ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

ABAG

AGENDA

REVISED

ABAG EXECUTIVE BOARD MEETING NO. 389
Thursday, November 15, 2012, 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. **PUBLIC COMMENT**

3. **ANNOUNCEMENTS**

4. **PRESIDENT'S REPORT**

5. **EXECUTIVE DIRECTOR'S REPORT**

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

   A. **Approval of Executive Board Summary Minutes****
   Summary Minutes of Meeting No. 388 held on September 20, 2012.

   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. **Approval of Proposal Submittal and Authorization to Enter into Agreement with US Department of Homeland Security if Funded****
   Authorization is requested to approve an application for funding under FEMA's 2012 Community Resilience Innovation Challenge and authorize the Executive Director or designee to enter into a new cooperative agreement with FEMA to develop and distribute a local government disaster recovery toolkit.

The ABAG Executive Board may act on any item on this agenda. **Attachment included.

D. Authorization to Modify a Contract with Ariel Rubissow Okamoto to continue services as Editor of the SFEP Estuary News Newsletter**
Authorization is requested to amend the contract with Ariel Rubissow Okamoto for a new total contract cost of $68,900 and extend the term of the contract to 2013.

E. Committee Appointments to Joint Policy Committee
Mark Luce, ABAG President, Napa County Supervisor
Julie Pierce, ABAG Vice President, Clayton Councilmember

F. Authorization to Modify Contract with Steven Cochrane for Pumpout Survey and Data Entry Services Provided to Boater Outreach and Education Program**
Authorization is requested to amend the contract with Steven Cochrane for a new total contract cost of $53,226.

7. REGIONAL PLANNING PROGRAM REVIEW**
Information: Miriam Chion, ABAG Acting Planning Director, Miriam Chion, ABAG Acting Planning Director, will provide an overview of the Regional Planning Program, which includes the PDA Planning Grant, Technical Assistance and Transit-Oriented Affordable Housing.

8. PLAN BAY AREA UPDATE**
Information/ACTION: Miriam Chion, ABAG Acting Planning Director, will provide an overview of the Plan Bay Area efforts currently underway and an update on the overall schedule.

9. REGIONAL HOUSING NEED ALLOCATION (RHNA) UPDATE**
Information/ACTION: Miriam Chion, ABAG Acting Planning Director, will provide an update on RHNA process and request formation of an Appeals Committee.

10. UPDATE ON BAY AREA REGIONAL ENERGY PROPOSAL (BAYREN)**
Information/ACTION: Jerry Lahr, Program Manager, ABAG POWER, will present an update on the Bay Area Regional Energy Proposal and Preliminary CPUC Decision and request authorization to enter into funding agreement for $26,567,750 to implement the approved Program Implementation Plan for calendar years 2013-2014.

11. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**
Information/ACTION: Committee Chair Julie Pierce, Councilmember, City of Clayton, will report on Committee activities and ask Board approval of Committee recommendations.

12. 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, including:

A. June 2012 Audited Financial Results

13. CLOSED SESSION

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

A. The ABAG Executive Board will meet in closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss building co-location and the acquisition of real property:

Agency Negotiators: Ezra Rapport, Executive Director; Pat Jones, Assistant Executive Director; Kenneth Moy, Legal Counsel; Herb Pike, Finance Director; Brian Kirking, Information Services Director; and Administrative Committee.

MTC Negotiating Parties: Steve Heminger, MTC Executive Director; Adrienne Tissier, MTC Chair; Amy Worth, MTC Vice Chair; James Spering, MTC Commissioner; Bay Area Headquarters Authority/Metropolitan Transportation Commission.

Under negotiation: Update on discussions regarding co-location to Regional Facility, 390 Main Street, San Francisco.

B. Public Employee Performance Evaluation
Title: Executive Director

14. ADJOURNMENT

Ezra Rapport

Ezra Rapport, Secretary-Treasurer

The ABAG Executive Board may act on any item on this agenda. **Attachment included.

ABAG CALENDAR – November & December 2012

ASSOCIATION OF BAY AREA GOVERNMENTS [ABAG]
Joseph P. Bort MetroCenter, 101 Eighth Street, Oakland, CA 94607-4756

ABAG Receptionist: 510/464-7900 **ABAG FAX:** 510/464-7985 **E-mail:** info@abag.ca.gov
URL: http://www.abag.ca.gov

NOVEMBER

	Bay Area Regional Prosperity Plan Steering Committee *11/9 @ 12 pm, MetroCenter, MTC Offices, 3rd Floor*
	San Francisco Restoration Authority Governing Board *11/14 @ 12 Noon, MetroCenter, ABAG Conference Room B*
	Legislation & Governmental Organization *11/15 @ 3:30 pm, MetroCenter, ABAG Conference Room B*
	Finance & Personnel Committee *11/15 @ 5:00 pm, MetroCenter, ABAG Conference Room B*
	EXECUTIVE BOARD *11/15 @ 7:00 pm, MetroCenter, Auditorium*
	ABAG / BAAQMD / MTC Joint Policy Committee *11/16 @ 10:00 am, MetroCenter, Auditorium*
	SFEP Implementation Committee *11/28 @ 9:30 am, Elihu M. Harris State Building, Room 10*

DECEMBER

	Regional Advisory Working Group *12/4 @ 9:30 am, MetroCenter, Auditorium.*
	PLAN Executive Committee 12/5 *@ 10:00 a.m., MetroCenter, ABAG Conference Room B*
	Regional Planning Committee (RPC) 12/5 *@ 1:00 p.m., MetroCenter, Auditorium.*
	ABAG Power Executive Board *12/12 @ 12 Noon, MetroCenter, Auditorium*
	Bay Trail Steering Committee *12/13 @ 1:30 pm, MetroCenter, ABAG Conference Room B*

****** 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 (DRAFT)

ABAG Executive Board
No. 388, September 20, 2012
Joseph Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Mark Luce, Supervisor, County of Napa, called the meeting to order at approximately 7:15 p.m.

A quorum of the Board was present.

Representatives and Alternates Present	Jurisdiction
Supervisor Susan L. Adams	County of Marin
Councilmember Jane Brunner	City of Oakland
Councilmember Ronit Bryant	City of Mountain View
Jeff Buckley, Office of the Mayor	City of San Francisco
Councilmember Kansen Chu	City of San Jose
Supervisor David Cortese	County of Santa Clara
Mayor Pro Tem Pat Eklund	City of Novato
Jason Elliott, Dir, Leg/Gov Affairs	City of San Francisco
Mayor Jack Gingles	City of Calistoga
Supervisor John Gioia	County of Contra Costa
Mayor Mark Green	City of Union City
Supervisor Scott Haggerty	County of Alameda
Councilmember Nadia Holober	City of Millbrae
Councilmember Dave Hudson	City of San Ramon
Supervisor Rose Jacobs Gibson	County of San Mateo
Councilmember Ash Kalra	City of San Jose
Supervisor Barbara Kondylis	County of Solano
Supervisor Mark Luce	County of Napa
Councilmember Julie Pierce	City of Clayton
Supervisor Dave Pine	County of San Mateo
Councilmember Joe Pirzynski	Town of Los Gatos
Mayor Harry Price	City of Fairfield
Vice Mayor Tiffany Renee	City of Petaluma
Councilmember A. Sepi Richardson	City of Brisbane
Mayor Tim Sbranti	City of Dublin
Joaquin Torres, Office of the Mayor	City of San Francisco
Supervisor Richard Valle	County of Alameda
Vice Chair Terry Young	RWQCB

Representatives Absent	Jurisdiction
Councilmember Desley Brooks	City of Oakland
Supervisor Carmen Chu	County of San Francisco
Councilmember Rebecca Kaplan	City of Oakland
Councilmember Sam Liccardo	City of San Jose
Supervisor Karen Mitchoff	Count of Contra Costa
Supervisor Christina Olague	County of San Francisco
Supervisor David Rabbitt	County of Sonoma
Supervisor Mike Wasserman	County of Santa Clara

President Luce led the Board and the public in the Pledge of Allegiance.

President Luce welcomed Richard Valle, Supervisor, County of Alameda; Tim Sbranti, Mayor, City of Dublin, representing the cities in Alameda County; and Joaquin Torres and Jeff Buckley, Office of the Mayor, City and County of San Francisco.

2. PUBLIC COMMENT

Rabbi Jay Miller, Executive Director, Peninsula Clergy Network, spoke about a framework for achieving clergy and congregation community partnerships and constituent engagement.

There was no other public comment.

3. ANNOUNCEMENTS

There were no announcements.

4. PRESIDENT'S REPORT

President Luce reported that the Co-location Subcommittee sent a survey to members posing questions about the possible co-location to 390 Main in San Francisco. Very few members responded to the survey, which was sent two or three times. The last meeting of the Co-location Subcommittee did not produce a quorum. Since then the Administrative Committee met and has assumed responsibility for making a recommendation to the Board on the decision to co-locate.

President Luce also announced that Napa Work Proximity Housing Program received a CSAC Challenge Award.

5. EXECUTIVE DIRECTOR'S REPORT

Ezra Rapport, ABAG Executive Director, announced that the Fall General Assembly will be held on October 18, 2012, and will feature the release of the 2012 Economic Strategy Framework prepared in conjunction with the Bay Area Council Economic Institute.

6. ABAG CONSENT CALENDAR

President Luce recognized a motion by Barbara Kondylis, Supervisor, County of Solano, which was seconded by Jack Gingles, Mayor, City of Calistoga, to approve the Consent Calendar. Ronit Bryant, Councilmember, City of Mountain View, noted that the name and jurisdiction of Michael Kasparzak, Mayor, City of Mountain View, was listed incorrectly in the Summary Minutes of the meeting on July 19, 2012, under Item 6, Appointments to Committees. Pat Eklund, Mayor Pro Tem, City of Novato, noted that the request that staff report on the public participation process for the SCS and EIR was omitted in the Summary Minutes under Item 5. There were no other changes. The motion, including the changes to the Summary Minutes of the meeting on July 19, 2012, passed unanimously.

A. Approval of Executive Board Summary Minutes**
Summary of Minutes of Meeting No. 387 held on July 19, 2012.

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

C. Executive Board Approval of Resolution No. 15-12 Authorizing Entering Into Agreement with State Water Resources Control Board for Proposition 84 Planning

and Monitoring Funding for Green Infrastructure Master Planning Project**
Authorized entering into an agreement with the State of California to fund and complete the Green Infrastructure Master Planning Project and authorize the Executive Director of ABAG, or designee, to sign the agreement, and any amendments thereto.

7. COASTAL REGIONAL SEDIMENT MANAGEMENT PLAN FOR SAN FRANCISCO LITTORAL CELL (SAN FRANCISCO TO PACIFICA COASTLINE)**

Athena Honore, Communications Officer, San Francisco Estuary Partnership, reported on the San Francisco Littoral Cell Coastal Regional Sediment Management Plan (CRSMP) project recently undertaken for a portion of the San Francisco and San Mateo Counties Pacific coastline. She listed the goals of the plan and its components, described the plan area, and listed the project partners. The plan will identify critical coastal erosion areas and proposed solutions. She reviewed the project schedule and ABAG's role regarding public outreach and developing a governance structure. The project expects to bring a request to Board in late 2013 to adopt the plan and to establish a new program committee to provide an ongoing governance structure to implement Regional Sediment Management after the plan is adopted.

Members discussed whether other areas will be included after this project is completed; engagement with San Francisco and other jurisdictions on their existing efforts; the availability of funds to complete proposed work; local land use planning and zoning authority; and stakeholder forums.

8. BAY TRAIL OVERVIEW AND RECENT ACCOMPLISHMENTS**

Laura Thompson, Project Manager, San Francisco Bay Trail Project, reported on recent accomplishments. She reviewed the Bay Trail objectives, including advance completion of the 500-mile trail, providing funding to local agencies for trail planning and construction, and educating the public about the trail along the bay shoreline. She reported on trail openings in 2012, including the Glen Cove Waterfront Park, Vallejo; Presidio of San Francisco; Palo Alto EcoCenter; Port of Richmond; and the Napa River Trail in American Canyon.

Thompson reported that in the past 15 years, 137 planning, construction and outreach grants were awarded totaling over $17 million which was matched at a four-to-one ratio. The program resulted in construction of 57 new trail miles and over 130 miles of detailed analysis. The Coastal Conservancy will allocate an additional $1 million from Proposition 84 funds this fiscal year. She reported on the publication of the revised *San Francisco Bay Shoreline Guide* in August, and new maps and brochures which will be available in November.

Members discussed references made to Union City in the *San Francisco Shoreline Guide*; appreciation for Thompson and the Bay Trail board's leadership; and acknowledged MTC's continuing support of the Bay Trail Project.

9. LOCAL GOVERNMENT LEADERSHIP MEETINGS**

Miriam Chion, Acting Planning Director, reported on recent leadership meetings being held throughout the region in conjunction with Congestion Management Agencies. She reviewed planning activities to date, including the Job-Housing Connection Strategy, Transportation Investment Strategy, RHNA, and environmental review. She described the SCS implementation and the regional, county, and local

coordination; and coordination with local jurisdictions on regional funding to support local planning and PDA growth strategies. She reported on feedback from local discussions, including those from the counties of Napa, Solano, Santa Clara, San Francisco, Contra Costa, and Sonoma.

Members discussed the public participation process related to the SCS environmental impact report, and opportunities to inform and educate councilmembers.

10. ABAG BUILDING RELOCATION POLICY PRINCIPLES**

Ezra Rapport, Executive Director, reported on a proposed relocation policy to 390 Main Street, San Francisco, and including negotiation principles under the auspices of the Administrative Committee for Board adoption. He reviewed key questions to be considered, including the importance of co-location between ABAG and MTC, building logistics and access, and negotiation principles. He described ABAG functions such as land use planning and research, the JPA insurance pool (PLAN), the finance authority (FAN), the energy division (POWER), and management and administration; listed the benefits of co-location for ABAG and MTC planning and the planning programs co-managed between ABAG and MTC which include PDA planning, PDA Growth Strategies and Investment, Communications and website, SGC and HUD grants, SCS EIR, UrbanSim modeling. He summarized building logistics and accessibility. He listed terms for discussion which include the following (see appended staff memo on ABAG Building Relocation Policy dated September 7, 2012, with technical amendments, and staff presentation on *Considerations Regarding ABAG Relocation to Regional Headquarters at 390 Main Street SF*, dated September 20, 2012):

1. Relocation expenses shall result in no cost to ABAG,
2. ABAG shall receive tenure security in the 390 Main building, equivalent to its rights at the MetroCenter;
3. Building governance shall protect ABAG in a similar manner as in the MetroCenter;
4. ABAG's space allocation shall have the same capacity as MetroCenter;
5. Relocation of ABAG's space shall be by mutual agreement only;
6. ABAG's annual costs of occupancy will be reasonably equivalent to ABAG's annual costs of occupying the MetroCenter;
7. ABAG will be granted rights to the programming of auditorium;
8. Parking for Board members for all meetings will be accommodated;
9. Shuttle for ABAG meetings, as needed;
10. Building cafeteria to be provided.

He reported on the State Auditor's report that validates the MTC building purchase; and noted that co-location integrates regional planning with MTC, the Air District, and potentially BCDC, and that the Council of Governments (ABAG) co-located with the Metropolitan Transportation Planning Organization (MTC) is the norm for every region in the United States.

He reported that the Administrative Committee met and reviewed the study on relocation and recommended that the Board approve the principle of relocating ABAG to the regional headquarters building in San Francisco, subject to negotiations on terms and conditions of discussion which would be managed by the Administrative Committee and brought to the Board.

Steve Heminger, Executive Director, Metropolitan Transportation Commission, commented on the Commission's decision regarding relocation, and on the continuing work and integration of planning among the agencies.

Members discussed the need to establish whether there is interest among the Board members in relocating before discussing negotiation principles; security and night time parking at 390 Main Street; discussions at the Administrative Committee meeting and the connection between relocation and the principles; the need for a subsidized cafeteria; discrepancies between the staff report and the direction given by the Administrative Committee; ABAG's ownership interest in 390 Main Street, arrangements regarding data and email systems, disposition of the MetroCenter, and transit subsidy for employees; the public process and presentation of information about the relocation; new building costs; technological alternatives to in-person meetings; ABAG's long presence in Oakland; arguments for and against relocation; assistance for employees affected by relocation; advantages to relocation and co-location; available transit near 390 Main Street; diversity program and advancement opportunities, impacts on families, and gauging employees' response to relocation; the relationship between land use and transportation planning functions; achieving terms consistent with negotiation principles; public access and building location; ABAG's effectiveness separate from other agencies; decision process; consolidation of agencies; protecting employees' interests.

President Luce recognized a motion by Mayor Gingles, which was seconded by Ash Kalra, Councilmember, City of San Jose, to approve the intent to co-locate with terms to be negotiated.

Members discussed the impact of MTC's decision to relocate and overcome hurdles.

President Luce recognized a substitute motion by Tiffany Renee, Vice Mayor, City of Petaluma, which was seconded by Pat Eklund, Mayor Pro Tem, City of Novato, to negotiate the possibility of co-location depending on satisfaction of conditions to be determined in closed session.

Members discussed having a discussion of principles for negotiations.

President Luce recognized the withdrawal of the substitute motion and the original motion.

Public comment was heard from Joyce Roy who spoke about feasible co-location alternatives, sustainable principles, the architectural design and function of the building at 390 Main Street, San Francisco, and financial risk.

The Board entered closed session at about 9:15 PM.

The Board returned to open session at about 10:32 PM.

Ken Moy, ABAG Legal Counsel, reported the following: the Executive Board announced that the following action was taken in its closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss building co-location and the acquisition of real property:

> The Executive Board of ABAG has authorized its negotiating team of Ezra Rapport, Ken Moy, Herbert Pike and Pat Jones to negotiate with the Metropolitan Transportation Commission and the Bay Area Headquarters Authority for the acquisition of a condominium interest in 390 Main Street. The vote was 16 to 8.

11. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**

Committee Chair Julie Pierce, Councilmember, City of Clayton, reported on Committee activities and asked Board approval of Committee recommendations and pending legislation, including the following: report on the status of 2012 state legislation considered; report on CEQA guidelines analysis and the Ballona Wetlands Trust with committee approval of the process to achieve clarification of the CEQA guidelines; overview of pension reform legislation; discussion of Regional Sea Level Rise Adaptation Strategy with committee support and affirmation of the proposed preliminary work plan which will be co-managed by ABAG and BCDC; and discussion of November ballot propositions and decision to decline taking positions on any of them.

President Luce recognized a motion by Committee Chair Pierce, which was seconded, to accept the committee report. Members discussed including the positions taken by the League of California Cities and the California State Association of Counties on the committee's report on the status of legislation, and directed staff to check with Air District regarding the status of the Ballona Wetlands Trust lawsuit. The motion passed unanimously.

12. FINANCE & PERSONNEL COMMITTEE REPORT**

Committee Chair Rose Jacobs Gibson, Supervisor, County of San Mateo, reported on Committee activities and asked Board approval of Committee recommendations, including the following: review of financial reports for June; report on Diversity and Business Opportunity Report; committee recommendation to approve Executive Board Resolution 16-12 which would authorize payment of *per diem* for attending a meeting where quorum was not achieved; update on budget discussions regarding long-term funding for ABAG Planning and Research; review of recent state legislation on pension reform; and a closed session on Public Employee Performance Evaluation for Legal Counsel.

A. Fiscal Year 2011-12 Diversity and Business Opportunity Report

President Luce recognized a motion by Committee Chair Jacobs Gibson, which was seconded by Kondylis, to accept the committee report. The motion passed unanimously.

13. CLOSED SESSION

[The Board entered closed session earlier under Item 10.]

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

A. The ABAG Executive Board met in closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss building co-location and the acquisition of real property:

ABAG Negotiators: Ezra Rapport, Executive Director; Kenneth Moy, Legal Counsel; Herb Pike, Finance Director; and Administrative Committee

Under Negotiation: Update on discussions regarding co-location to Regional Facility, 390 Main Street, San Francisco

14. ADJOURNMENT

President Luce adjourned the meeting of the Board at approximately 10:40 p.m.

Ezra Rapport, Secretary-Treasurer

*** Attachments set to ABAG Executive Board Members.*

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 audio recordings, please contact Fred Castro, Clerk of the Board, at (510) 464-7913 or FredC@abag.ca.gov.

Date: September 7, 2012

To: Executive Board
Administrative Committee

From Ezra Rapport
Executive Director

Subject: **ABAG Building Relocation Policy**

Executive Summary

ABAG staff is recommending that the Executive Board adopt a policy, subject to the successful negotiation of terms and conditions, whereby ABAG agrees to relocate to 390 Main Street (the Regional Headquarters Building) to preserve co-location with Metropolitan Transportation Commission (MTC) and join the Bay Area Air Quality Management District (BAAQMD) and possibly the San Francisco Bay Conservation and Development Commission (BCDC) in one regional facility.

This policy recommendation is not made easily. ABAG has been located in the City of Oakland for its entire fifty year history, and this location has proven to be successful in attracting good attendance to Executive Board meetings and many public events. ABAG's relationship with the City of Oakland has always been cordial and productive. ABAG also owes a debt of gratitude to Alameda County. Several decades ago, at a moment of crisis, Alameda County agreed to guarantee ABAG's bonds so it could purchase its condominium share of the MetroCenter. These bonds were paid off two years ago.

Nevertheless, this recommendation is made based upon staff's view that ABAG's function as the Bay Area's Council of Governments is best accomplished at the Regional Headquarters Building. In our opinion, the value of maintaining ABAG's co-location with MTC and the other regional agencies transcends the reservations and inconveniences of relocating to a new facility in San Francisco. ABAG's ability to influence regional policy, in particular land use policy, is far better served being co-located with the other agencies, and this will facilitate integrated regional planning which is essential for the Bay Area.

Argument for Continued Co-Location with MTC

The Planning and Research Department is one of the core units of ABAG. ABAG's relationships with local government and the agenda of the Executive Board largely stem from content created by Planning and Research.

It should be noted, however, that ABAG performs many functions that are not related to Planning and Research and MTC. ABAG engages in numerous environmental planning and programming functions, including the San Francisco Estuary Partnership (SFEP), and a hazard mitigation program focused on earthquake damage mitigation and recovery. ABAG enterprise units also manage a large insurance pool with about 30 cities (PLAN), a finance authority (FAN) which has issued over $2 billion of bonds, and an energy division. ABAG publishes economic and demographic reports based on the U.S census and other data sources. ABAG represents the interests of local government outside of land use planning as well, including public safety, education, legislation, economic development, environmental programs, waterfront access and other public policy arenas.

That said, most Planning and Research projects and programs are co-managed between ABAG and MTC. Over the past six years, the branding of regional land use programs has been in partnership between ABAG and MTC, and there has been a conscious effort to present regional land use policies with a united position. The programs include FOCUS; PDA Planning, Growth Strategies, and Investment; Station Area Planning; inclusion of PDAs and RHNA in OBAG; SCS Preferred Scenario, the Jobs Housing Connection; UrbanSim modeling; Web site information and public meeting communication; SCS EIR preparation; SGC and HUD Grant awards; and others.

Interaction between ABAG and MTC with respect to land use policies and programs typically involve daily meetings and constant communication between the staffs. The spatial integration of ABAG and MTC, in our opinion, has had a very positive impact on the work relationship. In person meetings are vital for the success of the partnership between ABAG and MTC.

Meetings among the staff between the two agencies have been the difference in resolving potential conflicts between the two agencies. The two cultures of the organizations—MTC being project driven; ABAG process oriented—requires extensive communication and sharing of ideas, and this has produced very positive results. The MTC and ABAG partnership has resulted in substantial ABAG input into the Sustainable Communities Strategy and the funding criteria of OBAG. ABAG's contribution to these documents and programs is influential with local government planners and CMAs/Special Districts because of the partnership that is maintained with MTC, which means that funding and investment will follow the planning. ABAG has an intermediary function between the interests of local governments and state and federal funding that is programmed by MPOs. Ultimately, ABAG funding for Planning and Research is justified because of ABAG's utility in performing this connection between local government and the MPO.

In our opinion, the Council of Governments (ABAG) function should be co-located with the Metropolitan Planning Organization (MTC), in order to preserve and enhance this vital partnership. The co-location of these two organizations is an essential element of regional planning, and is the norm in every region in the United States.

Co-location with the BAAQMD and potentially BCDC should also be positive for future integrated regional planning.

Building Logistics and Accessibility Summary

Analysis has been performed regarding the quality of space ABAG would receive if it relocated, as well as other issues, such as accessibility to the building.

The amount of space allocated to ABAG in the current planning of the building is equivalent to what is available now to ABAG at the MetroCenter. The quality of the space may be slightly less desirable, given that ABAG currently has more natural light space than the large floor plates at 390 Main, although the current design of 390 Main calls for natural light on agency floors. ABAG staff will be split among two floors, a minor disadvantage, as the staff will be located on two adjacent floors connected by an internal staircase. ABAG's Planning and Research staff will be located adjacent to the planning staffs of MTC and the Air District, a significant advantage in terms of relationship building and policy coordination.

Public space is likely to be more attractive than the MetroCenter, especially the auditorium. Energy costs are likely to remain constant with today's costs, given energy saving standards that will be employed.

The earthquake standard will be a minimum of life safety standard (same as current MetroCenter).

ABAG staff will generally face longer and more expensive commutes, and because of such, the proposed move may be unpopular with some staff. 390 Main is served well by BART/Caltrain for daytime meetings, although there is a four block, ten to twelve minute walk from BART and a MUNI connection from Caltrain. Board members will likely drive to ABAG night-time meetings, and will have to navigate San Francisco traffic between 6 p.m. and 7 p.m. While this trip is a reverse commute, traffic can be heavy at times. Returning from the night meetings should present free flow traffic conditions. Sufficient parking is available on site or very nearby for Board members, and making a suitable arrangement for ABAG public meetings is a condition that will need to be satisfied.

Principles Requiring Memorialized Agreement with MTC

No agreements are in place pending the outcome of ABAG's policy decision regarding co-location. Should ABAG make the policy decision to relocate to 390 Main, the following principles will be presented to the Administrative Committee as ones to guide the negotiations with MTC:

1. Relocation expenses shall result in no cost to ABAG,
2. ABAG shall receive tenure security in the 390 Main building, equivalent to its rights at the MetroCenter;
3. Building governance shall protect ABAG in a similar manner as in the MetroCenter;
4. ABAG's space allocation shall have the same capacity as MetroCenter;
5. Relocation of ABAG's space shall be by mutual agreement only;
6. ABAG's annual costs of occupancy will be reasonably equivalent to ABAG's annual costs of occupying the MetroCenter;
7. ABAG will be granted rights to the programming of auditorium;
8. Parking for Board members for all meetings will be accommodated;
9. Shuttle ~~allowance for ABAG meetings shall be provided~~for ABAG meetings, as needed;
10. ~~Cafeteria services, similar to the MetroCenter, will be studied~~Building cafeteria to be provided.

Decision Making Process

In July, 2011, the ABAG Executive Board declined to endorse MTC's proposal to purchase 390 Main. ABAG requested additional information about the available options, especially regarding buildings in Oakland.

Over one year later, it is clear that MTC and BAAQMD will be moving to 390 Main. The choice for ABAG is whether to join these agencies in this location or to remain separate from them at the MetroCenter.

To assist in evaluating the relocation option, the ABAG Administrative Committee Chair appointed a Co-location Subcommittee to identify issues that should be addressed in evaluating the decision by ABAG regarding relocation. Unfortunately, the last meeting of this Subcommittee failed to achieve a quorum, and there is no recommendation available.

The Administrative Committee is convening to make a recommendation to the Executive Board regarding the policy as to whether or not ABAG should join MTC and BAAQMD at 390 Main. If the Administrative Committee recommends relocation, it will also take action to adopt or modify the principles described above. The principles as adopted by

the Administrative Committee will be presented in writing to the Executive Board for its affirmation.

If the policy decision to relocate is made by the Executive Board, along with the adopted principles, it is expected that the final agreement negotiated between ABAG and MTC for terms and conditions will be managed by the Administrative Committee and brought to the Executive Board.

As this memo is being written for both the Administrative Committee and the Executive Board, staff recommends the following:

1. That the Administrative Committee and the Executive Board approve the policy of ABAG relocating to the Regional Headquarters Building at 390 Main, San Francisco;
2. That the principles recommended by the Administrative Committee and affirmed by the Executive Board guide the negotiations between ABAG and MTC over the terms and conditions of the real estate transaction under the auspices of the Administrative Committee. A report will be presented to the ABAG Executive Board in November.

Considerations Regarding ABAG Relocation to Regional Headquarters at 390 Main Street SF

ABAG Executive Board

September 20, 2012

Key Questions

- Importance of Co-location between ABAG and MTC
- Building Logistics and Access
- Negotiating Principles

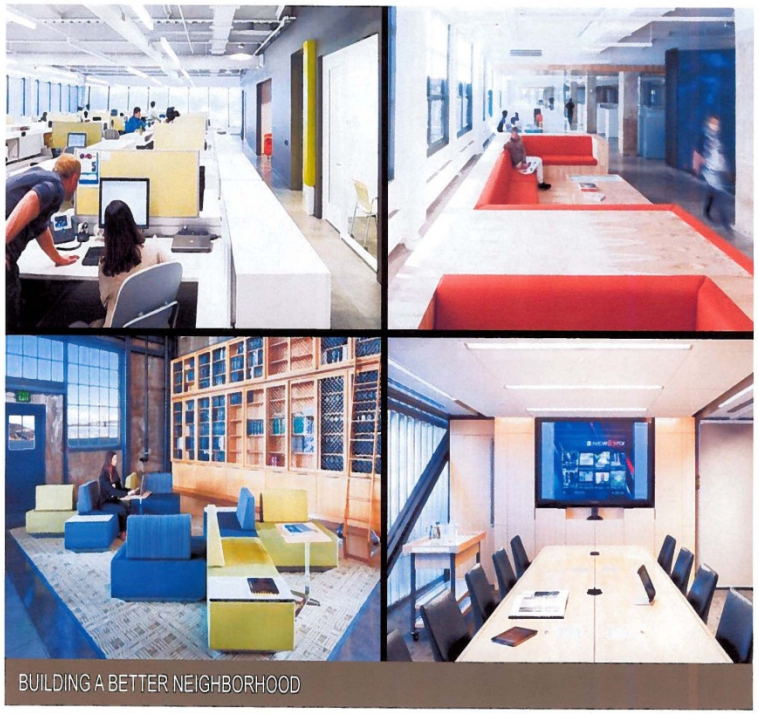
ABAG Functions at MetroCenter

- Land Use Planning and Research
- PLAN – JPA Insurance Pool
- FAN - Finance Authority
- ABAG POWER/Energy Division
- Management and Administration

Benefits of Co-location for ABAG and MTC Planning

Spatial integration allows for . . .

- daily meetings
- in-person communication
- dual agency work products
- resolving potential conflicts



Planning Programs co-managed between ABAG and MTC

- PDA Planning
- PDA Growth Strategies and Investment
- Communications/Web Site
- SGC and HUD grants
- SCS EIR
- UrbanSim modeling
- Others

Building Logistics Summary

ABAG planning staff adjacent to planning staffs of MTC and Air District

Other ABAG departments will be located on an adjacent separate floor connected by stairs

Aesthetics of 390 Main will likely be more attractive than MetroCenter (Auditorium)

Energy cost will likely remain constant

Earthquake standard will be same as MetroCenter (Life Safety)

Building Accessibility

Longer commutes for some employees

Longer travel times for some Board members

Parking should be available for Executive Board and Committee meetings

Shuttle from BART station

Terms for Discussion

1. No cost for relocation to ABAG
2. ABAG shall receive tenure security equivalent to its rights as the MetroCenter
3. Building governance shall include ABAG
4. ABAG's space allocation shall have the same capacity as MetroCenter
5. Relocation of ABAG's space by mutual agreement only

Terms for Discussion

(cont'd)

6. ABAG's annual costs of occupancy equivalent to ABAG's current annual costs
7. ABAG will be granted reasonable rights to all public spaces, including programming of auditorium
8. Parking for Board members for night meetings will be accommodated
9. Shuttle for ABAG meetings, as needed
10. Building cafeteria to be provided

Conclusion

- State Auditor report validates MTC Building Purchase
- ABAG co-location integrates regional planning with MTC, Air District, and potentially BCDC
- The Council of Government (ABAG) co-located with the Metropolitan Planning Organization (MTC) is the norm for every region in the United States

Association of Bay Area Governments
Executive Board
Thursday, November 15, 2012

Project Review

.1 Federal Grant Applications Being Transmitted to the State Clearinghouse

Impact Area	**MULTI-COUNTY**					
Applicant:	Peninsula Corridor Joint Powers Board / CalTrain					
Program:	Department of Transportation					
Project:	FTA Sectional 5307 Program					
Descriptiom	1. Rev Vehicle Rehab Program - Passenger Rail Cars. 2. Rev Vehicle Rehab Program-Tech & Engineering Support for Midlife Overhaul 3. Previentive Maintenance					
Cost:	Total	$4,678,385.00	Federal	$3,742,708.00	State:	
			Applicant		Local	$935,677.00
					Other	
Contact:	Peter Skinner, Grants Analyst (650) 508-6269					
	ABAG Clearinghouse Numbe 15610					

Impact Area	**MULTI-COUNTY**					
Applicant:	Peninsula Corridor Joint Powers Board (CalTrain)					
Program:	Department of Transportation					
Project:	FTA Section 5307 Program					
Descriptiom	1. Rev Vehicle Rehab Program-Passenger Rail Cars; 2. Rev Vehicle Rehab Program-Tech & Engineering Support for Midlif Overhaul; 3. Preventive Maintenance					
Cost:	Total	$5,473,902.00	Federal	$4,379,122.00	State:	
			Applicant		Local	$1,094,780.00
					Other	
Contact:	Peter Skinner (650) 622-7818					
	ABAG Clearinghouse Numbe 15613					

Alameda						
Applicant:	Port of Oakland					
Program:	Federal Aviation Administration					
Project:	Airport Improvement Program (AIP)					
Descriptiom	Runway Safety Area 0 Supplemental Environmental / Planning, OAK					
Cost:	Total	$690,000.00	Federal	$556,071.00	State:	
			Applicant	$133,929.00	Local	
					Other	
Contact:	Christina Lee (510) 627-1824					
	ABAG Clearinghouse Numbe 15609					

Sonoma

Applicant:	Sweetwater Springs Water District					
Program:	USDA					
Project:	Water and Wastewater Disposal Program					
Descriptiom	Replacement of 4,800 lineal feet (LF) of existing main (2-inch with 6-inch) and appurtenances with 50 services on Old Monte Rio Road in Guernewood Park (Buerneville System) and replacement of 3,900 LF of existing main (2-inch with 6-inch) and appurtenances with 67 services on Hidden Valley Road in Guernewood Park (Guerneville System).					
Cost:	Total	$1,790,800.00	Federal	$1,754,800.00	State:	
			Applicant	$36,000.00	Local	
					Other	
Contact:	Stephen F. Mack (707) 869-4000					
	ABAG Clearinghouse Numbe 15611					

San Mateo

Applicant:	San Mateo County Transportation District					
Program:	Department of Transportation					
Project:	FTA Section 5307 Program					
Descriptiom	Capital Maintenance--Fuel; ADA Operating Subsidy; Preventive Maintenance					
Cost:	Total	$5,843,646.00	Federal	$4,674,916.00	State:	
			Applicant		Local	$1,168,730.00
					Other	
Contact:	Rebecca Arthur (650) 508-6200					
	ABAG Clearinghouse Numbe 15612					

Alameda

Applicant:	Por of Oakland					
Program:	FederaL Aviation Administration					
Project:	Airport Improvement Program (AIP)					
Descriptiom	Runway Safety Area - Construction, Phase 2, South Field, OAK					
Cost:	Total	$9,935,790.00	Federal	$8,007,253.00	State:	
			Applicant	$1,928,537.00	Local	
					Other	
Contact:	Christina Lee (510) 627-1510					
	ABAG Clearinghouse Numbe 15634					

MEMO

Submitted By: Danielle Hutchings Mieler, Earthquake and Hazards Program Coordinator

Subject: Authorization to Enter into Agreement with US Department of Homeland Security (FEMA)

Date: October 25, 2012

Executive Summary

The Earthquake and Hazards Program will submit an application for FEMA's 2012 Community Resilience Challenge. The Challenge provides up to $35,000 in funds to government agencies for a one year period with the goal of supporting creative activities that improve community resilience. The Challenge will be managed by the Los Angeles Emergency Preparedness Foundation which will distribute checks to awardees. No matching funds required are for this grant.

