

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

REVISED

ABAG EXECUTIVE BOARD MEETING NO. 403

Thursday, December 4, 2014, 7:00 PM

Location:

Joseph P. Bort MetroCenter
Lawrence D. Dahms Auditorium
101 8th Street
Oakland, California

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

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

For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT

Information

3. ANNOUNCEMENTS

Information

4. PRESIDENT'S REPORT

Information

5. EXECUTIVE DIRECTOR'S REPORT

Information

6. CONSENT CALENDAR

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

A. Approval of Executive Board Summary Minutes of Meeting No. 402 held on September 18, 2014

Attachment: Summary Minutes of September 18, 2014

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B. Approval of Transmission of Federal Grant Applications to State Clearinghouse

With Executive 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.

Attachment: Grant Applications

C. Adoption of Meeting Schedule for 2015

The Executive Board is requested to adopt its meeting schedule for 2015.

Attachment: Proposed Meeting Schedule

D. Adoption of Resolution No. 18-14 Confirming CEQA Determination for Phase 2 of the Google/San Francisco Bay Trail Resurfacing Project

The Executive Board is requested to adopt Resolution No. 18-14.

Attachments: Confirming CEQA Determination, Notice Categorical Exemption, Resolution No. 18-14

E. Health Care Symposium

The Executive Board is requested to approve convening a Health Care Symposium, here at ABAG at 8:30AM on January 27, 2015. Public Employees' Medical and Hospital Care Act (PEMHCA) member agencies will be invited to send representatives to participate in the event. The goal of the symposium is to bring together elected officials, managers and labor leaders to gain a better understanding of the causes of inflation in healthcare costs. Participants will also have the opportunity to discuss potential actions to help minimize or reduce the cost of healthcare. The symposium will have no financial impact on ABAG.

F. Authorization to Enter into Contract Agreements with Local Project Sponsors for 10 Bay Area Integrated Regional Water Management Projects

The Executive Board is requested to approve for Executive Director or designee to enter into contract agreements on behalf of ABAG with the Local Project Sponsors to implement the above referenced projects. The San Francisco Estuary Partnership and ABAG will provide overall grant management services for the DWR grant which extends four years from the award date of November 12, 2014.

Attachments: IRWMP Round 3; DWR Award Letter

G. Committee Appointments

The Executive Board is requested to ratify the following committee appointments.

Metropolitan Transportation Commission

Julie Pierce, Councilmember, City of Clayton

Regional Planning Committee

Russell Hancock, President and CEO, Joint Venture Silicon Valley

Matt Regan, Vice President of Public Policy, Bay Area Council

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7. PRIORITY DEVELOPMENT AREA IMPLEMENTATION SHOWCASE—DOWNTOWN SAN FRANCISCO AND DOWNTOWN OAKLAND

Information. Rachel Flynn, Director of Planning and Building for the City of Oakland, and Gil Kelley, Director of Citywide Planning for the City of San Francisco, will share the long-term visions for their Downtown Priority Development Areas. Their presentation will compare development trends and focus on how the two downtowns relate to one another, and how they impact and relate to the rest of the region. Ms. Flynn and Mr. Kelley will also discuss opportunities for collaboration between the two cities, as well as other jurisdictions, to address some of the challenges to accommodating future growth.

Attachment: PDA Implementation Showcase

8. REVIEW OF PRIORITY DEVELOPMENT AREA CRITERIA

ACTION. Miriam Chion, Planning and Research Director, will provide an overview of the region's Priority Development Area criteria and guidelines.

Attachments: Review PDA Criteria; PDA List; Regional Map; Guidelines Table; Size Graphs

9. COMMUNITY ENGAGEMENT PLAN FOR PLAN BAY AREA 2017

ACTION. Brad Paul, Deputy Executive Director, will report on the designated roles ABAG and MTC play in implementing SB 375 and the federal Regional Transportation Plan (RTP) as well as the milestones we anticipate for Plan Bay Area 2017, and will outline ABAG's proposed community engagement process that will help supplement MTC's Public Participation Plan.

Attachment: Community Engagement, Communication Support

10. LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE REPORT

Information/ACTION. Committee Chair Scott Haggerty, Supervisor, County of Alameda, will report on Committee activities and request Executive Board approval of Committee recommendations.

