired levels. The chapter should also include a roadmap for filling in the subsidy gaps and for adopting the policy changes necessary for building and preserving affordable housing at scale as well as preventing further economic displacement of tenants. To make the Plan actionable, staff should simultaneously create a work program based on the roadmap to guide their joint work through the next iteration of Plan Bay Area in 2021. Both the implementation plan and the joint work program should be adopted at the same time as the final EIR.

A Final Plan Bay Area chapter should at a minimum:

a) Detail how the Plan moves in the wrong direction in terms of housing affordability and displacement risk and present findings from UrbanSim as to why.

Staff should ensure that the model is making realistic assumptions including taking into account proposed affordable housing bonds in Alameda and Santa Clara Counties and a sales tax measure in San Mateo County as well as modeling the effect of anti-displacement policies on local jurisdictions that have such proposals on the ballot. The Plan should also examine approaches to improving local jobs-housing fit.

b) Quantify both the funding and policy gaps for Plan Bay Area to achieve its housing affordability performance target at scale while also identifying available resources at the local, regional, state, and federal levels.

c) Establish a roadmap of specific housing policy actions to be taken in the near, medium, and long term to address funding gaps and shortcomings of the Plan's performance targets including identifying areas for which additional work is needed.

- *The roadmap would specify housing actions to be undertaken by ABAG and MTC.* These actions should include fostering the creative use of billions of discretionary transportation dollars to create OBAG-like programs that incentivize and support local action targeted towards affordable housing; a proposal for a Regional Housing Trust Fund that can help finance affordable housing development at a scale commensurate with former redevelopment agencies; creation of an ongoing Infill Infrastructure Grant (IIG) Fund for sites designated for 100% affordable housing developments in PDAs and PDA-like places.

- *Actions to be undertaken in partnership with stakeholders (local jurisdictions, other agencies, stakeholder organizations)* These should include programs to promote local adoption of residential development and commercial impact fees to fund the

Executive Director
Amie Fishman

BOARD OF DIRECTORS
President
Matthew O. Franklin
MidPen Housing

Vice President
Jacque Hoffman
Mercy Housing
Management Group

Secretary
Leslye Corsiglia
SV@Home

Treasurer
Dan Sawislak
Resources for
Community Development

Michele Byrd
City of Oakland

Chuck Cornell
Burbank Housing
Development Corporation

Jack Gardner
The John Stewart
Company

Gail Gilman
Community Housing
Partnership

Matt Huerta
Matt Huerta
Consulting LLC

Andrea Papanastassiou
Northern California
Community Loan Fund

Matt Schwartz
California Housing
Partnership Corporation

Joshua Simon
East Bay Asian Local
Development Corporation

Dan Wu
Charities Housing

Malcolm Yeung
Chinatown Community
Development Center

production of affordable units; adoption of community benefits agreements that lead to the creation of more affordable units; implementation of existing state law to yield more deed-restricted and naturally occurring affordable units (Surplus Land Act, Teacher Housing Act, Accessory Dwelling Units including Junior Accessory Dwelling Units.)

- *Actions to be advocated for at the state level.* These include advocating for an ongoing source of affordable housing subsidy at the state level, passing a new statewide affordable housing bond, Ellis Act reform, the “Palmer Fix” for inclusionary housing, etc.
- *Actions to be advocated for at the federal level.* Restoring funding that has been cut from crucial federal programs such as HOME and CDBG and fully funding both tenant-based and project-based Housing Choice Vouchers.

d) Commit ABAG and MTC to creating an “implementation plan” and a work program for the housing actions that are detailed in this final chapter to be adopted concurrently with the final EIR by both the ABAG Executive Board and the MTC Commission.

2. The Executive Board should also be open to making policy assumptions and pushing for growth allocations for the Bay Area that may not necessarily be able to be modeled.

UrbanSim’s complex simulations allow policymakers, stakeholders, and members of the public to better understand how land use decisions and policy assumptions are likely to impact development patterns in the Bay Area through 2040. The model is still a work in progress and, as such, the Draft Preferred Scenario has a number of flaws that must be corrected irrespective of UrbanSim’s modeling capabilities. If UrbanSim is not able to appropriately model basic housing assumptions, we should not shy away from making off-model adjustments so that the region can benefit while the model is improved.