Expanding on a toolkit developed for the Fall General Assembly, ABAG proposes to use these funds to develop an expanded local government recovery toolkit that will provide a manual of actions cities and counties of the Bay Area can take to improve their disaster resilience and prepare to more quickly recover from earthquakes. The toolkit will include sample ordinances, local government success stories, best practices, lessons learned from other events, and suggestions for implementation.

Recommended Action

The Executive Board is requested to approve the Earthquake Program application for funds under the FEMA 2012 Community Resilience Innovation Challenge and authorize ABAG's Executive Director or designee to enter into a new cooperative agreement with FEMA to develop and distribute a local government recovery toolkit. The agreement term will be through December 2013.

Next Steps

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

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MEMO

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

Subject: **Authorization to Modify a Contract with Ariel Rubissow Okamoto to continue services as Editor of the SFEP *Estuary News* newsletter**

Date: **November 5, 2012**

Executive Summary

Following a competitive solicitation in fall 2011, ABAG entered into a contract agreement with Ariel Rubissow Okamoto to edit the Estuary News newsletter publication of the San Francisco Estuary Partnership. The original solicitation was for editorial services for up to three (3) years. The initial contract for $30,000 to fund editorial services for one (1) year was under the limit for Executive Board approval but subsequently the contract was modified to add $3900 to cover free-lance writers for the newsletter. We now want to modify the contract to add $35,000 to extend the term of the contract through 2013.

Recommended Action

Request Executive Board approval to amend the contract with Ariel Rubissow Okamoto for a new total contract cost of $68,900 and extend the term of the contract to 2013.

Attachments

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MEMO

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

Subject: **Authorization to Modify a Contract with Steven Cochrane for pumpout survey and data entry services provided to the Boater Outreach and Education Program**

Date: **November 8, 2012**

Executive Summary

Following a competitive solicitation in April 2008, ABAG entered into a contract agreement with Steven Cochrane to complete quarterly surveys of pumpout facilities in the San Francisco Bay and Sacramento Delta for the Boater Outreach and Education Program. The original solicitation was for quarterly survey services. The current amount in contract is $48,226.00. We now want to modify the contract to add an additional $5,000.00 for a final quarterly survey to take place in December, 2012 and subsequent data entry into an existing Access Database. There is no extension in contract date requested. Funding is provided under an ongoing grant from the California Department of Boating and Waterways.

Recommended Action

Request Executive Board approval to amend the contract with Steven Cochrane for a new total contract cost of $53,226.

Attachments

Submitted by: Miriam Chion

Subject: Regional PDA Planning Activities

Date: November 6, 2012

Executive Summary

This item describes the regional PDA planning programs administered by ABAG and MTC, including the PDA Planning Program, the PDA Technical Assistance Program, the Transit-Oriented Affordable Housing Fund, and additional planning assistance to cities. Together, these programs are providing tangible benefits to local jurisdictions and supporting development of PDAs, from monetary support for land use planning around transit station areas, to financing for transit-oriented development projects.

Recommended Action

Staff is seeking input from the Board on regional PDA planning priorities going forward.

Next Steps

For discussion.

Attachments

Regional PDA Planning Activities staff report

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Date: November 7, 2012

To: ABAG Executive Board

From: Miriam Chion, Interim Planning Director

Subject: Regional PDA Planning Activities

Since the launch of the FOCUS Program in 2007, ABAG and MTC have been working to provide support to the Priority Development Areas (PDAs)[1]. A number of regional PDA planning programs administered by the agencies, including the PDA Planning Program, the PDA Technical Assistance Program, and the Transit-Oriented Affordable Housing Fund, have been developed in this regard, providing monetary support for land use planning around transit station areas and financing for transit-oriented development projects. Together, these programs and the additional planning assistance to cities by staff are providing tangible benefits to local jurisdictions and supporting the development of PDAs. This report discusses the regional PDA planning programs currently in place.

ABAG staff support for PDAs

ABAG staff has provided support to local jurisdictions with PDAs since establishment of the FOCUS program, as well as during development of the Sustainable Communities Strategy (SCS). Staff provides transit-oriented development research, resources and best practices tools to local jurisdictions planning for growth in their PDAs, data on housing and employment growth, and other technical support. Staff has also been available to present information on the FOCUS program and the SCS to city councils and planning commissions.

Program Descriptions

PDA Planning Program

The PDA Planning Program was launched in 2005, prior to establishment of the FOCUS Program. The program was designed to assist local jurisdictions with planning funds so that they could assess and intensify land uses in and around transit stations along the region's transit expansion program corridors (MTC Resolution 3434). In 2008, while still prioritizing station areas along Resolution 3434 corridors, the program was expanded to include planning in the region's Priority Development Areas (PDAs) to coincide with the regional FOCUS Program. In 2012, given the emphasis placed on PDA growth in Plan Bay Area, the name of the program was changed to the PDA Planning Program.

Highlights/Program Benefits

Local jurisdictions are eligible to apply for up to $750,000 to complete a comprehensive planning process, typically a specific plan and programmatic EIR. To leverage these funds, the program

[1] See Attachment A for a map of PDAs.

typically requires a 20% local match. The program favors high-impact planning areas and places a strong emphasis on implementation. Due to the comprehensive nature of the planning process, each grant takes two and a half years or more to complete. Based on the experience of managing the program, MTC and ABAG staff has made refinements to it over the past seven years since the program's inception. Eleven planning elements are required for each planning grant, including:

1. PDA Profile
2. Community Involvement Strategy
3. Alternatives Analysis
4. Market Demand Analysis
5. Affordable Housing/Anti-Displacement Strategy
6. Multi-modal Access & Connectivity
7. Pedestrian-friendly Design Standards
8. Accessible Design
9. Parking Analysis
10. Infrastructure Development & Budget
11. Implementation Plan & Financing Strategy

While MTC manages the overall program, ABAG regional planners play an active role in grant administration. ABAG planners currently monitor each grant and serve as the day-to-day project managers. ABAG staff provides on-going day-to-day support for the grant projects, including contract management, review of deliverables, serving as technical and community advisory committee member, attending committee and public meetings, serving as resources for appropriate transit-oriented planning.

Outcomes

- To date, 16 specific plans (or the equivalent)[2] have been completed, resulting in 44,000 planned housing units, 60,000 planned jobs and 24 million square feet of planned commercial development.
- Projects have been awarded in 13 of the 16 cities that will take on two-thirds of the region's projected housing growth by the year 2040. Cities are not only required to adopt the final plan, but any corresponding general plan amendments or zoning updates.
- Most Specific Plans also include a programmatic EIR that increases certainty for developers and reduces CEQA-related analysis for projects built within the plan area.
- Including the 2005 pilot cycle, MTC has awarded 52 grants to 35 jurisdictions through 5 funding cycles. The total amount programmed to these projects is $18.7 million.

Attachment B offers a regional summary of the plans awarded through the program's five cycles.

The regional agencies had anticipated issuing the next call for projects by the end of 2012/early 2013. In addition to the eleven planning elements noted above, per Resolution 4035 or the OneBayArea Grant Program, MTC/ABAG and Air District staff is developing an optional planning element (funded, in-part by the Air District) to create a community risk reduction plan to address air quality issues in the planning area.

[2] 11 partial grants have been completed.

Given the extensive planning required through the program, staff had anticipated increasing the maximum award amount to $1 million in high impact project areas.

Technical Assistance Program

ABAG and MTC launched the Technical Assistance program in 2009 in response to findings emerging from a 2008 evaluation of the regional Transportation for Livable Communities program. While the PDA Planning Program offers comprehensive planning grants, this program, in contrast was structured to emphasize particular issues that are stumbling blocks to plan/infill implementation.

On-call consultant teams provide technical services covering a range of projects based on the needs of cities. ABAG planning staff assists in evaluation of proposals and day-to-day grant administration.

Highlights/Program Benefits

Local jurisdictions are eligible to apply for up to $60,000 in consultant assistance to complete short-term discrete projects in PDAs that will advance implementation of an adopted plan (or the initiation of a planning process). No local match is required. Technical assistance is available for the following types of projects:

- Parking Policy & Demand Analysis
- Municipal Financing Mechanisms
- Development Feasibility Analysis
- Visualization, Web, or Other Technical Tool
- Equitable Development Analysis
- Civic Engagement
- Infrastructure Planning and Design
- Station Access & Circulation
- TOD-Supportive Zoning/Form-based Code
- Smart Growth Design Guidelines
- Sustainability Analysis
- Urban Parks Policies/Financing Strategies

Outcomes

To date, 13 jurisdictions/entities have been awarded funding for 16 projects, totaling $784,000

The initial funding phase of the program runs through December 2012. The last round of projects for this funding phase were awarded in October 2012. A new set of consultant teams must be selected before another funding cycle can be issued.

Transit-Oriented Affordable Housing Fund

The TOAH Fund was established in 2011 with a $10 million investment from the Metropolitan Transportation Commission. This investment leveraged an additional $40 million to create a $50 million revolving loan fund for affordable housing developers to finance land acquisition in select locations in PDAs and near transit throughout the Bay Area. Other TOAH investors include Morgan Stanley and Citi Community Capital, each of which provided $12.5 million; The Ford

Foundation and Living Cities, a collaborative of foundations and financial institutions, which invested $3 million each; six community development financial institutions (CDFIs), which combined to contribute $8.5 million; and the San Francisco Foundation, which provided $500,000 plus the 2007 seed funding to develop the fund's business plan.

TOAH is managed by San Francisco-based Low Income Investment Fund (LIIF), but the loans will originate through six local community develop financial institutions. Staff estimates developers can use the Fund to help finance the acquisition of at least 20 to 30 acres around the region, which will support development of 1,100 to 3,800 units of affordable housing, depending on the density of construction.

Highlights/Program Benefits

The TOAH Fund offers a broad range of products with flexible uses for developers. The TOAH Fund makes loans to high-quality TOD projects that deliver the maximum number of affordable housing units and/or the highest level of neighborhood benefits. The TOAH Fund's target borrowers will primarily be experienced nonprofit or for-profit developers, municipal agencies and joint ventures comprised of such entities, with track records of developing affordable rental housing, including supportive housing.

The following loan products are available through the Fund:

- Predevelopment Loans
- Acquisition Loans
- Construction Bridge Loans
- Construction-to- Mini-Permanent Loans
- Leveraged Loans

Outcomes

To date, 3 loans have closed totaling $12M and support 363 units (95% affordable), including the following:

- **Eddy & Taylor Family Housing** (San Francisco), **TOAH Financing:** $7.2 million, **Housing Units:** 153
- **Leigh Avenue Senior Apartments** (San Jose), **TOAH Financing:** $2.9 million, **Housing Units:** 64
- **West Grand Apartments** (Oakland), **TOAH Financing:** $1.9 million, Total Housing Units: 146

Four loans totaling $22.9M are in 3-month pipeline. The remaining pipeline is $20.7 million (14 projects, 1,500 units). Future replacement of local, regional, and/or state affordable housing funding will expand the pipeline and demand for the fund according to the fund manager.

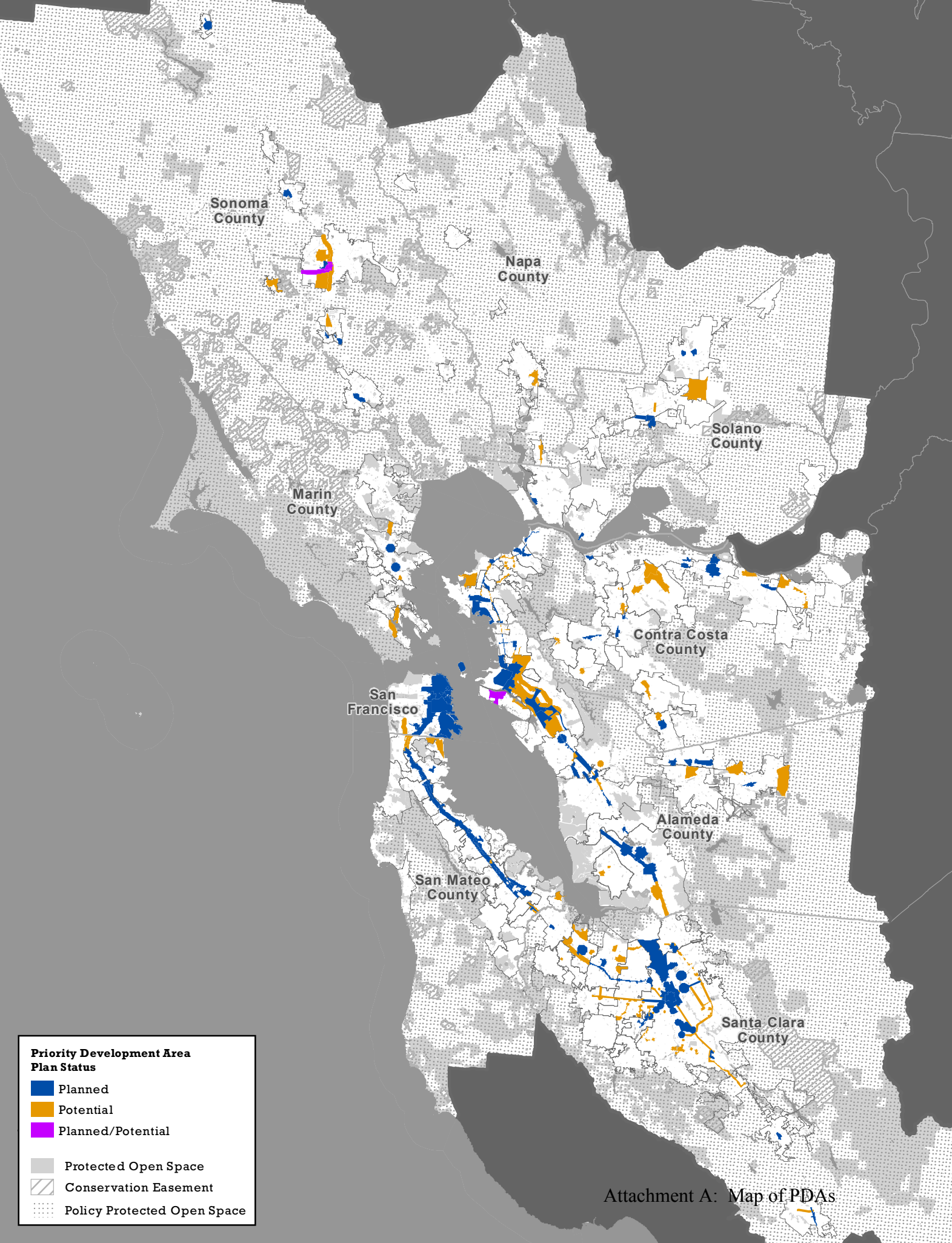
Planning Assistance to Cities

This is a new program under development to help cities that are taking on significant growth with their planning needs. The focus of the program would be on assisting the cities taking on major housing responsibilities but facing staff cuts due to the loss of redevelopment authority and funding.

Based on discussion with San Jose and Oakland, assistance could include coordinating planning efforts with other city departments to maximize implementation, housing element preparation,

zoning and overlay administration, GIS/graphics, social equity, and overseeing PDA planning/technical assistance work progress, etc.

Next Steps
ABAG staff seeks Executive Board feedback on regional planning activity priorities going forward.



Attachment A: Map of PDAs

Attachment B: PDA Planning Program Summary - Awards To-Date

County	Awarded Plans	Award Total	% of Awarded Funds	Applications received but not funded	Number of PDAs	2010 Population Share/Region
Alameda	16	4,725,000	25%	5	42	21%
Contra Costa	10	4,036,000	22%	9	32	15%
Marin	3	1,008,000	5%	1	3	4%
Napa	0	-	0	0	2	2%
San Francisco	7	2,510,000	13%	0	11.5	11%
San Mateo	4	1,806,000	10%	4	16.5	10%
Santa Clara	4	2,200,000	12%	2	37	25%
Solano	1	225,000	1%	3	9	6%
Sonoma	7	2,138,000	11%	0	12	7%
TOTAL	52	18,648,000	100%	24	165	100.0%

Date: November 7, 2012

To: ABAG Executive Board

From: Miriam Chion, Interim Planning Director

Subject: Plan Bay Area Schedule Update

The MTC Commission and ABAG Board approved the initial Plan Bay Area (Plan) schedule in December 2010. The initial schedule called for final adoption of the Plan in April 2013. This memo provides an update on work completed since the MTC Planning & ABAG Administrative Committees' July approval of the alternatives for the programmatic Environmental Impact Report (EIR), and the overall schedule. The revised schedule calls for release of the Draft EIR and Draft Plan in March, with board adoption of the Final EIR and Final Plan in June 2013. The full schedule of milestones is provided in Table 1, attached to this memorandum.