Attachments: LGO Committee Agenda; Legislation Final Status; Legislation Priorities

11. FINANCE AND PERSONNEL COMMITTEE REPORT

Information/ACTION. Committee Chair Bill Harrison, Mayor, City of Fremont, will report on Committee activities and request Executive Board approval of Committee recommendations.

A. Report on Diversity and Business Opportunity—FY 2013/14

B. Audited Financial Reports for ABAG—June 30, 2014

Attachment: FP Committee Agenda Revised

12. CLOSED SESSION

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

A. Conference with Labor Negotiators

Agency designated representatives: Brian Kirking, ABAG Information Technology/Human Resources Director; Brad Paul, ABAG Deputy Executive Director; and Herb Pike, ABAG Finance Director

Employee organization: SEIU Local 1021

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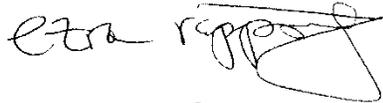
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13. REPORT OUT OF CLOSED SESSION

14. ADJOURNMENT

The next meeting of the Executive Board will be announced.

Submitted:

A handwritten signature in black ink, appearing to read "Ezra Rapport". The signature is written in a cursive style with a large, sweeping flourish at the end.

Ezra Rapport, Secretary-Treasurer

Date Submitted: November 26, 2014

Date Posted: November 26, 2014

SUMMARY MINUTES (DRAFT)

ABAG Executive Board Meeting No. 402
Thursday, September 18, 2014
Joseph P. Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Julie Pierce, Councilmember, City of Clayton, called the meeting of the Executive Board of the Association of Bay Area Governments to order at about 7:05 p.m.

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

President Pierce welcomed Jim Davis, Vice Mayor, City of Sunnyvale, and Alternate from Cities in Santa Clara County. She recognized Greg Lyman, Mayor, City of El Cerrito, and Alternate from Cities in Alameda County, who was present.

A quorum of the Board was present.

Representatives and Alternates Present Jurisdiction

Supervisor Candace Andersen	County of Contra Costa
Mayor Jack Batchelor	City of Dixon
Councilmember Desley Brooks	City of Oakland
Councilmember Ronit Bryant	City of Mountain View
Supervisor Cindy Chavez	County of Santa Clara
Councilmember Kansen Chu	City of San Jose
Vice Mayor Jim Davis	City of Sunnyvale
Councilmember Pat Eklund	City of Novato
Mayor Leon Garcia	City of American Canyon
Councilmember Pradeep Gupta	City of South San Francisco
Supervisor Scott Haggerty	County of Alameda
Mayor Bill Harrison	City of Fremont
Vice Mayor Dave Hudson	City of San Ramon
Supervisor Mark Luce	County of Napa
Councilmember Jake Mackenzie	City of Rohnert Park
Supervisor Eric Mar	County of San Francisco
Supervisor Karen Mitchoff	Count of Contra Costa
Mayor Mary Ann Nihart	City of Pacifica
Councilmember Julie Pierce	City of Clayton
Supervisor David Rabbitt	County of Sonoma
Supervisor Katie Rice	County of Marin
Supervisor Linda Seifert	County of Solano
Mayor Jerry Thorne	City of Pleasanton

Representatives Absent

Supervisor David Cortese
Dir Jason Elliott, Leg/Gov Affairs
Councilmember Dan Kalb
Councilmember Ash Kalra
Supervisor Jane Kim

Jurisdiction

County of Santa Clara
City of San Francisco
City of Oakland
City of San Jose
County of San Francisco

Director William Kissinger	RWQCB
Mayor Edwin Lee	City of San Francisco
Councilmember Sam Liccardo	City of San Jose
Supervisor Dave Pine	County of San Mateo
Mayor Jean Quan	City of Oakland
Supervisor Warren Slocum	County of San Mateo
Supervisor Richard Valle	County of Alameda

2. PUBLIC COMMENT

There were no public comments.

3. ANNOUNCEMENTS

Mary Ann Nihart, Mayor, City of Pacifica, informed the Executive Board of the death of James Vreeland, former Mayor, City of Pacifica, who passed away on September 13, 2014.

President Pierce announced that In the interest of cost saving efficiency and resource conservation, ABAG will no longer be automatically mailing out paper copies of the Executive Board agenda packets. Agenda packets will be provided in PDF format and online. A hard copy packet will be available upon request.

There were no other announcements.