The Draft Preferred Scenario presently assigns unrealistically high growth projections to some jurisdictions while failing to meet even basic assumptions for others. The region’s three large cities are expected to shoulder the lion’s share of the region’s housing growth (43%) while some suburban jurisdictions with access to high quality rail transit are projected to receive as many as 10 new jobs per new housing unit. For certain jurisdictions, the Draft Preferred Scenario projects less housing growth than what is called for in either the jurisdiction’s own general plan (i.e. Palo Alto) or their 8-year RHNA allocation (i.e. Livermore, Los Gatos, San Carlos). The region must address such discrepancies even if they are “off-model” or we risk pursuing a disingenuous development pattern that exacerbates the region’s displacement pressures, jobs-housing imbalance, and housing affordability crisis. NPH believes that all neighborhoods near transit and jobs should do their part to house the region’s future population.

The Draft Preferred Scenario currently makes assumptions that, in some cases, may be inconsistent with the current state of the law. For example, one of the Draft Preferred Scenario’s major assumptions is a 10 percent inclusionary requirement on all new

Executive Director
Amie Fishman

BOARD OF DIRECTORS
President
Matthew O. Franklin
MidPen Housing

Vice President
Jacque Hoffman
Mercy Housing
Management Group

Secretary
Leslye Corsiglia
SV@Home

Treasurer
Dan Sawislak
Resources for
Community Development

Michele Byrd
City of Oakland

Chuck Cornell
Burbank Housing
Development Corporation

Jack Gardner
The John Stewart
Company

Gail Gilman
Community Housing
Partnership

Matt Huerta
Matt Huerta
Consulting LLC

Andrea Papanastassiou
Northern California
Community Loan Fund

Matt Schwartz
California Housing
Partnership Corporation

Joshua Simon
East Bay Asian Local
Development Corporation

Dan Wu
Charities Housing

Malcolm Yeung
Chinatown Community
Development Center

residential development in the Bay Area. Such requirements, outside of the context of a developer agreement or community benefits program, could be legally challenged due to the erroneous ruling in *Palmer v. Sixth Street Properties* from 2009. Because UrbanSim is unable to model future housing growth by tenure this assumption becomes doubly problematic as new inclusionary zoning requirements can only be applied to for-sale housing units while, if development trends hold, much of the region's new housing stock will be rental units. At the very least staff should also specify the income levels for whom these inclusionary units are projected to be affordable to even if those numbers are likely to be halved.

Much as the model takes into account local zoning and proposed transportation funding measures, the Draft Preferred Scenario should be recalibrated to take into account proposed and adopted local housing policies. The model should include the proposed general obligation housing bonds in Alameda and Santa Clara Counties (Measures A1 and A respectively) and San Mateo County's proposed sales tax extension (Measure K). The Draft Preferred should also consider all local residential and commercial development impact fees that are targeted towards the provision of affordable homes. It should also analyze the impact of local anti-displacement policies (rent stabilization and just cause eviction ordinances) that have both been adopted and proposed.

We look forward to continuing to work with both the ABAG Executive Board and the MTC Commission as well as regional staff in the coming months to ensure that Plan Bay Area 2040 is truly the best Plan for the region. We appreciate your responsiveness to and engagement with NPH and are grateful for your work to date.

Sincerely,



Amie Fishman
Executive Director
Non-Profit Housing Association of Northern California (NPH)



October 14, 2016

Chair David Cortese and Commissioners
Metropolitan Transportation Commission (MTC)
Bay Area Metro Center
San Francisco 94105

Via info@mtc.ca.gov and eircomments@mtc.ca.gov

Re: Sierra Club Comments on Draft Preferred Scenario (DPS) and Scoping of Draft Environmental Impact Report (DEIR) for Plan Bay Area 2040 (PBA 2040)

Dear Chair Cortese and Commissioners:

In addition to comments regarding the Draft Preferred Scenario (DPS) for PBA 2040, this letter first provides supplemental comments to those which the Sierra Club submitted on this topic on June 15, 2016. That letter and its attachment letter from Earthjustice remain fully incorporated by reference.

As you know, Earthjustice wrote to MTC and the Association of Bay Area Governments (ABAG) on June 7, 2016 pointing out, among other issues, that:

A key feature of the settlement agreement requires the preparation of a Feasibility Analysis for the Priority Development Areas (“PDA”), prior to the issuance of a notice of preparation (“NOP”) for the Plan Bay Area Environmental Impact Report (“EIR”). (Settlement Agreement, Section 5(c).) The agreement requires a Feasibility Analysis for the PDAs that includes analysis of: current transit availability for each PDA, development readiness in the PDA, analysis of risks of sea level rise and liquefaction in the PDA, housing and jobs information for the PDA, and public health information for the PDA. (Settlement Agreement, 5(c)(i)-(v).)