This new schedule moves final approval of the Plan and EIR two months past the initial project schedule for several reasons. This is the region's first Sustainable Communities Strategy, with transportation investments and land use patterns being developed and evaluated together. Throughout the past two years, staff has been directed to provide for more extensive discussions with local jurisdictions regarding the land use element of the plan or input from local communities and stakeholders related to the development of the alternative land use scenarios that informed the preferred scenario adopted in July. We added multiple rounds of scenario analysis combined with extensive public input prior to presenting recommendations of the Preferred Scenario and EIR alternatives. In contrast to past Regional Transportation Plans, the EIR is evaluating five alternatives, two of which were developed by stakeholders and required significant staff work to finalize before beginning the modeling work using two updated modeling tools. Finally, for Plan Bay Area we are conducting an Economic Impact Analysis for the first time.

EIR Alternatives and Model Development

In July, the MTC Commission and ABAG Board approved the alternatives to be analyzed in the programmatic EIR. The Draft EIR will evaluate the preferred land use and transportation investment strategy adopted by the MTC and ABAG board at the joint meeting in July as well as a range of reasonable alternatives. Since July, MTC and ABAG staffs have worked to refine the details of the alternatives approved by the Board & Commission, develop the model inputs, and conduct the technical modeling analysis. Staff worked throughout the summer with representatives of the business community and equity stakeholders to finalize the details of

alternatives four (Enhanced Network of Communities) and five (Environment, Equity, and Jobs) respectively. This included identifying specific policy assumptions for each alternative, such as land use densities, fee/tolling structures, and specific transportation investments. Once the alternatives were finalized in August, staff began the technical work of coding the land use assumptions, transportation investments, and policies for all five alternatives included in the environmental analysis.

At the September meeting of the ABAG Administrative and MTC Planning Committees, MTC and ABAG staff presented an overview of the agencies' modeling technologies, including the activity-based Travel Model One and the new spatially-explicit economic and land use model known as UrbanSim. As required by SB 375, these tools take an integrated approach to the analysis and help us examine the connections between transportation investments and land use patterns. Past plans did not require this analysis, which is taking longer than anticipated in the initial schedule. While the complexity of the modeling technologies, combined with more detailed land use, transportation and policy inputs has resulted in a longer schedule, the more robust modeling work will be a significant improvement over prior analyses.

Revised Schedule

Staff anticipates a concurrent release of the Draft EIR and Draft Plan Bay Area document for 45-day and 55-day public comment periods, respectively, in March 2013, followed by public hearings and workshops to be held throughout the region. The Draft EIR analysis, together with input from the public workshops and public hearings on the Draft Plan, will inform the policy discussions and public dialogue leading to the Final Plan Bay Area adoption by both the ABAG Board and MTC Commission in June 2013.

TABLE 1

Dates	***Plan Bay Area Milestones***
July 19	Commission and ABAG Executive Board approve Final EIR Alternative
September – February	Prepare Draft EIR
March 2013	Release Draft EIR for 45-Day Public Review Period Release Draft Plan Bay Area for 55-Day Public Review Period
March through April	Hold Public Hearings and Workshops on Draft Plan Hold Public Hearings on Draft EIR Release Draft Conformity Analysis for 30-Day Public Review Period
May	Prepare Final EIR (includes Response to Comments) Prepare Final Plan
June 2013	Commission and ABAG Executive Board: 1) Certify Final EIR, 2) Adopt Final Plan Bay Area 3) Make Air Quality Conformity Determination

ABAG

MEMO

Submitted by: Miriam Chion, ABAG Interim Planning Director

Subject: RHNA Revision Requests and Start of Appeals Period

Date: November 7, 2012

Executive Summary

The ABAG Executive Board adopted the final Regional Housing Need Allocation (RHNA) methodology and draft housing allocations to local jurisdictions on July 19, 2012. This initiated a 60-day period in which a local jurisdiction could request a revision to its RHNA. ABAG staff has 60 days (until November 15) to respond to these requests.

By law, a local jurisdiction that has requested a revision has the opportunity to submit an appeal if ABAG does not accept the proposed revision or modify the revised share to the satisfaction of the requesting local jurisdiction. This memo outlines the proposed approach for conducting these appeals for consideration and action by the Executive Board.

Recommended Action

Form a RHNA Appeals Committee. Committee members could be drawn from the ABAG Executive Board or the elected officials who were members of the Housing Methodology Committee via a self-nominated process. It is further recommended that of those selected, at least a portion be individuals who also served on the Housing Methodology Committee.

Next Steps

Complete the RHNA appeals process in preparation for issuing the final RHNA.

Attachments:

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MEMO

To: **ABAG Executive Board**
From: **Miriam Chion, Interim Planning Director**
Date: **November 7, 2012**
Subject: **RHNA Revision Requests and Start of Appeals Period**

Summary

The ABAG Executive Board adopted the final Regional Housing Need Allocation (RHNA) methodology and draft housing allocations to local jurisdictions on July 19, 2012. This initiated a 60-day period in which a local jurisdiction could request a revision to its RHNA. ABAG staff has 60 days (until November 15) to respond to these requests.

By law, a local jurisdiction that has requested a revision has the opportunity to submit an appeal if ABAG does not accept the proposed revision or modify the revised share to the satisfaction of the requesting local jurisdiction. This memo outlines the proposed approach for conducting these appeals for consideration and action by the Executive Board.

RHNA Revision Requests

Fifteen local governments submitted revision requests during this period (attached). The jurisdictions that submitted revision requests are:

- City of Cupertino
- City of Hayward
- City of Lafayette
- City of Mill Valley
- City of Mountain View
- City of Newark
- City of Novato
- City of Oakley
- City of Orinda
- City of Palo Alto
- Town of Ross
- City of San Ramon
- County of Santa Clara
- City of Saratoga
- City of Sunnyvale

Most of the requests focused on comments about the housing and employment forecasts from the SCS, and the use and impacts of the factors that make up the RHNA methodology. ABAG Staff is in the process of reviewing these requests, including reaching out to each jurisdiction to gather additional information.

Proposed RHNA Appeals Process

By law, a local jurisdiction that has requested a revision has the opportunity to submit an appeal if ABAG does not accept the proposed revision or modify the revised share to the satisfaction of the requesting local jurisdiction.

Appeals Committee

Staff recommends that the ABAG Board form an appeals committee to hear RHNA appeals. According to state law, a local government may appeal only if ABAG denies the revision request or does not respond to the satisfaction of the local government. The committee will deliberate about the appeals at a public

hearing at which local jurisdiction staff will be asked to present their appeal request to the committee. The committee would then make a recommendation to the ABAG Executive Board.

Staff recommends that a five-member appeals committee be formed from self-nominated members of the ABAG Executive Board or elected officials that were members of the Housing Methodology Committee (HMC) that helped to develop the RHNA methodology. It is further recommended that of those selected for the committee, at least a portion be individuals who also served on the HMC. ABAG President Mark Luce will select the members of the committee, as well as an alternate that can participate on the committee in the event that a member must recuse himself or herself.

The specific timeline for completing the appeals process and developing the final RHNA is outlined in the RHNA statutes. ABAG staff is currently revising the RHNA schedule to align with the proposed changes to the schedule for adoption of the SCS and RTP. A revised schedule will be provided to Executive Board members by the Nov. 15 meeting.

Summary Recommendation

Staff respectfully recommends that the Executive Board:

1) Form a RHNA Appeals Committee. Committee members could be drawn from the ABAG Executive Board or the elected officials who were members of the Housing Methodology Committee via a self-nominated process. It is further recommended that of those selected, at least a portion be individuals who also served on the Housing Methodology Committee.

CUPERTINO

OFFICE OF THE CITY MANAGER

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

September 5, 2012

Ms. Miriam Chion
Director of Planning and Research
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94607-4756

RE: Adoption of Draft Regional Housing Needs Allocation (RHNA) for the Fifth Cycle: 2014-2022

Dear Ms. Chion:

Thank you for the opportunity to comment on the draft RHNA numbers. One of the primary components of Senate Bill 375 is to link transportation and land-use planning through the Sustainable Communities Strategy (SCS) so as to reduce the region's carbon dioxide emissions from cars and light duty trucks. The primary strategy of the SCS should be to build better access to mass transit and housing proximity to jobs and services, so people have more transportation choices and reduce vehicle miles they need to travel. The City of Cupertino is a predominantly built-out community with less public transit access as compared to the larger cities within Santa Clara County. There are no significant planned bus/rail extensions within our jurisdiction. Any modest increase in household growth, over what is already accounted for in our general plan, would increase carbon dioxide emissions through additional vehicle miles traveled, given the lack of transportation choices and proximity to jobs in our communities.

Also, it appears that cities determined to be more "affluent" are being targeted for more very-low income units under the methodology. While on the surface the theory may make sense, in actuality larger less affluent cities actually receive more federal resources based upon their low income populations to provide housing for these populations. For example, the largest city in Santa Clara County receives nearly $12,000,000 in federal resources to house the homeless and the low and very low income, what ABAG has defined as the smaller "affluent" cities receive only $310,000 or much less to provide housing for the lower income populations. Whereas in the past, cities like Cupertino have been able to rely on Redevelopment Agency housing set-aside funds and inclusionary housing programs to provide affordable low and very-low income units, with recent court rulings (Palmer/Sixth

Street Properties LP v. City of Los Angeles) and the dissolution of RDAs in California, these resources have vanished.

Furthermore, the RHNA methodology proceeds to penalize smaller built out communities for "poor performance". Until monetary resources are made available to smaller communities to provide the affordable housing, we request that the penalty be removed or reduced.

Sincerely,

Amy Chan
Interim City Manager

CC: Cupertino City Council
Aarti Shrivastava, Director of Community Development
Timm Borden, Director of Public Works
Vera Gil, Senior Planner

CITY OF
HAYWARD
HEART OF THE BAY

September 17, 2012

Ezra Rapport
Executive Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: Request for Revision for Hayward's Regional Housing Need Allocation (RHNA)

Dear Mr. Rapport:

The City of Hayward requests that its RHNA be reduced. Incorrect housing production data was used in the formula to determine the current draft RHNA. During the years 1999 – 2006, Hayward was more successful in building affordable housing than was documented in the ABAG publication titled "A Place to Call Home".

The following table shows housing production data according to ABAG records and data per City of Hayward records. The City data is consistent with the annual reports that have been submitted to the California Department of Housing and Community Development (copy attached).

	1999 - 2006				
Income Level	RHNA Allocation by Income Level	According to ABAG		Per City Records	
		Permits Issued	Percent of Allocation Permitted	Permits Issued	Percent of Allocation Permitted
Very Low	625	40	6%	117	18.7%
Low	344	17	5%	24	7.0%
Moderate	834	818	98%	833	99.9%
Above Moderate	1,032	1,727	167%	1,876	181.8%
Total RHNA	2,835	2,602	92%	2,850	100.5%

It is our understanding that as the higher numbers for affordable housing produced are used in the formula, it will result in a lower RHNA for the City of Hayward.

DEVELOPMENT SERVICES DEPARTMENT
777 B STREET, HAYWARD, CA 94541-5007
TEL: 510/583-4234 • FAX: 510/583-3649 • TDD: 510/247-3340 • WEBSITE: www.hayward-ca.gov

In addition to the RHNA, the City of Hayward is generally concerned about the mandates coming from state and regional agencies along with the reduction in resources available to local jurisdictions. As noted in Hayward's previous comment letters on the development of the Sustainable Communities Strategy (SCS), the State's elimination of redevelopment agencies will make it difficult, if not impossible, to accommodate growth envisioned in the SCS and the RHNA. This fiscal constraint created by the elimination of redevelopment agencies must be addressed in the SCS. When the Hayward City Council members reviewed the draft RHNA on September 11, 2012, they were particularly frustrated with the fact that the State is requiring cities to accommodate affordable housing, while at the same time taking away one of the most effective tools to build such housing.

Regarding the proposed One Bay Area Grant (OBAG) program, future cycles of grant funding should be less dependent on the production of housing, and recognize more the importance of jobs. Furthermore, it makes no sense to penalize a jurisdiction for not producing enough housing by taking away the assistance needed to produce affordable housing. Finally, in addition to resources for transportation infrastructure, programs that support job creation are needed in order to realize the projected job growth. The SCS must foster complete communities with a balance of new jobs and new housing.

We look forward to continuing to work with ABAG throughout the process of finalizing the RHNA. If you have any questions, please contact me at (510) 583-4004 or by e-mail at david.rizk@hayward-ca.gov. Thank you.

Sincerely,

David Rizk

David Rizk, AICP
Development Services Director

Attachments

cc: Steve Heminger, Executive Director, MTC
Ken Kirkey, Planning Director, ABAG
Doug Kimsey, Planning Director, MTC
Hing Wong, ABAG
Beth Walukas, Deputy Director of Planning, Alameda Co. Transportation Commission

Fran David, City Manager
Kelly Morariu, Assistant City Manager
Morad Fakhrai, Director of Public Works – Engineering and Transportation
Don Frascinella, Transportation Manager
Richard Patenaude, Planning Manager
Erik Pearson, Senior Planner

City Council

Carol Federighi, Mayor
Mike Anderson, Vice Mayor
Brandt Andersson, Council Member
Carl Anduri, Council Member
Don Tatzin, Council Member

September 7, 2012

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

Subject: Appeal of Lafayette's adjusted Regional Housing Needs Allocation (RHNA), adopted July 19, 2012

Dear Supervisor Luce:

Thank you for the opportunity to submit the City of Lafayette's appeal of the RHNA, as adjusted by the Growth Concentration Scenario and adopted by the ABAG Executive Board on July 19, 2012.

To be clear, we supported the RHNA methodology adopted earlier and the allocations that resulted from the methodology, as presented in May as the draft allocations. Our objection is to the adjustment of those numbers through the Growth Concentration Scenario. These adjustments were made to compensate for some 3,000 units removed from three cities larger cities in the South and East Bay. The 3,000 units represent about 1.6% of the total regional allocation.

The reason for our objection and appeal is simple. The calculation of the adjusted numbers for Contra Costa County is clearly wrong. We have focused on Contra Costa County; we do not know whether the same errors affected the calculation of allocations for other counties.

A chronology of our investigation of these numbers is instructive:

1. Prior to the July 19 meeting, we discovered dramatic discrepancies in the adjustments for different cities in Contra Costa County. Specifically the following adjustments were made to allocations for the cities of Contra Costa:

Decrease:	Hercules
0% Increase:	Brentwood, Danville, Martinez, Oakley, Orinda, Pleasant Hill, San Pablo
1-3% Increase:	Antioch, Clayton, Concord, El Cerrito, Pinole, Pittsburg, Richmond, Walnut Creek
8-15% Increase:	Lafayette (15%), Moraga (8%), San Ramon (10%)

3675 Mount Diablo Boulevard, Suite 210, Lafayette, CA 94549
Phone: 925.284.1968 Fax: 925.284.3169
www.ci.lafayette.ca.us

I pointed out these discrepancies to ABAG in my letter dated July 19 regarding the proposed adjustments and lack of public review of the adjusted allocations.

2. Councilmember Brandt Andersson, an alternate ABAG Board member sitting as a voting member for the July 19 meeting, spoke with ABAG staff member Hing Wong prior to the meeting, and was told that there had been no change to the methodology and any significant changes were the result of changed inputs. He was not able to explain why the input numbers should be so dramatically different for different cities.

   During the meeting, ABAG staff member Miriam Chion presented the distribution of the adjustments as being "proportional." When pressed on how a proportional distribution could result in such disparate adjustments, she was unable to provide an explanation. ABAG Executive Director Ezra Rapport also spoke with Councilmember Andersson, confirming that the methodology was unchanged and the differences were due to changes in the input. He, too, was unable to explain what those changes might be.

3. Lafayette requested that ABAG show the methodology applied to four similar cities, two of which had minimal adjustments (Orinda and Danville) and two that had excessive adjustments (Lafayette and Moraga). On July 31, ABAG staff members Hing Wong and Sailaja Kurella met in Lafayette with Councilmember Don Tatzin, ABAG Vice-Chair Julie Pierce, and City staff members Ann Merideth and Niroop Srivatsa. After a review of the methodology factors, City representatives agreed that the factors were reasonable. Numerous adjustments that were made as part of the methodology were reviewed; such adjustments were quite minor, moving one or two units, up or down, resulting in insignificant net movement. However, there was no good explanation of why taking away the 3,000 units in combination with the vacancy calculations resulted in the discrepancies between cities. ABAG staff responded that they would review the data for errors.

4. Still without any explanation for the discrepancies in the allocation adjustments, another meeting was held at ABAG's offices in Oakland on August 22 so that real-time data retrieval and analysis could be done if necessary. ABAG staff members Miriam Chion, Jason Munkres, and Sailaja Kurella met with Councilmembers Tatzin and Andersson, Vice-Chair Pierce, and City staff members. ABAG staff announced that a glitch had been found in the Orinda calculations that changed its allocation from 0% to 9%. However, this just meant that four cities in Contra Costa are wildly out of synch instead of three. It did not explain why any of the cities were allocated several times their expected adjustment.

   The discussion then focused on why the input numbers were changed so dramatically for some cities, specifically the effect of the vacancy rate on those numbers. We pointed out that the 2014-2022 projected vacancy rates for the three cities with inexplicable adjustments (Lafayette, Moraga, and San Ramon) were a small fraction of their vacancy rates for 2010 or 2040, a situation that applied to no other cities except, oddly, Danville. ABAG Staff was unable to provide any explanation for this dramatic anomaly. Nor was ABAG staff able to explain why the vacancy rates used in the calculations were so dramatically different from Census vacancy numbers or those of other data sources.