4. PRESIDENT'S REPORT

President Pierce reported on the following:

The *Estuary Bay + Delta + Water: Better Together Conference* in Antioch on September 24, presented by ABAG, Delta Counties Coalition and Friends of the San Francisco Estuary, examines the role of fresh water in the Bay-Delta Estuary, current planning processes underway that may positively or negatively impact fresh water flows, and what needs to be done to protect the environmental, economic, social and health benefits of the San Francisco Bay-Delta Estuary.

The *Loma Prieta 25 Symposium: Still on Shaky Ground, Building Bay Area Resilience*, on October 16, sponsored by ABAG, USGS, California Earthquake Authority, California Resiliency Alliance, and others, commemorates the 25th anniversary of the Loma Prieta Earthquake and explores and supports in-depth future resilience action.

The 8th *Biennial Bay-Delta Science Conference: Making Connections* at the Sacramento Convention Center on October 28, 29, and 30, sponsored by ABAG's San Francisco Estuary Partnership, presents technical analyses and results relevant to the Delta Science Programs mission to provide the best possible, unbiased, science-based information for water and environmental decision-making in the Bay-Delta System.

ABAG Finance Authority for Non Profit Corporations is sponsoring, with Fannie Mae/Freddie Mac and others, a conference called *Designing, Financing, and Administering First-Time Home Buyer Programs: Strategies for Successful Low, Moderate and Workforce Housing* at the MetroCenter Auditorium on November 13.

The Ninth Annual Sewer Summit, *Be Sewer Smart this Rainy Season*, will be held at the Marriott Fremont-Silicon Valley, on November 13, sponsored by ABAG PLAN, to collaborate and identify potential resolutions to conflicts that limit current prevention efforts, from best practices to meeting regulatory compliance burdens.

As part of the series of meeting with delegates in each county, Brad Paul, ABAG Deputy Executive Director, will discuss Plan Bay Area next steps and needs and challenges with the Contra Costa Mayors Conference in Pleasant Hill on October 2.

Following a discussion on whether the next regular Executive Board meeting should change from December 4 to November 20, the consensus of the members was to retain the original meeting schedule. The meeting was originally scheduled on December 4 to accommodate those members who may attend the California State Association of Counties meeting.

5. EXECUTIVE DIRECTOR'S REPORT

There was no Executive Director's report.

6. CONSENT CALENDAR

Kenneth Moy, ABAG Legal Counsel, reported that the San Francisco Estuary Partnership submitted an urgency item to be added to the Consent Calendar calling for the adoption of Resolution No. 17-14, Pledging Membership Dues for the Unified Bay and Delta Protection Planning and Reporting Project.

President Pierce recognized a motion by Mary Ann Nihart, Mayor, City of Pacifica, which was seconded by Linda Seifert, Supervisor, County of Solano, to add the adoption of Resolution No. 17-14 to the Consent Calendar.

There was no discussion.

The aye votes were: Andersen, Batchelor, Brooks, Bryant, Chavez, Chu, Davis, Eklund, Garcia, Gupta, Haggerty, Harrison, Hudson, Luce, Mackenzie, Mar, Mitchoff, Nihart, Pierce, Rabbitt, Rice, Seifert, Thorne.

The nay votes were: None.

Abstentions were: None.

Absent were: Cortese, Elliott, Kalb, Kalra, Kim, Kissinger, Lee, Liccardo, Pine, Quan, Slocum, Valle.

The motion passed unanimously.

President Pierce recognized a motion by Pat Eklund, Councilmember, City of Novato, which was seconded by Candace Anderson, Supervisor, County of Contra Costa, to approve the Consent Calendar, including adoption of Resolution No. 17-14, Pledging Membership Dues for the Unified Bay and Delta Protection Planning and Reporting Project.

There was no discussion.

The aye votes were: Andersen, Batchelor, Brooks, Bryant, Chavez, Chu, Davis, Eklund, Garcia, Gupta, Haggerty, Harrison, Hudson, Luce, Mackenzie, Mar, Mitchoff, Nihart, Pierce, Rabbitt, Rice, Seifert, Thorne.

The nay votes were: None.

Abstentions were: None.

Absent were: Cortese, Elliott, Kalb, Kalra, Kim, Kissinger, Lee, Liccardo, Pine, Quan, Slocum, Valle.

The motion passed unanimously.