Although the NOP was issued on May 16, 2016, there were required disclosures from the Regional Agencies relating to the PDA Feasibility Analysis and other elements of the Settlement Agreement which were not released until after the published deadline for submitting comments on the NOP. The Sierra Club is therefore supplementing our previous comments with this letter. Because we continue to believe that successful PDAs are crucial to achievement of the goals of SB 375 and the Region’s Sustainable Communities Strategy (SCS), these comments focus on concerns raised by our analysis of the recently–available PDA data.

The Plan Bay Area 2040 Scenario needs to achieve PDA goals more successfully

Nearly four years after the release of the DEIR for the Region's initial "Plan Bay Area," there are more than 50 PDAs that are still classified as merely "Potential," meaning that they significantly lack the required attributes. What are MTC and ABAG going to do so that these potential PDAs move into the "Planned" category with PBA 2040? If a PDA is not being actualized, should the PDA and its municipality receive any credit for reduced VMT in analyses?

Further, even the "Planned" category should be updated to identify where success is actually being accomplished. Please specify those PDAs, by county, which satisfy, at a minimum, at least all of the following criteria:

- Achieve at least the minimum transit frequency of 15 minutes or less during peak commute times for routes within a quarter mile of the PDA
- Have issued permits for affordable housing during 2013 to 2016.
- Have site(s) for recreation and/or parks within the PDA.
- Have an anti-displacement policy.
- Have a Complete Streets Policy.
- Are not (or are not adjacent to) subject due to flooding due to sea level rise.
- Have no land within or adjacent to the PDA that has a liquefaction susceptibility of "Very High" or "High."

To help provide the Regional Agencies with context for this request, please note the following summary information as additional specific examples of PDAs whose "progress" toward achieving the goals of SB 375 seems questionable:

- At least 38 PDAs do not have the minimum transit frequency within one quarter of a mile, and the Plan fails to identify adequate funding to augment existing transit service.
- 17 PDAs affirmatively identified a possibility of flooding due to sea level rise.
- More than 50 PDAs responded negatively regarding current sites for parks/recreation.

Please clarify how these are or are not being addressed in the Preferred Scenario.

Local chapters of the Sierra Club have sent correspondence to several Congestion Management Agencies (CMAs) throughout the Region, asking how these deficiencies are planned to be corrected within their own county. Since the CMA plans are an integral submittal to the Regional Transportation Plan, we again request clarification as to how MTC plans to overcome these inadequacies.

In the Sierra Club letter dated June 15th, we suggested an "aspirational" scenario that would "achieve all (or at least a significant majority) of the Performance Targets" for PBA 2040. We again request that there be at least one additional scenario that achieves the

“success” criteria listed above for the PDAs in each county and which identifies what funding and implementation steps are required to achieve such status. If such a “reality check “ scenario is not financially constrained, please identify why, and suggest potential new funding sources. Please note that the concept of clearly identifying what would be required for full achievement of all of the PBA 2040 targets received general support at a recent meeting of the Regional Equity Working Group (REWG).

Further, in order to succeed meaningfully in reducing GHGs and combatting climate change, PBA 2040 needs to demonstrate timely progress towards the goals of SB 375, and such a timeline should be part of the DEIR, the draft PBA 2040 report, and other supporting documents. It is wholly insufficient and inappropriate to merely project some changed circumstances as of December 2039—how will local City Councils and other policy makers know, along the way, whether or how they are actually achieving success?

In this context, how is MTC justifying support for projects that encourage in-commuting from the Central Valley, such as High Speed Rail and BART-to-ACE? Such expansions work against the purpose of SB 375, and would expend funds that could be better used to ensure success of PDAs and improved local transit services.

The DEIR and resulting analysis for PBA 2040 should clearly identify the feasibility status of each PDA which has been designated, as was required in the Sierra Club/CBE Settlement Agreement. One possibility would be to assign an actual “letter grade” (eg, A through F) for each PDA’s achievement, in order to give a meaningful perspective to the public and local officials.