5. ABAG staff agreed at the meeting to respond to several questions, one of which was to investigate the obvious anomalies in the vacancy rates and determine what caused them and whether they might be the cause of the excessive adjustments. On August 29, Lafayette received answers to these questions from ABAG staff. No question regarding the issue of the validity of the vacancy rates used

or the effect of those vacancy rates on the adjustments was included in the ABAG response. The only comment related to vacancy rate impacts was profoundly unhelpful:

It is important to note that the amount to be rebalanced for each 5-year period differs from year to year and that the number of households to be rebalanced will not equal the number of housing units to be rebalanced, resulting in vacancy rates that fluctuate slightly from the hypothesized unidirectional convergence on the target vacancy rate.

Two disturbing conclusions can be drawn from our attempt to get an explanation for what is obviously an incorrect application of the RHNA methodology approved by the ABAG Board:

- Despite the insistence of ABAG staff that the adjustments were "proportionate," they are extremely disproportionate, by up to a factor of 10 or more. They are in error.

- Despite six weeks of concerted effort by both ABAG and Lafayette, there is no explanation for the erroneous calculations. ABAG staff has repeatedly been unable to explain how they arrived at input numbers that appear to be causing the errors.

The only reasonable conclusion at this time is that the Contra Costa County adjustments adopted by the ABAG Board on July 19 are severely inaccurate, and ABAG staff is unable to provide any plausible explanation for the error. The inability of ABAG staff to explain the source or development of their clearly erroneous numbers is deeply disturbing.

Therefore, the City appeals Lafayette's adjustment adopted on July 19, 2012, and insists that ABAG suspend implementation of those inaccurate adjustments unless and until the miscalculations or wrong data that led to the erroneous adjustments for Lafayette are identified and corrected.

While we are only appealing Lafayette's adjustment, the underlying problem appears to affect several other cities, and, because of the necessary "rebalancing", all other cities. Not only are these other cities suffering the same vacancy rate disconnect, but they have increased allocations as a result. Therefore, we further request that, when the source of the errors is identified, all other ABAG counties be reviewed to determine whether similar errors have occurred in other counties. A cursory review shows that a few cities in Alameda, Santa Clara, and San Mateo counties show dramatic, inexplicable fluctuations in the projected vacancy rates similar to the affected Contra Costa cities.

We hope that ABAG is as eager as we are to correct the application of the RHNA allocation methodology

Sincerely,

Carol Federighi
Mayor

Cc: Lafayette City Council
Councilmember Julie Pierce, ABAG Vice President
Ezra Rapport, ABAG Executive Director
Miriam Chion, ABAG Assistant Planning Director
Sailaja Kurella, ABAG Regional Planner

chron

Garry Lion
Mayor
Andrew Berman
Vice Mayor
Shawn Marshall
Councilmember

MILL VALLEY

Stephanie Moulton-Peters
Councilmember
Kenneth R. Wachtel
Councilmember
James C. McCann
City Manager

Via E-Mail and U.S. Mail

October 1, 2012

Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RE: Request for Revision of Regional Housing Need Allocation

Dear Board Members:

It has come to staff's attention that the letter and corresponding analysis sent to the Board from the City of Mill Valley on September 11, 2012, inadvertently contained a few typographical errors. The errors have been corrected and highlighted in bold font in the attached revised letter and analysis with individual footnotes explaining the corrections.

Please accept this letter and the revised attachments as a substitute for the City's original submission dated September 11, 2012. Feel free to contact me should you have any further questions or concerns.

Sincerely,

James C. McCann
City Manager

enclosure

cc: City Council
Planning and Building Director Moore

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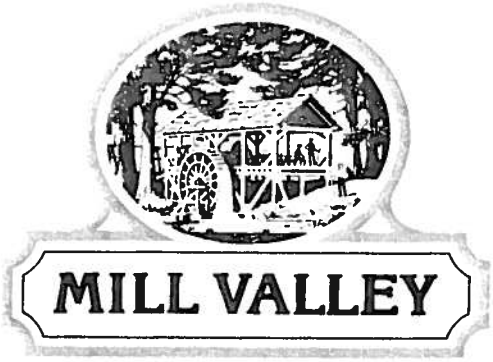
OCT 04 2012
EXECUTIVE DIRECTOR'S OFFICE

Garry Lion
Mayor
Andrew Berman
Vice Mayor
Shawn Marshall
Councilmember



Stephanie Moulton-Peters
Councilmember
Kenneth R. Wachtel
Councilmember
James C. McCann
City Manager

Via E-Mail and U.S. Mail

Revised date: October 1, 2012
(Original letter dated September 11, 2012)

Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA, 94604-2050

RE: Request for Revision of Regional Housing Need Allocation

Dear Board Members:

On behalf of the City Council and citizens of Mill Valley, we wish to formally object to the draft Regional Housing Needs Allocation (RHNA) assigned to the City of Mill Valley for the period 2014 to 2022 and request that this RHNA allocation be reduced and that the allocations by income category be modified. We base this request on the following substantive issues:

1. Our Mill Valley-specific analysis (draft attached) of demographic and housing trends with the assistance of Robert Eyler, CEO of the Marin Economic Forum, demonstrates:
    a. Mill Valley's population is growing at a rate exceeding ABAG's SCS and RHNA projections, and the foundation is in place to continue that growth for the foreseeable future, so Mill Valley will be accommodating our fair share of the Bay Area's future growth.
    b. That population growth is being caused by on-going turnover in our existing housing from long-term, post-family residents to an influx of new, growing families, so Mill Valley's growth is coming via larger households.
    c. As a result of better utilizing our existing housing stock to accommodate growth and because of an existing large surplus of housing units, Mill Valley does [1]**not** need any new housing units.
    d. ABAG and the State measure population growth via household growth (assuming constant population per household) and focus on housing unit

[1] "not" was inadvertently left out of the original letter.

production, so Mill Valley will be unfairly judged using the current measuring sticks.

2. Identified constraints due to Mill Valley's geographic location, topography and natural environment (e.g., severe fire hazard zones, floodway/floodplain, sea level rise, severe slopes with geologic instability, sensitive and protected plant and animal areas) results in substantially limiting sites for new housing and must be taken into account in determining a reasonable and rational RHNA for Mill Valley.

3. While we understand the "fair share" principles inherent in state Housing Element law and the RHNA allocation process, some of the "fair share" methodologies unfairly penalize communities like Mill Valley where land costs, naturally occurring and immitigable development constraints and, more recently, the unavailability of the suitable financing for more affordable housing, has created a combination of circumstances over which we have no control and which affect our ability to actually produce affordable housing units. Yet, the "Past RHNA Performance" factor increases the number of units in these income categories without addressing the realities of existing development constraints.

4. We have expressed our concern in previous correspondence to ABAG that employment projections for Mill Valley are excessive and do not reflect historic employment trends or the limited nature of employment opportunities in our community. It also does not take into account home based businesses and self-employment which accounts for a larger share of Mill Valley's residents employment than the rest of the Bay Area. As "Employment" is a scoring factor in the adopted RHNA methodology, we believe that this factor is overstated and results in inappropriately and unfairly increasing Mill Valley's RHNA.

5. The "Income Allocation" factor is a further attempt to engineer a more equitable distribution of incomes across the region, but as with the "Past RHNA Performance" factor, it only exacerbates a problem created by existing naturally occurring development constraints that make actual affordable housing production problematic.

We request in the strongest possible terms that the Executive Board carefully consider our comments and apply this information to reduce the overall City of Mill Valley RHNA for the 2014-2022 Housing Element cycle, as well as modify the allocations by income category, accordingly. We will happily meet with you or your staff in your offices or perhaps more helpfully here in Mill Valley to discuss our concerns and to share with you our beautiful community and identify the many constraints, which must be taken into consideration in realistically planning for growth and change in our community over the next several years. Thank you.

Sincerely,

Kelsey Rega
city clerk for

Garry E. Lion
Mayor

James C. McCann
City Manager

enclosure

cc: City Council
Planning and Building Director Moore

CITY OF MOUNTAIN VIEW

COMMUNITY DEVELOPMENT DEPARTMENT • PLANNING DIVISION
500 Castro Street • Post Office Box 7540 • Mountain View • California • 94039-7540
650-903-6306 • Fax 650-962-8501

VIA E-MAIL AND U.S. MAIL

September 18, 2012

Ezra Rappaport
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: REQUEST FOR REGIONAL HOUSING NEEDS ALLOCATION REVISION

Dear Mr. Rappaport:

The City of Mountain View formally requests a revision to our Regional Housing Needs Allocation (RHNA) for the 2014-2022 period.

The City of Mountain View adopted its new General Plan on July 10, 2012. The City originally anticipated new residential uses in North Bayshore from early public input and City Council direction. However, based on additional public hearings and community discussions, our adopted General Plan eliminated any new residential uses in our North Bayshore area.

It is our understanding that the City's RHNA numbers include new residential uses in North Bayshore. Since our General Plan prohibits residential uses in North Bayshore, the City's RHNA numbers must be revised to be consistent with what is allowed by our General Plan.

Thank you for the opportunity to request a revision to our RHNA numbers. If you have any questions, please do not hesitate to contact me at (650) 903-6456 or by email at randy.tsuda@mountainview.gov.

Sincerely,

Randy Tsuda
Community Development Director

CC: File, CM, PP
Via email to: Ezra Rappaport; Hing Wong; Gillian Adams; Miriam Chion

CITY OF NEWARK, CALIFORNIA

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

August 20, 2012

Ms. Miriam Chion
Acting Director of Planning and Research
Association of Bay Area Governments
101 Eighth St.
Oakland CA 94607

RE: Formal Appeal of Regional Housing Needs Allocation for the City of Newark

Dear Ms. Chion:

I am writing to formally appeal the Regional Housing Needs Allocation (RHNA) for the City of Newark. The allocation for Newark is inappropriate and out of step with State law and common sense.

The allocation does not reflect infrastructure decisions as required by State law. Newark's RHNA allocation in the 2014-2022 cycle was increased by 24% over the 2007-2014 cycle at the same time that fixed transit funding serving Newark was eliminated. The removal of the Dumbarton Rail Service from the RTP investment strategy must be reflected in the RHNA allocation. To increase the housing allocation at the same time that transit funding is eliminated is in violation of SB 375. Your unadjusted reliance on the flawed SCS allocation process in your RHNA methodology is the cause of this issue. We pointed this out in our letter of June 25, 2012. ABAG chose to ignore our suggested modification to the methodology to address this issue. Therefore, you have perpetuated the flaws of the SCS process and have put forth an allocation that is a clear violation of SB 375 in that you are creating an allocation that ignores infrastructure realities. Given the removal of the Dumbarton Rail service from the Transportation Investment Strategy, Newark's RHNA allocation should have decreased substantially and certainly not increased.

It also should be noted that in the time since the last RHNA allocation, scheduled bus service levels in Newark have also been substantially reduced. To add housing to an area at the same time as transit service is being reduced will lead to more automobile trips, more greenhouse gas production and more air pollution. This is exactly what SB 375 was intended to prevent.

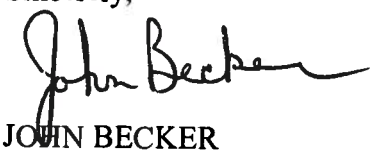
We would have preferred to see transit service improve and have been making strides to add density around proposed transit in concert with proposed transit infrastructure. Regional

agencies have directly undermined our efforts toward more sustainable land use with their infrastructure decisions. Now, to add insult to injury, the RHNA allocation shows a substantial increase in housing that must be accommodated in Newark, instead of the decreased allocation that should correspond to the disinvestment.

To comply with state law you must assign the housing growth to the jurisdictions that are slated for transit investment, not to areas that have experienced disinvestment. Newark's RHNA allocation should at least be reduced to match the level of the 2007-2014 cycle: 863 units. That would be a reduction of 210 units from your proposed allocation of 1073 units for 2014 - 2022.

We would be happy to meet with you to discuss potential solutions to this problem. Thank you for your attention to this issue. If you wish to discuss this further please contact Terrence Grindall of my staff at terrence.grindall@newark.org or 510-578-4208.

Sincerely,



JOHN BECKER
City Manager

cc: Newark City Council
Ken Kirkey, Metropolitan Transportation Commission
Art Dau, Alameda County Transportation Commission

THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way #200
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www.novato.org

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

City Manager
Michael S. Frank

September 7, 2012

Mr. Ezra Rapport, Executive Director
Association of Bay Area Governments
P. O. Box 2050
Oakland, CA 94607-4756

Dear Mr. Rapport:

The City of Novato has reviewed the RHNA distribution for the 2014 through 2022 cycle. Unfortunately, we have not been able to verify the detailed data that went into the formula, but will do so as time allows. We want to be sure that the data that drives the RHNA distribution is accurate. So, we are reserving our opportunity to comment on that aspect of the formula until we have had the opportunity to review the detailed data.

We do, though, want to emphasize that:

1. The job growth projections for the City of Novato (which drive the housing allocation) for the 2014 through 2022 are far too high. As we have stated in previous letters (see attached), the recession has not rebounded and we have very limited land available for growth. We are in the process of updating our General Plan and several undeveloped properties are inaccurately zoned given our hillside ordinance and other constraints which will limit what can be built.

2. The transit portion of the RHNA methodology appears to be based on inaccurate information about the availability of public transit.

Thank you for the opportunity to comment.

Sincerely,

Denise Athas

Denise Athas, Mayor

Attachments: Letters sent to ABAG for this cycle:

- Letter dated January 30, 2012
- Letter dated March 14, 2012
- Letter dated April 20,2012
- Letter dated June 29, 2012

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EXECUTIVE DIRECTOR'S OFFICE

CITY of OAKLEY
A PLACE for FAMILIES in the HEART of the DELTA

3231 Main Street
Oakley, CA 94561
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www.ci.oakley.ca.us

MAYOR
Kevin Romick

VICE MAYOR
Carol Rios

COUNCILMEMBERS
Pat Anderson
Randy Pope
Jim Frazier

September 7, 2012

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

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

SUBJECT: Comments and Request for Revisions to the Adopted Regional Housing Needs Allocation (RHNA) and Subregional Share for the City of Oakley

Dear Mr. Heminger and Mr. Rapport:

The City of Oakley is requesting revisions to the Regional Housing Needs Allocation (RHNA) that was recently adopted by the Association of Bay Area Governments (ABAG) on July 19, 2012. This letter reiterates the comments addressed to ABAG on June 27, 2012. It appears that during the adoption of the RHNA allocation, the original comments that the City Council provided to ABAG were not considered or addressed. Oakley is very concerned with the high number of low- and very-low income units allocated to the City. The methodology did not take into account several factors that included the intent of the Oakley Priority Development Areas (PDAs), the lack of rail transit within Oakley, the number of existing jobs within Oakley, the current RHNA performance relating to the construction of low- and very-low income units, and lastly, the State's recent elimination of Redevelopment Agencies.

As already stated to ABAG, Oakley has several unique conditions which should necessitate a reduction in the overall number of low and very-low income units that have been allocated to Oakley. As stated in previous letters, a majority of the entitled units in Oakley are not located within PDAs. With this said, Oakley's housing projections become misleading, specifically within Oakley's three PDAs. In short, many of the units that have been approved and are not located within PDAs seem to be assumed within the PDA areas. Although Oakley still feels it is important to reduce target emissions through a

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

The Oakley City Council has previously expressed its comments, which were not addressed prior to the adoption of the RHNA, as follows:

- The objective of the Sustainability Component is to concentrate new development in areas to protect the region's natural resources and reduce development pressures on rural outlying areas. While the City agrees with this objective, it is not applicable to Oakley because Oakley's General Plan already accommodates areas suitable for residential development to accommodate the total household projections in the Jobs-Housing Connection Scenario and Strategy. The original intent of the Oakley PDAs was to designate areas in which employment centers would be created. The need to accommodate more residential development in PDAs undermines this goal.

- A majority of 798 acres that make up the Oakley "Employment Area" PDA is not suitable for residential development. A large portion of the PDA encompasses 378 acres of land owned by DuPont, in which approximately 170 acres are occupied by wetlands. Other portions of the DuPont property are located within a floodplain, are being remediated and are not currently ready for any type of development, and other portions are designated for Light Industrial land uses. Another portion of that PDA is occupied by 78 acres of land and governed by the River Oaks Crossing Specific Plan. A long-standing deed restriction and the Specific Plan do not allow for residential land uses. The remaining areas in the PDA are either designated for Light Industrial or Business Park land uses which also do not permit residential development. The requirement to provide 70% of the RHNA allocation within the "Employment Area" PDA creates a situation where the City would have to amend the Oakley 2020 General Plan and Rezone hundreds of acres of land to allow for residential land uses. As stated within the first bullet, the intent of the PDA was to create jobs that have been envisioned within the General Plan since 2002 to help support the City's existing, entitled and designated housing.

- The draft RHNA allocated the maximum number of units to Oakley, meaning we have been allocated 1.5 times the current RHNA cycle allocation. This seems to go against the Fair Share Component's objective. Based on the Fair Share Component's objective, several factors should have been taken into account when determining the allocation:

    - Oakley does not have a strong transit network. While the City does have ambitions to one day have a strong transit network, there is currently a lack of existing infrastructure for direct rail transit. This should have resulted in a lower Fair Share score.

    - There is also a strong desire to bring jobs into the City. This is evident by the City's desire to have three PDAs. However, Oakley is not currently a job rich city and, therefore, we should have received a lower Fair Share score.

    - Lastly, the methodology does take into account the most recent RHNA performance, rather the 1999-2006 RHNA cycle was used in the Fair Share scoring. The City of Oakley incorporated in 1999, and did not adopt a General Plan until 2002. Subsequently, a Housing Element was adopted in 2005 for the 1999-2006 cycle, and another Housing Element in 2009 for the current 2007-2014 cycle. The City has been committed to not only making land available to accommodate the RHNA allocation, Oakley has already built almost all of the current cycle's allocation, including exceeding the number of low- and very-low income units required. This past performance should be taken into account and should result in Oakley receiving a lower overall score.