A. Approval of Executive Board Summary Minutes of Meeting No. 401 held on July 19, 2014

B. Approval of Transmission of Federal Grant Applications to State Clearinghouse

The Executive Board consented to ABAG transmitting an 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. Ratification of Submittal of Proposal to the Department of Energy for HVAC Permit Program by the Bay Area Regional Energy Network (BayREN)

The Executive Board ratified the proposal submitted to the Department of Energy for 2015-2016 funding for the BayREN in the amount of \$300,000, and authorized the ABAG Executive Director to enter negotiations and execute the necessary agreements for acceptance of the approved funding and implementation of the BayREN HVAC Pilot Program.

D. Authorization to Enter into Contract Agreements with Local Project Sponsors for Nineteen (19) Bay Area Integrated Regional Water Management Projects

The Executive Board authorized the Executive Director, or his designee, to enter into contract agreements on behalf of ABAG with the Local Project Sponsors to implement the above referenced projects. The San Francisco Estuary Partnership and ABAG will provide overall grant management services for the DWR grant which extends from the award date of February 4, 2014 through completion date of December 31, 2018.

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

The Executive Board authorized the Executive Director, or his designee, to enter into a contract amendment on behalf of ABAG/SFEP with the USGS for support services on the 2010 Bay-Delta Science Conference. The contract amount will not exceed \$140,000.

F. Authorization to Amend Contract Agreement with Customized Performance, Inc. for Janitorial Services

The Executive Board authorized the Executive Director, or his designee, to amend the agreement with Customized Performance, Inc., to extend the contract period from July 1, 2014 through June 30, 2015 and for additional months thereafter corresponding to ABAG's occupancy of its office space. The annual cost for janitorial services from July 2014 through June 2015 at \$2,750.44 per

month is \$33,005.28, and the cost from July 2015 through December 2015 is \$16,502.64.

G. Adoption of Resolution No. 17-14, Pledging Membership Dues for the Unified Bay and Delta Protection Planning and Reporting Project

The Executive Board adopted Resolution No. 17-14.

7. PRIORITY DEVELOPMENT AREA IMPLEMENTATION SHOWCASE—CITY OF PETALUMA

Miriam Chion, ABAG Planning and Research Director, introduced the Priority Development Area implementation showcase of the City of Petaluma. David Rabbitt, Supervisor, County of Sonoma, and ABAG Vice President, presented the Priority Development Area Implementation Theatre District, City of Petaluma, which highlighted the use of SmartCode Regulating Plan, a form-based zoning ordinance.

Members discussed the downtown Theatre District, market-rate residential units and retail, developing the specific plan.

8. BACKGROUND ON PROPOSED WATER BOND PROPOSITION 1

Brad Paul, ABAG Deputy Executive Director, introduced the proposed Water Bond Proposition 1 which is on the November ballot. John Coleman, Executive Director, Bay Planning Coalition, and President of the Association of California Water Agencies, gave a presentation on the Water Bond, including a review of the comprehensive water strategy, water bond total expenditures, funding for water storage, underlying themes of and support for the 2014 water bond.

Members discussed debt service under the water bond; the tunnel conveyance; the Bay Delta Conservation Plan; November election voter turnout; conservation and reclaimed and recycled water; discussion at the Legislation and Governmental Organization Committee about Proposition 1.

President Pierce recognized a motion by Scott Haggerty, Supervisor, County of Alameda, which was seconded by Linda Seifert, Supervisor, County of Solano, to support Proposition 1.

Members discussed integrated regional water management planning; water recycling; water storage; wastewater recycling and stormwater.

The aye votes were: Andersen, Batchelor, Brooks, Bryant, Chavez, Chu, Davis, Eklund, Garcia, Gupta, Haggerty, Harrison, Hudson, Luce, Mackenzie, Mar, Mitchoff, Nihart, Pierce, Rabbitt, Rice, Seifert, Thorne.

The nay votes were: None.

Abstentions were: None.

Absent were: Cortese, Elliott, Kalb, Kalra, Kim, Lee, Liccardo, Pine, Quan, Slocum, Valle.

The motion passed unanimously.

9. RESILIENCE ISSUES RELATED TO SOUTH NAPA EARTHQUAKE

President Pierce reported on the impacts of the recent earthquake affecting Napa and Solano counties and described ABAG's response to the event, including

meetings and tours with local jurisdiction officials, field reconnaissance and site visits, and support of regional resilience efforts. She commented on regional communications, emergency management systems, risk reduction, and disaster response.