The Sierra Club also notes our support for many of the concepts that are outlined in the comment letters that are being submitted on the Draft Preferred Scenario by colleague organizations, including:

- Six Wins for Social Equity Network—The Sierra Club continues to share concern about how the DPS continues to fail to achieve equity-based targets including affordable housing, access to appropriate jobs, and avoidance of displacement. We agree that a scenario that focuses on Equity, Environment and Jobs (EEJ) should again be modeled, but with a focus on PDAs so that they can more realistically achieve sufficient density to increase access to higher-frequency transit.
- Greenbelt Alliance—The Sierra Club supports improved attention and funding to achieve conservation goals. Development should not be increased in or near “edge jurisdictions” so as to encroach on the Region’s natural and agricultural resources.
- Safe Routes to School National Partnership—The Sierra Club agrees that the minimalistic achievement of the “Healthy & Safe Communities” target is unacceptable and needs to be improved. We support additional safe opportunities for active transportation, and remind the Regional Agencies that more intensive implementation of Complete Streets can yield a result that constrains the growth (especially from our aging populations) in a need for increased complementary paratransit service and costs under the Americans with Disabilities Act (ADA).

Housing for all levels of income need to be permitted and constructed within near-term timeframes throughout PDAs

Our analysis of available data shows that approximately two-thirds of all PDAs did not have any affordable housing built during the years 2013–2014. What are MTC and ABAG doing to turn around this unfortunate trend line and ensure that adequate affordable housing is actually made available in the PDAs? Subsequent to the June NOP comment deadline, we now know that several cities and counties have ballot measures that will be considered by voters in November 2016 to provide funding mechanisms for more residential units, and for more “affordable” units – how are the outcomes of these being considered in the PBA update? We also disagree with the notion presented in the recent staff memo (Agenda Item #5a FAQs to the October 14th joint meeting of MTC Planning and ABAG Administration Committees) which suggests that housing bonds be allowed in lieu of inclusionary zoning. Both strategies and resources are needed.

Achievement of adequate housing for all levels of incomes is widely reported as a regional “crisis,” especially for PDA-type communities that allow decreased use of single-occupancy autos and encourage active transportation. Plan Bay Area 2040 needs to more aggressively identify how to achieve these goals, not merely continue the status quo. Allocation criteria should be added for the One Bay Area Grant (OBAG) program that deny eligibility to any jurisdiction whose planning and/or permitting process fails to move towards achieving a jobs/housing balance, and should further require repayment of grant funds in more severe instances of non-improvement.

We also continue to be concerned that the Scenarios that have been designed result in only 52% of jobs being located in PDAs. A successful Sustainable Communities Strategy needs to be crafted to significantly improve the current Jobs–Housing imbalance.

Additional information which remains outstanding needs to be documented

As an amendment to approval of Plan Bay Area in July 2013, the Commission approved a requirement which stated in relevant part:

In addition, promptly after adoption of the plan, MTC will work with the region’s operators and other stakeholders to develop a plan to address the gap in funding for transit capital replacement and rehabilitation needs, and to expand the funding available to support future increases in transit service.

To date, no such information has been made available to the public or, to our knowledge, to transit agencies. When and how will it be included as a component of PBA 2040?

We were disappointed that the innovative M–580 Green Trade Corridor was not included in the “Freight Emissions Reduction Action Plan” as conducted under the Settlement Agreement. We therefore expect that M–580 project will be fully considered as an element of PBA 2040. If not, please explain why such an oversight is being continued.

If PBA 2040 is unable to achieve the goals of SB 375, what is being done to develop an Alternative Planning Strategy (APS)?

Since SB 375 requires that “decisions relating to the allocation of transportation funding be consistent with the SCS” (Institute for Local Government), an APS will detrimentally affect further achievement of GHG-reduction and equity goals for the region. The Sierra Club’s concerns in our letter of June 15, 2016 remain strong that discretionary funds such as the OBAG

program should be directed toward achieving SB 375 and PDA success, and sooner rather than later.

When the Draft EIR and Draft PBA 2040 are released, we ask that the Regional Agencies make available to the public a fully completed and signed “Regional Transportation Plan Checklist” as required by the 2010 California Regional Transportation Plan Guidelines issued by the California Transportation Commission.

If you have any questions about our letter, please do not hesitate to contact Matt Williams, Chair of the San Francisco Bay Chapter Committee on Transportation and Compact Growth, at mwillia@mac.com. Thank you for your consideration. We look forward to your response.

Sincerely,



Michael J. Ferreira
Loma Prieta Chapter Chair



Victoria Brandon
Redwood Chapter Chair



Rebecca Evans
San Francisco Bay Chapter Chair

cc: Legislative Delegation, San Francisco Bay Area
Chair, Air Resources Board
Association of Bay Area Governments
Sierra Club California
Earthjustice
Communities for a Better Environment