- Oakley is not currently served by direct rail transit. The need for an increased job growth is a priority for Oakley. As previously stated, the PDA areas are intended for jobs, which would ensure the residents of Oakley would not need to commute to inner Bay Area job locations, thereby reducing unit and GHG emissions. The RHNA allocation does not take into account that Oakley is predominantly made up of single-family residences, and is an area where that lifestyle is preferred over higher-density development. Almost as important is the fact that Oakley has successfully produced low- and very-low income units to

satisfy the current RHNA cycle. This shows Oakley's serious commitment to provide housing for all income levels. As stated by other East Contra Costa County cities, job growth should be a priority for East Contra Costa County and a means to reduce greenhouse gas emissions as well as meeting the housing preferences for the region.

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

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

Sincerely,

Bryan H. Montgomery
City Manager

C: Oakley City Council
Senator Mark DeSaulnier – 7th District
Assembly Member Joan Buchanan – 15th District
City of Clayton Councilmember Julie Peirce
City of San Ramon Councilmember Dave Hudson

ORINDA 22 orinda way • orinda • california • 94563

September 12, 2012

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

Subject: Comments on Draft Regional Housing Need Allocation

Dear Mr. Luce,

Thank you for the opportunity to review and comment on the Draft Regional Housing Need Allocation (RHNA). Through the process of considering comments on the alternative Sustainable Communities Strategies (SCS), ABAG and MTC selected a preferred alternative that is consistent with the overall vision for growth embodied in the Orinda General Plan. We thank you for your judicious application of SB 375 and for addressing our concerns through the SCS process. It is our hope that ABAG will continue its practice of carefully considering local jurisdictions' comments as it considers the RHNA and in so doing, enable each community to forge its own unique vision for the future, consistent with the objectives of state law. We respectfully submit our comments and request that the Final RHNA reflects our input.

While the total number of units in the Draft RHNA for Orinda is reasonable, the proposed distribution of the level of affordability places an undue burden on the small Orinda community by including a disproportionately high number of below market rate units. County-wide, 57% of the Draft allocation is for below market rate units; however, for Orinda, 81% of the Draft allocation is for below market rate units. This is the highest proportional allocation of any jurisdiction in Contra Costa County and more than 42% higher than the county-wide average. Furthermore, 37% of the Draft allocation is for very-low income households compared to the county-wide average of 26%. State housing law [in Government Code §65584(d)(1)] requires the allocation plan to increase the housing supply and mix of housing types in an *equitable* manner. As drafted, the RHNA does not allocate the regional housing need equitably in that it places an unrealistic and highly disproportionate burden on the City of Orinda for the provision of below market rate units.

The Orinda community understands and embraces the need to properly plan for the housing needs of all segments of the community and through deliberate and open planning processes, the Orinda community is fulfilling its housing obligations while maintaining the qualities that make Orinda unique and desirable.

General Information (925) 253-4200 (ph) (925) 254-9158 (fax)
Administration (925) 253-4220 (ph) (925) 254-2068 (fax)
Planning (925) 253-4210 (ph) (925) 253-7719 (fax)
Parks & Recreation (925) 254-2445 (ph) (925) 253-7716 (fax)
Police (925) 254-6820 (ph) (925) 254-9158 (fax)
Public Works (925) 253-4231 (ph) (925) 253-7699 (fax)

Outcomes of our community discussions have resulted in a significant number of housing opportunities affordable to residents of all income levels and at various stages of life. For instance, the City of Orinda partnered with Eden Housing in the development of 67 units on the City's former library site. These units will be available to senior households with extremely-low, very-low, and low incomes.

To address the needs of students, extended families and small households, the second unit standards were modified to allow second units by right on hundreds of parcels throughout the community and, to accommodate young families, second units with multiple bedrooms and up to 1,250 square feet are permitted by right. Pulte Homes' 73 units on an infill site in downtown Orinda is another example of the City's efforts to provide housing options. These homes will be on small lots within walking distance of BART and the services of downtown and the development includes eight units deed restricted in perpetuity to below market rate levels. As a final example, with the encouragement of the City, owners of the 150-unit Orinda Senior Village development renewed the affordability restrictions on the property and thereby preserved an important housing option for 150 extremely-low, very-low and low-income households. These projects were all included in our third cycle housing element and are in various stages of the development process or already have come to fruition.

Thank you again for the opportunity to provide our input on the Draft RHNA and we look forward to reviewing the proposed RHNA before it is adopted. If you have any questions about our comments, please feel free to contact Director of Planning, Emmanuel Ursu at (925) 253-4240 or via email at eursu@cityoforinda.org.

Sincerely,

Steven Glazer
Mayor, City of Orinda

Copy: Ezra Rapport, Executive Director, ABAG
Steve Heminger, Executive Director, MTC

City of Palo Alto
Office of the Mayor and City Council

Elin

September 11, 2012

RECEIVED
SEP. 17 2012
EXECUTIVE DIRECTOR'S OFFICE

Mr. Mark Luce, President
Association of Bay Area Government
Joseph P. Bort Metro Center
P.O. Box 2050
Oakland, CA 94607-4756

Re: City of Palo Alto Request for Revision to Adopted RHNA Methodology for the 2014-2022 Housing Cycle

Dear Mr. Luce:

Thank you for ABAG's July 25, 2012 memo to Bay area cities and counties, which provided an overview of the adopted Regional Housing Needs Assessment (RHNA) methodology and jurisdictional allocations for the 2014-2022 housing cycle. While the adopted allocations appear to have taken into consideration some of the concerns and comments expressed by member jurisdictions, the target projections are still unrealistic. In Palo Alto, the built-out nature of the city and multiple school, service and infrastructure constraints and impacts make these projections unattainable. Therefore, the purpose of this letter is to request a revision to the draft allocation, to reduce the total number of units assigned to the City of Palo Alto. In support of this request, the following reiterates the City of Palo Alto's ongoing concerns regarding the long-term Sustainable Communities Strategy (SCS) projections and the potential impact on future RHNA cycles. Furthermore, this letter provides information about our ongoing effort to facilitate a joint agreement for transfer of units to the County of Santa Clara for housing on Stanford lands.

In summary, the City of Palo Alto's comments are as follows:

1. The regional forecast of jobs and housing for the region continues to substantially overstate growth for the overall SCS period (through 2040) and continues to ignore the updated demographic forecasts of the State's Department of Finance (DOF). This not only creates an unrealistic scenario for the upcoming cycle, but also creates the effect of "back-loading" the housing numbers and potentially creating unreasonable and unachievable housing mandates in future housing cycles. Although the SCS process does allow for adjustment of long-term growth projections on a periodic basis, the City encourages ABAG to regain public confidence of its numbers by working with HCD to reduce the 2010-2040 projections by 41% to reflect the adaptations already made by

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Palo Alto, CA 94303
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650.328.3631 fax

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the Department of Finance to the changing State of California demographics. Furthermore, current and future projections should be adjusted so they are more consistent with historical growth patterns and/or a range of projections should be adopted that reflect meaningful planning scenarios in response to market changes over time. An analysis of the inadequacy of the current long-range projections, authored by Palo Alto Councilmember Greg Schmid, was submitted to ABAG during the Alternative Scenario selection process and is attached to this letter. Tables outlining the discrepancies between the most recent DOF projections and those prepared by ABAG for the SCS are also attached.

2. The proposed RHNA allocation assigns 77 housing units to the County of Santa Clara (unincorporated), although Stanford University's General Use Permit with the County of Santa Clara County allows and plans for up to 1,500 residential units to be built on Stanford lands within the SCS timeframe. The City acknowledges that these units have not been otherwise assigned to the City of Palo Alto, but at least some of them are proximate to El Camino Real and the University Avenue Caltrain station, and would be consistent with the objectives of the SCS and SB375. Specifically, approximately 350 planned units on two sites on Quarry Road just west of El Camino Real appear appropriate to include somewhere in the housing analysis. City staff has met with staff from the County and Stanford to discuss the possibility of a joint agreement to a "transfer" of a similar allocation of units from the City of Palo Alto to the County of Santa Clara. This is an ongoing effort, and we will keep ABAG apprised of our progress. The City requests that ABAG remain open to such a transfer if an agreement between the City, the County and Stanford is reached.

3. As stated in previous letters, the City of Palo Alto is a national leader in policies and programs that reduce GHG emissions. Examples of key City sustainability programs include an aggressive Climate Action Plan, the provision of clean energy to Palo Alto customers via the City owned and operated electric utility, various utility programs to reduce emissions, leadership in Green Building and sustainable design, affordable housing programs, higher density land uses near transit, and numerous "complete streets" oriented policies and projects. An attached letter, sent to ABAG on March 5, 2012, provides additional detail on these programs. The City encourages ABAG to allow flexibility within the SCS for local jurisdictions to provide further means, such as those outlined in the letter, of reducing land use/transportation related emissions.

Mr. Mark Luce, President
Association of Bay Area Government
September 11, 2012

4. The City of Palo Alto continues to have concerns regarding the potential negative environmental, school capacity and infrastructure capacity (recreational, utilities, transit, etc.) impacts the overstated housing mandates may create. The City will, of course, be conducting an environmental review to fully assess the impacts of these mandates during the preparation of our Housing Element for this planning period.

Once again, thank you for the opportunity to comment on the adopted RHNA methodology for the 2014-2022 Housing Cycle. As stated earlier, the City is officially requesting a reduction in the proposed allocation for the reasons stated above. If you have questions or need additional information, please contact Curtis Williams, the City's Director or Planning and Community Environment, at (650) 329-2321 or curtis.williams@cityofpaloalto.org.

Sincerely,

Yiaway Yeh
Mayor

Attachments:

1. March 5, 2012 Letter from Mayor Yeh to Mark Luce (ABAG), including two attachments:
   a) November 15, 2011 Memorandum: "California Demographic Forecasts: Why Are the Numbers Overestimated," prepared by Palo Alto Councilmember Greg Schmid
   b) "Regional Land Use and Transportation SCS: Achieving Statewide GHG Reduction Rates," prepared by Contra Costa Transportation Authority.
2. Tables Detailing Discrepancies Between Department of Finance (DOF) and SCS Projections

cc: City Council
Planning and Transportation Commission
James Keene, City Manager
Curtis Williams, Director of Planning and Community Environment
Ezra Rapport, Executive Director, ABAG
Miriam Chong, Interim Planning Director, ABAG

Action

TOWN OF ROSS

September 20, 2012

RECEIVED
SEP 24 2012
EXECUTIVE DIRECTOR'S OFFICE

Mr. Mark Luce
President
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RE: Town of Ross Appeal and Request For Revision on draft Regional Housing Need Allocation (2014-2022)

Dear Mr. Luce:

This letter is an appeal and request for a revision to the draft Regional Housing Need Allocation for the 2014-2022 housing cycle for the Town of Ross. The Town of Ross is a small, built-out, single-family residential community. The 18-unit allocation for Ross overestimates the housing units that the Town may realistically develop in the housing cycle, even with rezoning and incentives for new unit development.

Fair Share Component

Employment

The Town appeals the determination regarding existing and proposed employment within the Town, which is based on regional estimates and not actual data for the Town of Ross. The regional forecasts overstate growth and ignore the updated demographic forecasts of the State's Department of Finance (DOF). The Town encourages ABAG to work with the State Department of Housing and Community Development (HCD) to reduce the 2010-2040 projections to reflect the data generated by the Department of Finance. We request ABAG to complete peer review of the growth projections for Marin County and recalculate the RHNA in response to that peer review.

The Town has a very small, built-out, downtown commercial area. The commercial development is so low that the Town supports government services with an annual parcel tax on residential sites, a tax that did not receive voter approval in 2012. The primary employers are the Town (15 employees), public grade school (359 students in 2010-2011), private high school (limited by code to 321 students) and a residence for the developmentally disabled. These top four employers together employ fewer than 200 full and part time people. Staff contacted each "major" employer and they do not anticipate any notable growth in the next 30 years.

TOWN OF ROSS • P.O. BOX 320 • ROSS, CA 94957-0320
(415) 453-1453 • FAX (415) 453-1950

Past RHNA Performance

The Town requests that ABAG use the Town of Ross' actual performance for the 1999-2006 RHNA cycle (10 low to very low income units) instead of the estimate by ABAG staff (5 low to very low income units). ABAG should consider that the Town will not develop housing units at a rate equal to development in the past. The Town was incorporated in 1908. The existing 840 housing units in Ross were built when land was available for development and subdivision. Only 52 new units were built in Ross over the last 30 years. Half of the new units were built on vacant lots. Fewer than 30 vacant lots remain, and these pose significant challenges for development due to environmental constraints such as steep topography (80% slopes), limited water supply for firefighting, and access issues.

Thank you for your consideration.

Sincerely,

P. Rupert Russell, Mayor
Town of Ross

cc: Marin County Supervisor Susan Adams

CITY OF SAN RAMON

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PHONE: (925) 973-2500
WEB SITE: www.sanramon.ca.gov

September 18, 2012

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

SUBJECT: Comments and Requests for Revisions to the Draft 2014-2022 Regional Housing Needs Allocation

Dear Mr. Rapport:

The City of San Ramon is requesting revisions to the Draft Regional Housing Needs Allocation adopted by the Association of Bay Area Governments (ABAG) Executive Board on July 19, 2012. This letter is sent as a follow-up to two previous letters sent to the Executive Board on July 18, 2012 and to ABAG staff on June 26, 2012 regarding the draft RHNA methodology. In both letters, San Ramon detailed our continued concerns over the income adjustment formula and the singling out of San Ramon for additional allocations without merit. Our requests for revisions are based on the following comments:

- **Growth Concentration Adjustment Based on Transit Access.** In the July 10th Executive Board staff report, ABAG staff recommended a Growth Concentration adjustment to **"strengthen a fair share distribution between large cities and medium cities with high job growth and transit access."** The adoption of the Growth Concentration adjustment resulted in increased allocations to six "major recipients" including a 10% increase in San Ramon's Draft RHNA. The adjustment was made, in part, under the premise of transit access. As previously noted, all six major recipients of increased allocations have light and/or heavy rail stations within their jurisdiction **EXCEPT** San Ramon. San Ramon simply does not have the same level or type of transit, or access to transit as the other major recipients.

- **Growth Concentration Adjustment Based on High Job Growth.** The six targeted communities for increased allocations are identified as "medium cities with high job growth" however, no definition is provided for what constitutes a "medium city" or "high job growth". If the point of RHNA is to allocate a **FAIR SHARE** of units, other jurisdictions

that fit the criteria of both medium city and high job growth should also be assigned a higher RHNA. A sample of seven other jurisdictions were identified in San Ramon's July 18th letter to the Executive Board where City size and employment growth matches San Ramon's. Additionally, San Ramon noted that of the cities includes in the sample, all cities have existing, functional and funded light and/or heavy rail **EXCEPT** San Ramon. However, no such jurisdictions were subject to a double-digit percent increase in RHNA except San Ramon. If high job growth and transit access is the primary criteria for increased allocations, San Ramon is not where increased allocations should be made.

- **Jobs-Housing Balance in San Ramon.** San Ramon has made significant progress in the past two housing cycles to bring our community closer to reaching the regional goal of a balanced jobs/housing ratio. As demonstrated by our past RHNA performance (1999-2006), San Ramon built over 7,000 new units of which over 1,700 (24% of all units built) were below-market rate. San Ramon is committed to reaching a 1.05 jobs/housing ratio by General Plan buildout in 2030. We are a rare example of a community that is successfully addressing the regional need while other cities, especially transit-rich and employment-rich communities with ratios upward of 2.0 should be asked to do more.

- **Income Allocation Adjustment Factor.** San Ramon would like to reiterate our concern with the 175 percent income adjustment as unrealistically high. The draft RHNA calls for 1,073 (76%) of our total unit allocation to be very low- to moderate-income level housing units. This substantial percentage of affordable units is not feasible given the available tools to incentivize the construction of affordable housing as well as the recent elimination of our Redevelopment Agency. Artificially inflating the amount of affordable units to jurisdictions forces cities to zone for far more units than their assigned RHNA and mounts the pressure to build in areas contrary to the regional goals.

We ask for your consideration of San Ramon's comments and an adjustment of our allocation accordingly. If you wish to discuss our comments further, please contact me by email at pwong@sanramon.ca.gov or by telephone at 925-973-2565.

Sincerely,

Phil Wong
Planning/Community Development Director

Attachment:
Comment letter to Ken Kirkey, dated June 26, 2012
Comment letter to ABAG Executive Board, dated July 18, 2012

Cc: San Ramon City Council/City Manager
Miriam, Chion, ABAG Acting Director of Planning and Research
Debbie Chamberlain, Planning Manager
Cindy Yee, Associate Planner

c12.085 ABAG Executive Board ABAG RHNA 2014-2022 Draft Allocation Letter

CITY OF SAN RAMON

2222 CAMINO RAMON
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July 18, 2012

ABAG Executive Board
101 Eighth Street
Oakland, CA 94607

SUBJECT: July 10th ABAG Staff Memo Re: Final Regional Housing Need Allocation Methodology, 2014-2022 Draft Regional Housing Needs Allocation (RHNA)

Dear ABAG Executive Board:

This letter is written as a follow-up to the City of San Ramon's comment letter dated June 26, 2012 to ABAG staff regarding the draft RHNA methodology. In that letter, San Ramon detailed our concern over the income adjustment formula (see attached). These issues continue to be of concern and inadequately addressed by ABAG staff. In the July 10, 2012 report to the Executive Board from ABAG's Executive Director, San Ramon is the target of another increase in allocation without a clear explanation on why our community has been singled out for increase.

The July 10th report identifies two adjustments for the Board's consideration for adoption of the Final RHNA Methodology. The reason provided for the Growth Concentration adjustment is to **"strengthen a fair share distribution between large cities and medium cities with high job growth and transit access."** The major recipients of this proposed redistribution are:

Cities	# of Additional Units	Employment Growth % (2010-2040)
Fremont	467	34%
Sunnyvale	392	27%
Santa Clara	279	28%
Pleasanton	158	32%
San Ramon	126	32%
San Carlos	61	23%

San Ramon is opposed to the additional assigned units to our jurisdiction. While the adjustment is characterized as a 1.5 percent "minor adjustment" and a "shift of a small share" in the region, it represents a 10% increase in San Ramon's draft allocation and a 50% increase since the first draft allocation presented to the ABAG Executive Board in March 2012.

The adjustments are made, in part, under the premise of transit access. All of the six major recipients of additional units listed above have light and/or heavy rail stations within their jurisdiction **EXCEPT** San Ramon. San Ramon, like many other similarly-sized cities may provide transit access through express bus service and bus transit stations, but in no way do we provide the same level or type of transit, or access to transit as the other cities listed.

Additionally, the targeted communities for increased allocations are identified as "medium cities with high job growth." No definition is provided in the report for what is considered a "medium city", but one can assume that if San Ramon is considered medium-sized, numerous jurisdictions in addition to San Ramon should also be considered for adjustment:

City	*Housing Units (2010)*	*Employment (2010)*	*Employment Growth (%)*	*Rail/Mass Transit?*	*PDA?*
San Ramon	26,220	43,880	32%	No	Yes
City A	49,450	77,020	29%	Yes	Yes
City B	32,420	39,900	33%	Yes	Yes
City C	48,300	69,100	30%	Yes	Yes
City D	32,680	41,650	33%	Yes	Yes
City E	29,170	58,340	32%	Yes	Yes
City F	28,220	89,370	33%	Yes	Yes
City G	19,810	45,060	25%	Yes	Yes

Source: *Jobs-Housing Concentration Scenario, March 2012* and *Plan Bay Area*

In the two tables above, all cities listed have similar employment growth rates to San Ramon's projected 32% increase. One glaring difference again is that all cities listed have existing, functional and funded light and/or heavy rail **EXCEPT** San Ramon. We question why San Ramon is considered for an increase when other cities in similar size, housing unit, employment growth, AND with existing transit have not been considered for increased allocations. We also question why a city like Newark with an expected 41% and 32% increase in housing unit and employment growth, respectively, could merit a 7% allocation reduction while San Ramon is proposed to go up. As noted in the July 10th report, if high job growth and transit access is the primary criteria for increased allocations, San Ramon is not where increased allocations should be made.

If the focus of this year's RHNA methodology is to implement the preferred Jobs/Housing Connection Scenario, other cities with significantly higher jobs/housing ratios should also be considered for growth concentration. San Ramon has made tremendous efforts to meet the past RHNAs assigned to our jurisdiction. During the past 10 years, San Ramon added over 8,000 housing units to address the jobs/housing balance. In attached June 26th letter to the Board, we identified that San Ramon's anticipated jobs/housing ratio will be 1.05 by 2030. We are a rare example of a community that is successfully addressing the regional need, but other cities, especially transit-rich and employment-rich communities should be asked to do more, if not the same.

Some make the argument that San Ramon should be content that their allocation is significantly lower than the previous cycles. However, we find these arguments do not take the comprehensive picture into view. The 3rd and 4th cycle RHNA assignments were made on very different methodologies and land use goals. If a sustainability component had been included with the last two cycles, San Ramon's allocations surely would have been much lower while cities with heavy transit infrastructure would have been assigned far more units.

Thank you again for the opportunity to comment on the draft RHNA Methodology. We ask that the Executive Board take San Ramon's comments into consideration at your July 19, 2012 and reject the Alternative Proposals as drafted, or as a worse-case alternative, adopt the Income Distribution only proposal. If you wish to discuss our comments further, please contact me by email at pwong@sanramon.ca.gov or by telephone at 925-973-2565.

Sincerely,

Phil Wong
Planning/Community Development Director

Attachment:
Comment letter to Ken Kirkey, dated June 26, 2012

Cc: City Council/City Manager
Debbie Chamberlain, Planning Manager
Cindy Yee, Associate Planner
Ezra Rapport, ABAG Executive Director

c12.058 ABAG Executive Board ABAG RHNA 2014-2022 Draft Methodology Comment Letter

CITY OF SAN RAMON

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June 26, 2012

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

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

Dear Ken:

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

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

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

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

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

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

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

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

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

Sincerely,

Phil Wong
Planning/Community Development Director

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

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

CITY OF SARATOGA

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

Incorporated October 22, 1956

COUNCIL MEMBERS:
Manny Cappello
Jill Hunter
Emily Lo
Howard Miller
Chuck Page

September 18, 2012

Ezra Rapport
ABAG Executive Director
101 Eight Street
Oakland, CA 94607

RE: Appeal of 2014-2022 Draft RHNA Allocation

Dear Mr. Rapport:

The City of Saratoga respectfully requests a reduction to the 438 units shown in the draft RHNA allocation for 2014-2022. The City's allocation is a direct result of the minimum housing floor within the fair share component of the final draft methodology. As stated in our previous comment letters, the minimum housing floor is clearly inconsistent with the overall objective of Government Code 65584 and Senate Bill 375 which is to better integrate land-use and transportation planning. Any significant housing growth in smaller bedroom communities that are not supported by employment centers or public transit would increase regional vehicle miles traveled and greenhouse gas emissions.

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

I look forward to working with your staff to discuss the reductions to Saratoga's 2014-2022 draft RHNA allocation.

Sincerely,

James Lindsay
Community Development Director

September 18, 2012

Miriam Chion, Interim Director of Planning and Research
Association of Bay Area Governments
PO Box 2050
Oakland, CA 94604-2050

RE: Draft Regional Housing Needs Allocation (RHNA 2014-2022) Request for Adjustment

Dear Ms. Chion:

Thank you for the opportunity to comment on the draft RHNA numbers. The City of Sunnyvale has reviewed the numbers and believes that the growth assumptions for Sunnyvale 2040 have been overstated by ABAG and that an adjustment is required prior to adoption in order to influence a more realistic 8-year RHNA program.

As you are aware, Sunnyvale has been consistently recognized as a leader in meeting its housing needs for all income levels. We are confident that both our current and draft general plans provide adequate sites to accommodate the units in Sunnyvale's RHNA totals including focusing growth in the City's PDAs; however, market forces will play a major role in dictating how quickly those units get built and how affordable they will be. For example, in 1993, Sunnyvale rezoned a significant amount of land to transition from industrial to residential use; however, it took ten years before the market caught up to that decision and homes were actually developed on these sites.

It appears that ABAG may have utilized Sunnyvale's draft Land Use and Transportation Element (Horizon 2035) as a starting point for its 2040 projections. First, it is important to bear in mind that this document is a draft and is still subject to CEQA review and City Council action. Second, even if the City Council adopts the land uses in Sunnyvale's Draft Horizon 2035 plan it should be noted that a buildout scenario is well beyond 2035. Sunnyvale does not expect buildout to occur by 2035 but anticipates a growth rate in line with historical patterns, which is much less.

We also believe that Sunnyvale's affordable unit completions in the 1999-2006 Housing Element cycle, one of the key factors in the complex formula ABAG used to develop the current Draft RHNA, appear to have been undercounted. City staff contacted ABAG staff, Justin Fried and Sailaja Kurella several weeks ago with the correct data for this factor. They responded that they would investigate our concern and respond to our request for correction shortly. We would like to reiterate our request that the necessary corrections be made, particularly as we understand these numbers influence the RHNA numbers and will also impact our competitiveness in future OBAG and VTA funding applications.

We understand that there are several sets of projections associated with Sunnyvale that may make it unclear where to start on a realistic 2040 projection: 1) Current Sunnyvale General Plan; 2) Draft General Plan (Horizon 2035); and 3) Current General Plan with proposed PDAs at Lawrence Station and East Sunnyvale. The following demonstrates the differences between the projections and ABAG 2040:

BUILDOUT PROJECTIONS

	Existing 2010	Current GP	Horizon 2035	Current GP + Proposed PDAs	ABAG 2040 Projections
PDAs	16,021	22,443	28,989	24,211	31,751
Non-PDAs	39,379	44,127	43,177	44,127	42,358
TOTAL	**55,400**	**66,570**	**72,166**	**68,338**	**74,109**

We understand that the allocation of housing units is driven by the Sustainable Community Strategies process, and based on an assumption that 70% of the units region-wide would be developed within PDAs. Again, in comparing the various projections for Sunnyvale, the split for PDAs varies significantly and is inflated in the ABAG 2040 projection with 84% of net new growth occurring in Sunnyvale PDAs.

SUNNYVALE NET NEW GROWTH FROM 2010

	Existing 2010	Current GP	Horizon 2035	Current GP + Proposed PDAs	ABAG 2040 Projections
PDAs	-	**7,406** 61%	**12,968** 77%	**8,190** 63%	**15,730** 84%
Non-PDAs	-	**4,748** 39%	**3,798** 23%	**4,748** 37%	**2,979** 16%
TOTAL		**12,154**	**16,766**	**12,938**	**18,709**

The ABAG 2040 projections above demonstrate that the assumed rate of development is aggressive and has resulted in a RHNA allocation that is unrealistically high. ABAG has also significantly overstated the projected housing numbers in two of Sunnyvale's PDAs - El Camino Real corridor (planned PDA) and Lawrence Station (proposed PDA). ABAG's 8-year projection to build approximately six thousand (5,978) units at a rate of 747 annual units a years is significantly more aggressive than historic development in Sunnyvale. Historic averages indicate an actual 14-year average of 300 net new dwelling units built per year even considering periods of high entitlement demand.

Sunnyvale also disputes the percent allocation between very low, low, moderate and above moderate housing units for the RHNA, and considers the draft allocation to be significantly skewed based on historic trends. Due to the state's decision to dissolve redevelopment agencies, reductions in federal and state funding programs for housing, and the Palmer court decision declaring inclusionary housing requirements for rental housing unlawful, it is increasingly difficult for cities to assist in the development of affordable housing in order to meet the "quantified objectives" requirement of the housing element. The vast majority of funding sources noted in HCD's 2009 "Building Blocks for Effective Housing Elements" (e.g. Redevelopment, housing set-aside funds, federal stimulus [ARRA] funds, Propositions 1C and prior state bond funds, and various types of HUD funding) have all either been fully expended or significantly reduced.

Our financial estimates indicate that the local funding sources we anticipate to be available during the coming cycle amounts to just 1-2% of the total subsidy that would be required to produce the number of very low, low and moderate income units Sunnyvale has been allocated in the Draft RHNA, which we have estimated at nearly $700 million dollars, assuming an average density of 40-50 units per acre. The City already has adequate sites at the "default densities" to meet the adequate sites requirement, however we are concerned about meeting the "quantified objectives" requirement at the end of the cycle. We understand the tremendous strain that ABAG is under to develop the RHNA, however we are concerned that the affordability levels are not achievable in the current and projected funding environment for housing agencies. We recommend that at least the very low income category be significantly reduced to realistically recognize the very high subsidy amount required for each very low income unit. We would like to further discuss with ABAG staff a reasonable percentage split for Sunnyvale's very low, low, moderate, and above moderate units.

Sunnyvale has been proactively involved with both the SCS and RHNA process. Although we understand the concepts and theories behind the methodology ABAG used to allocate the units to local jurisdictions, we do dispute that Sunnyvale should have such a high allocation of affordable units when larger cities have had their allocations reduced (and given to only the next five largest cities). In addition to accommodating market rate units we are concerned about the practical difficulties and very high cost of building out the affordable units we have been assigned for eight years especially considering the current limitations of outside funding. The proposed eight-year RHNA rate sets Sunnyvale up to fail at providing required housing although our adopted and proposed land use plans clearly show a commitment to meet the City's responsibility.

Based on our own analysis as well as the City's commitment to providing its fair share of affordable units, Sunnyvale staff recommends a reduced 8-year projection of 4,339 total net new units that requires 542 units per year and a 75/25 percent growth split between Sunnyvale

PDAs and the remainder of the City as well as a mix of affordable and moderate units closer to historic percentages.

Sunnyvale Recommended Housing Units for 2014-2022 RHNA

		Type	Recommended 8 yr increment (32% of BO) HU	
El Camino	Planned	Mixed Use Corridor	912	
Downtown	Planned	Transit Town Center	480	
Lawrence Station	*Proposed*	Transit Neighborhood	502	
E. Sunnyvale	*Proposed*	Urban Neighborhood	810	
Tasman Crossing	Planned	Mixed Use Corridor	448	
Moffett Park	Planned	Employment Center	-	
Reamwood	*Proposed*	Employment Center	108	
Peery Park	*Proposed*	Employment Center	-	
PDAs Total			3,260	**75%**
			-	
ITR Not in PDAs (6a and 4a)			352	
ITR 5 (see Northrop Grumman tab)			(288)	
Village Centers (Six of Seven)			136	
Total Other Citywide HU			879	
Non PDAs Total			1,079	**25%**
			-	
TOTAL CITYWIDE			4,339	

Due to the timeframe for adoption of the RHNA we are concerned that Sunnyvale will be burdened with an unusually high requirement for housing. At this time we are requesting an adjustment to Sunnyvale's RHNA allocation and respectfully petition for the ability to meet with you as soon as possible to discuss Sunnyvale staff's recommended changes.

Sincerely,

Hanson Hom
Director of Community Development

cc: City of Sunnyvale: Honorable Mayor Spitaleri and City Councilmembers
Gary Luebbers, City Manager

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

DT: November 5, 2012

TO: ABAG Executive Board

FM: Gerald Lahr, Energy Programs Manager

RE: Update: San Francisco Bay Area Regional Energy Network

Summary: In July ABAG submitted a proposal to the California Public Utilities Commission (CPUC) to implement energy efficiency programs in the ABAG region under a collaborative effort known as the San Francisco Bay Area Regional Energy Network (BayREN). In early October the CPUC issued a Proposed Decision that awards $26 million to BayREN for the 2013-14 funding cycle. A final decision is expected in November.

Background. For several years ABAG has been a participant in the Local Government Sustainable Energy Coalition (LGSEC)[1] which has advocated to the CPUC that local governments be given more responsibility and authority over public funds set aside for energy efficiency programs. (Traditionally these funds have been administered by investor owned utilities such as Pacific Gas & Electric Company (PG&E).) In early May the CPUC issued a guidance decision covering energy efficiency programs for the 2013-14 period, and included in this decision an order that allowed local governments to submit proposals to the CPUC for regional energy pilots during this program cycle.[2]

As reported to the Executive Board in July, ABAG subsequently convened a steering committee of local government agency staff representing the nine Bay Area counties[3], as follows:

- Alameda County Waste Management Authority (StopWaste.Org)
- City and County of San Francisco
- City of Suisun City (Representing Solano County)
- County of Contra Costa
- County of Marin
- County of Napa
- County of San Mateo
- County of Santa Clara
- Sonoma County Regional Climate Protection Authority

[1] The LGSEC is a statewide membership organization of cities, counties, special districts, councils of government, and non-profit organizations that support government entities. A list of members can be found at www.lgsec.org.
[2] CPUC Decision 12-05-015.
[3] ABAG is also coordinating with the Southern California REN (SoCalREN) lead by LA County.

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-8468 info@abag.ca.gov Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94607-4756

This group agreed to submit a collaborative proposal for a San Francisco Bay Area Regional Energy Network with ABAG as the lead agency. On July 16th ABAG submitted a $41 million proposal to implement the BayREN which included the following primary program elements:

- Energy Efficiency Retrofits for Single Family Residential
- Energy Efficiency Retrofits for Multi-family Residential
- Promotion of Energy Efficiency Codes and Standards
- Financing Programs that Promote Energy Efficiency Projects

Also in July, the ABAG Executive Board approved a resolution supporting the creation of the BayREN and the submittal of the proposal to the CPUC.

In early October the CPUC issued a Proposed Decision (PD) that recommends an award of $26 million for implementation of the BayREN during calendar years 2013-2014. This PD is now open for public comment, with a final decision expected in November.

Attachment: (A) BayREN Proposal Summary

cc: Ezra Rapport, Executive Director

ATTACHMENT I

San Francisco Bay Area Regional Energy Network

Pilot Project Executive Summary

August 2012

What is the Bay Area Regional Energy Network (BayREN)?

A regional energy network (REN) led by the Association of Bay Area Governments (ABAG) and composed of public agencies representing the nine-county region[1] (the BayREN). This coalition of governments previously aligned under the launch of Energy Upgrade California™ (funded by the American Reinvestment and Recovery Act, or ARRA) to pilot and refine whole-home upgrade and other programs (e.g., multi-family, financing, PACE, and incentive mechanisms) that are the subject of California Public Utilities Commission (CPUC) objectives under the Energy Efficiency 2013–2014 Program Cycle. The BayREN will design and implement effective energy savings programs, and draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful regional and local climate, resource, and sustainability programs. As a regional entity capable of uniform, accessible, accountable, and effective programs, BayREN represents 20 percent of the state's population and half of the population of the Pacific Gas & Electric Company's (PG&E) service territory.

Why is it needed?

- Bay Area local governments have aggressive climate, energy, and resource savings goals that only can be met through scalable regional initiatives that deliver results. BayREN provides an effective platform for local government energy programs to leverage and benefit from regional consistency, scale, and awareness.
- Proposed BayREN energy savings programs complement and supplement established core programs of existing PG&E local government partnerships (LGP), commonly referred to as Energy Watch Programs. A number of Energy Watch Programs within the region serve utility programs and address the priorities of local elected officials. The BayREN provides the regional infrastructure needed for efficient delivery throughout the Bay Area of programs of universal application and need. This model of Energy Watch and BayREN programs aligns programs with the local and regional application that ensures the best opportunity of success for all.
- Achieves greater energy savings by leveraging local government's knowledge of their community and the existing relationships with their constituents and key stakeholders.
- Leverages resources and relationships available through local government to build market demand for energy efficiency services in service of State energy goals.

[1] ABAG's county membership includes: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.

- Carries forward key programs refined during ARRA for rapid deployment of programs under the 2013–2014 Energy Efficiency Cycle.
- Promotes enhanced awareness and more uniform penetration of key energy efficiency programs and mechanisms.
- Builds energy efficiency expertise and experience of local governments against local, county, regional, and state boundaries

What will the pilot do?

- Access untapped markets by harnessing the collective power of local government action
- Provide a one-stop shop for local governments to implement large scale, cross-sector, and fuel neutral energy management strategies
- Develop local government expertise and energy management capabilities for sustained long term success
- Provide for local government access to data necessary to greater expansion of high-performance, cost-effective programs (currently constrained or unavailable)
- Build on programs launched through ARRA funds and leverage ratepayer funds with outside grant funds
- Deliver four pilot subprograms (**$41.6 million total**) under a structure that encourages leveraging of elements across sub-programs to increase uptake of upgrades:

Single Family Subprogram: $18.00 million

- Builds upon pilot programs launched through ARRA funds
- Focuses pilot programs to increase Energy Upgrade uptake and attract moderate income residents
- Offers outreach to overcome consumer awareness barriers and incentives to reduce cost barriers
- Launches an alternative upgrade package incentive to reduce costs to consumers and align program design with traditional contractor business models
- Integrates referrals to PG&E and other whole-building, green building, and water efficiency programs
- Leverages ratepayer funds with outside grant and alternative funding
- Services
    - Marketing and outreach (regional and local)
    - Targeted Audit Incentives
    - Home Upgrade Advisor Program
    - Flex Package Rebate Program
    - Real Estate Partnerships and Green Labeling
    - Contractor training, mentoring, and outreach
    - Cross-support in outreach and education from local government programs (e.g., climate action, emissions reductions and air quality, water and resource conservation, sustainable communities, and resiliency).

Multi-Family Subprogram: $9.73 million

- Targets outreach to multi-family property owners to promote Energy Upgrades
- Offers comprehensive technical assistance to building owners addressing the multiple benefits of an upgrade and lowering barriers for participation
- Integrates referrals to PG&E and other whole-building, green building, and water efficiency programs
- Leverages ratepayer funds with outside grant and alternative funding
- Services:
  - Bundled Measure Incentive
  - Technical Assistance
  - Upgrade approach and measure recommendation
  - Program referral

Codes and Standard Subprogram: $3.35 million

- Promotes an integrated, measurement-driven management process for enhancing energy code compliance
- Establishes code compliance baselines for jurisdictions in the Nine-County Bay Area
- Offers targeted training based upon baselines to institutionalize regular, actionable feedback to local officials
- Services:
  - Compliance baseline and tracking
  - Education and training
  - Policy support and advocacy

Financing Portfolio Subprogram: $10.52 million

- Develops and launches regional public agency–led financing portfolio
- Provides incentives prudently scaled to drive conversion rates as well as depth and longevity of energy upgrades
- Offers multiple financing options to assist diverse consumers undertake energy projects
- Loan programs:
  - Single Family Loan Loss Reserve
  - Multi-Family Capital Advance Program
  - Commercial PACE (building upon current San Francisco and Sonoma County programs, and Eight-County enrollment in CaliforniaFIRST (5 participating in the First Phase Pilot)
  - Pay-as-You-Save® On-Bill Energy/Water Efficiency Pilots

When will the pilot be implemented?

January 2013 through December 2014, Energy Efficiency Transition Cycle

Who will lead the pilot?

The Association of Bay Area Governments, acting as fiscal agent and contractor, will lead a governance committee of representatives from the counties served by the BayREN (the Steering Committee). In order to enhance the flexibility and responsiveness of the BayREN to its members and constituents, the Steering Committee has elected four of its members to serve on a Technical Executive Committee. Both Committees also serve as program and information sharing conduits between the BayREN and regional Energy Watch Programs.

Who will be served?

Cities, counties, and other selected public agencies and Districts in the PG&E service territory. BayREN will reach 101California cities in the following counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

What is the proposed budget?

Program Year	2013	2014	Total
Single-Family	$5,617,256	$12,382,744	$18,000,000
Multi-Family	$3,410,000	$6,315,000	$9,725,000
Codes and Standards	$1,791,821	$1,557,179	$3,349,000
Financing	$4,073,310	$6,450,440	$10,523,750

Sourced from funds allocated to IOUs by the CPUC to support RENs, including unspent, reallocated, or other non-LGP/Energy Watch funds currently under administration by PG&E.

What are the projected outcomes?

Projected Savings by Subprogram	kWh	kW	therms
Single-Family	4,048,898	5,968	932,179
Multi-Family	3,900,677	2,759	183,160
Codes and Standards	7,630,000	950	190,000
Financing	TBD	TBD	TBD
Total	15,579,575	9,677	1,305,339

In addition:

- Approximately 6,000 single-family units will undergo multi-measure energy upgrades.
- 6,000 multi-family units will undergo multi-measure energy upgrades.
- 550 building professionals will be trained.
- 1,650 local government building department employees will be trained.
- $24,400,000 will be provided through financing mechanisms to support energy upgrades.

What is its projected cost effectiveness?

Subprogram	TRC	PAC
Single-Family	0.51	1.18
Multi-Family	0.85	1.43
Codes and Standards	1.05	3.96
Overall Program with Financing Amortized	0.52	1.02

What are the benefits of the pilot?

In addition to achieving cost effective, and greater and deeper energy savings that complement the work of PG&E LGP/Energy Watch Programs, the BayREN subprograms will:

- Have a greater reach and consistency than PG&E programs alone
- Increase participation in the PG&E WHUP offering across socio-economic consumer bases
- Enhance PG&E single-measure and multi-family rebate programs through targeted outreach and technical support
- Leverage local governments' unique position to improve code compliance and provide "reach codes"
- Include water efficiency measures that reduce energy use and address the water-energy nexus
- Provide financing programs to increase property owner uptake of upgrades
- Leverage outside funding resources
- Implement innovative workforce training initiatives for building professionals and code officials
- Utilize emerging technologies

LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE

Committee Chair: Councilmember Julie Pierce—City of Clayton
Committee Vice Chair: Supervisor David Rabbit—Sonoma County

Staff: Patricia Jones – Assistant Executive Director 510/ 464-7933; FAX 510/464-7970; PatJ@abag.ca.gov
Kathleen Cha – Senior Communications Officer 510/ 464-7922; KathleenC@abag.ca.gov

Thursday, November 15, 2012 – 3:30 p.m. to 5:00 p.m.

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

AGENDA*

1.	**OPEN AGENDA** Committee members may raise issues for consideration; members of the public may speak.	Information/ Action
2.	**APPROVAL OF MINUTES** Committee will review and approve the minutes of the September 20, 2012, L&GO meeting.	Information/ Action
3.	**ESTABLISH LEGISLATIVE PRIORITIES FOR 2013 LEGISLATIVE SESSION**	Information/ Action
4.	**2013 LEGISLATIVE WORKSHOP AND RECEPTION** Planning discussion related to format, timing and co-sponsorship opportunities	Information/ Action
5.	**UPDATE ON BALLOT MEASURES APPROVED**	
	ADJOURNMENT Next meeting is scheduled for **January 17, 2013.**	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**.

ABAG FINANCE AND PERSONNEL COMMITTEE

Thursday, November 15, 2012, 5:00 p.m.
ABAG Conference Room B
MetroCenter—8th and Oak Streets
Oakland, CA

		Recommendation ***
1.	**Call to Order**	
2.	**Public Comments**	**Information**
***3.**	**Minutes of the September 20, 2012 Meeting**	**Action**
****4.**	**Financial Reports – ABAG** *The July, August and September 2012 Financial reports will be presented and reviewed.*	**Action**
***5.**	**Proposal to pay *per diem* for attending regular BACEI meetings** *Pursuant to F&P direction, staff has prepared memorandum and resolution for adoption by Executive Board to implement a per diem policy to reimburse current and past Presidents and the Vice President of ABAG (still on the ABAG Executive Board) who attend the regularly scheduled quarterly meetings of the Bay Area Council Economic Institute.*	**Action**
****6.**	**Audited Financial Reports for ABAG** *Auditors from Maze & Associates will present the June 30, 2012 audited financial reports for ABAG. Committee will consider recommending Executive Board approval of these reports.*	**Action**
	THE FOLLOWING ITEMS WILL BE DISCUSSED IN CLOSED SESSION PURSUANT TO THE REQUIREMENTS OF THE RALPH M. BROWN ACT.	
7.	**Conference with Labor Negotiators** *Agency* designated *representatives: Ezra Rapport, Patricia Jones, Herbert Pike, Kenneth Moy and Brian Kirking.* *Employee organization: SEIU Local 1021.*	**Action/ Information**
8.	**Public Employee Performance Evaluation** *Title: Executive Director*	**Action/ Information**

9.	**Adjournment**	**Action**

* Attachments enclosed with packet.
** Supporting documentation will be sent under separate cover.
*** The Committee may take action on any item on the agenda, which action may be the recommended action, any other action or no action.

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

September 20, 2012

Members Present	Jurisdiction
Supervisor Jacobs Gibson, Chair	County of San Mateo
Supervisor David Cortese	County of Santa Clara
Mayor Mark Green	City of Union City
Supervisor Scott Haggerty	County of Alameda
Supervisor John Gioia	County of Contra Costa
Supervisor Barbara Kondylis	County of Solano
Supervisor Mark Luce	County of Napa
Vice Mayor Peter McHugh	City of Milpitas
Councilmember Julie Pierce	City of Clayton
Councilmember A. Sepi Richardson	City of Brisbane

Members Not in Attendance	
Supervisor David Rabbitt	County of Sonoma

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) Chair Jacobs Gibson called the meeting to order at 5:00 p.m.

2) There were no public comments.

3) Summary Minutes of the July 19, 2012 meeting were approved.
/M/Haggerty/S/Green/C/approved.

4) Pike provided an overview of the June 2012 Financial Reports.
/M/McHugh/S/Pierce/C/approved.

5) Pike presented the annual Report on Diversity and Business Opportunity for Fiscal Year 2012-13.
/M/Haggerty/S/McHugh/C/approved.

F&PC AGENDA ITEM #3

6) The Committee discussed a proposed ABAG resolution to pay per diem to members who attend a regular ABAG Board or committee meeting for which a quorum is not achieve. /M/Richardson/S/McHugh/C/approved.

7) The Committee discussed whether payment of perdiem should be provided for ABAG Board members who attend regular quarterly meetings of the Bay Area Council Economic Institute meetings. The Committee directed staff to return at the next meeting of the Finance & Personnel Committee, November 15, with a proposed resolution. /M/Haggerty/S/Jacobs-Gibson/C/to direct staff to return on November 15 with proposed resolution.

8) Rapport reported to the Committee on the progress in securing long-term funding through at least through June 2017. The intent is to negotiate every two years for an on-going four year agreement to assure on-going continuous funding.

9) Pike presented the major elements of the recent State legislation modifying employee retirement benefits and how it will impact current and prospective ABAG employees.

10) In closed session, the Committee discussed the Employee Performance Evaluation of Legal Counsel.

11) The meeting was adjourned at 6:45 p.m.

DATE: **November 2, 2012**

TO: **Finance & Personnel Committee**

FROM: **Herbert L. Pike, C.P.F.O., Finance Director**

SUBJECT: **Proposal to Pay *per diem* for Attending Regular BACEI Meetings**

Pursuant to direction from the Finance & Personnel Committee at the meeting of September 20, 2012, staff is presenting this memorandum and attached Resolution for the Committee to recommend approval by the Executive Board. The Resolution provides for the payment of a *per diem* to the current Vice President and President, and past Presidents of ABAG who are still on the Executive Board who attend the regularly scheduled quarterly meetings of the Bay Area Council Economic Institute (BACEI) as ABAG's appointees. BACEI usually cancels one of these quarterly meetings each year.

It is estimated that this would include 4 delegates attending an average of 3 meetings per year. The estimated cost would be $1,800 per year.

As one of the original founders of the BACEI, this would further demonstrate ABAG's continuing commitment to participate in its discussions and programs in furthering the interests of the Greater Bay Area.

Recommendation Action: Approve forwarding of Resolution to the Executive Board for approval.

F&PC AGENDA ITEM #5

ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD

RESOLUTION NO. 18-12

WHEREAS, the Association of Bay Area Governments (ABAG) is a joint powers agency formed pursuant to the Joint Powers Act, California Government Code §§ 6500, et seq.; and

WHEREAS, Section VII.A(7) of the duly adopted Bylaws of ABAG states that "where expressly designated by the Executive Board, individuals participating in special committees, task forces or other meetings, shall receive a *per diem*"; and

WHEREAS, ABAG is one of the founders of the Bay Area Council Economic Institute (BACEI) and appoints some of the members of the Board of Directors (Board) of BACEI; and

WHEREAS, the Finance and Personnel Committee recommends that ABAG pay a *per diem* to specified members of the Board of BACEI appointed by ABAG for attending the quarterly meetings of the Board.

ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 18-12

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby designates, for the purpose of receiving a *per diem* for their attendance at the quarterly meetings of the Board of Directors of the Bay Area Council Economic Institute, the following appointees of ABAG to said Board: the then current President and Vice President of ABAG, and any past Presidents of ABAG who are still members of the Executive Board, provided that any *per diem* paid pursuant to this authorization is subject to the then current limit on the total number of *per diem* payments that an individual may receive in a fiscal year.

The foregoing adopted by the Executive Board this 15th day of November, 2012.

Mark Luce
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 15th day of November, 2012.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

Executive Board

PRESIDENT	Supervisor Mark Luce, County of Napa
VICE PRESIDENT	Councilmember Julie Pierce, City of Clayton
IMMEDIATE PAST PRESIDENT	Mayor Mark Green, City of Union City
SECRETARY-TREASURER	Ezra Rapport
LEGAL COUNSEL	Kenneth K. Moy

County of		Representative	Alternate
ALAMEDA	**	Supervisor Richard Valle	Supervisor Keith Carson
ALAMEDA	**	Supervisor Scott Haggerty	Supervisor Nathan Miley
CONTRA COSTA	*	Supervisor Karen Mitchoff	Supervisor Candace Andersen
CONTRA COSTA	*	Supervisor John Gioia	Supervisor Mary Piepho
MARIN	**	Supervisor Susan L. Adams	Supervisor Judy Arnold
NAPA	**	Supervisor Mark Luce	Supevisor Bill Dodd
SAN FRANCISCO	**	Supervisor Christina Olague	Supervisor Eric Mar
SAN FRANCISCO	**	Supervisor Carmen Chu	To Be Appointed
SAN MATEO	*	Supervisor Rose Jacobs Gibson	To Be Appointed
SAN MATEO	*	Supervisor Dave Pine	To Be Appointed
SANTA CLARA	**	Supervisor Mike Wasserman	Supervisor George Shirakawa
SANTA CLARA	**	Supervisor David Cortese	Supervisor Ken Yeager
SOLANO	*	Supervisor Barbara Kondylis	Supervisor Linda Seifert
SONOMA	*	Supervisor David Rabbitt	Supevisor Mike McGuire

Cities in the County of		Representative	Alternate
ALAMEDA	*	Mayor Mark Green (Union City)	Mayor Michael Sweeney (Hayward)
ALAMEDA	*	Mayor Tim Sbranti (Dublin)	To Be Appointed
CONTRA COSTA	**	Councilmember Julie Pierce (Clayton)	Councilmember Brandt Andersson (Lafayette)
CONTRA COSTA	**	Councilmember Dave Hudson (San Ramon)	Councilmember Ben Johnson (Pittsburg)
MARIN	*	Mayor Pro Tem Pat Eklund (Novato)	Vice Mayor Daniel Hillmer (Larkspur)
NAPA	*	Mayor Jack Gingles (Calistoga)	Mayor Leon Garcia (American Canyon)
CITY OF SAN FRANCISCO	*	Mayor Edwin Lee	Jeff Buckley, Office of the Mayor
CITY OF SAN FRANCISCO	*	Jason Elliott, Dir, Legislative/Government Affairs	Kelly Pretzer Office of the Mayor
CITY OF SAN FRANCISCO	*	Joaquin Torres, Office of the Mayor	Gillian Gillett, Office of the Mayor
SAN MATEO	**	Councilmember A. Sepi Richardson (Brisbane)	Councilmember Pedro Gonzalez (S San Francisco)
SAN MATEO	**	Vice Mayor Richard Garbarino (S San Francisco)	Councilmember Nadia Holober (Millbrae)
SANTA CLARA	*	Councilmember Joe Pirzynski (Los Gatos)	Councilmember Gilbert Wong (Cupertino)
SANTA CLARA	*	Councilmember Ronit Bryant (Mountain View)	Vice Mayor Greg Scharff (Palo Alto)
SOLANO	**	Mayor Harry Price (Fairfield)	Mayor Jack Batchelor (Dixon)
SONOMA	**	Councilmember Susan Gorin (Santa Rosa)	Vice Mayor Tiffany Renee (Petaluma)
CITY OF OAKLAND	*	Councilmember Rebecca Kaplan	To Be Appointed
CITY OF OAKLAND	*	Councilmember Jane Brunner	To Be Appointed
CITY OF OAKLAND	*	Councilmember Desley Brooks	To Be Appointed
CITY OF SAN JOSE	*	Councilmember Sam Liccardo	Councilmember Rose Herrera
CITY OF SAN JOSE	*	Councilmember Kansen Chu	Councilmember Nancy Pyle
CITY OF SAN JOSE	*	Councilmember Ash Kalra	Mayor Chuck Reed

Advisory Members	Representative	Alternate
RWQCB	Terry Young	To Be Appointed

* Term of Appointment: July 1, 2012 - June 30, 2014

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

ABAG

Meeting Schedule **2013**

Executive Board Meetings

January 17
March 21
May 16
July 18
September 19
November 21

START TIME
7:00 PM

LOCATION
Joseph P. Bort MetroCenter Auditorium
101 8th Street
Oakland, California 94607
Across from the Lake Merritt BART Station

Spring General Assembly

April TBD
Location TBD

Fall General Assembly

October TBD
Location TBD