She introduced a panel of officials from Napa and Solano Counties comprised of Jill Techel, Mayor, City of Napa, and Regional Planning Committee member; Mike Parness, City Manager, City of Napa; Erin Hannigan, Supervisor, County of Solano, and Alternate from the County of Solano; Daniel Keene, City Manager, City of Vallejo; and Mark Luce, Supervisor, County of Napa; described their experiences with response and recovery from the earthquake, identified additional ways ABAG can support the recovery effort, and lessons learned.

Members discussed citizen response and mutual aid; Federal Emergency Management Agency and Office of Emergency Services public and individual assistance; California Safety Training Institute and Community Emergency Readiness Training; unreinforced masonry buildings.

10. LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE REPORT

Committee Vice Chair Linda Seifert reported on Committee activities and requested Executive Board approval of committee recommendations, including the following: legislation proposed for 2014 legislative session, including AB 2493 (Bloom), Redevelopment Dissolution: Housing Projects—Bond Proceeds, neutral; and AB 2135 (Ting), Local Agencies: Surplus Land—Affordable Housing, oppose; status review of all legislation considered in 2014; review of propositions on November ballot; and discussion of unaccompanied and refugee children.

President Pierce recognized a motion by Rabbitt, which was seconded by Luce, to direct staff to prepare and send a letter in opposition to AB 2135 to the Governor.

There was no discussion.

The aye votes were: Andersen, Bryant, Chavez, Chu, Davis, Eklund, Garcia, Gupta, Harrison, Hudson, Luce, Mackenzie, Mitchoff, Nihart, Pierce, Rabbitt, Rice, Seifert, Thorne.

The nay votes were: None.

Abstentions were: None.

Absent were: Batchelor, Brooks, Cortese, Elliott, Haggerty, Kalb, Kalra, Kim, Lee, Liccardo, Mar, Pine, Quan, Slocum, Valle.

The motion passed unanimously.

11. FINANCE AND PERSONNEL COMMITTEE REPORT

Committee Chair Bill Harrison, Mayor, City of Fremont, reported on Committee activities and requested Executive Board approval of committee recommendations, including the following: approval of minutes of May 15, 2014; presentation and review of financial reports for June and July 2014; resolution fixing ABAG's contribution under the Public Employees Medical and Hospital Act for Employer; plan to eliminate structural deficit in the agency's indirect overhead; and closed session

for conference with labor negotiators, public employee performance evaluation of Legal Counsel, public employee performance evaluation of Executive Director.

President Pierce recognized a motion by Harrison, which was seconded by Karen Mitchoff, Supervisor, County of Contra Costa, to approve the committee report, including the adoption of Resolution No. 16-14, Fixing the Employer's Contribution under the Public Employees' Medical and Hospital Care Act.

There was no discussion.

The aye votes were: Andersen, Bryant, Chavez, Chu, Davis, Eklund, Garcia, Gupta, Harrison, Hudson, Luce, Mackenzie, Mitchoff, Nihart, Pierce, Rabbitt, Rice, Seifert, Thorne.

The nay votes were: None.

Abstentions were: None.

Absent were: Batchelor, Brooks, Cortese, Elliott, Haggerty, Kalb, Kalra, Kim, Lee, Liccardo, Mar, Pine, Quan, Slocum, Valle.

The motion passed unanimously.

The Board entered into Closed Session at about 9:27 p.m.

12. CLOSED SESSION

A. Conference with Labor Negotiators

Agency designated representatives: Brian Kirking, ABAG Information Technology/Human Resources Director; Brad Paul, ABAG Deputy Executive Director; and Herb Pike, ABAG Finance Director

Employee organization: SEIU Local 1021

B. Public Employee Performance Evaluation

Title: Legal Counsel

The Board exited Closed Session at about 9:40 p.m.

13. REPORT OUT OF CLOSED SESSION

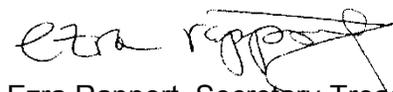
Kenneth Moy, ABAG Legal Counsel, announced that there was no report out of Closed Session.

14. ADJOURNMENT

President Pierce adjourned the meeting of the Executive Board at about 9:40 p.m. in memory of James Vreeland, former Mayor, City of Pacifica.

The next meeting of the Board will be on December 4, 2014.

Submitted:



Ezra Rapport, Secretary-Treasurer

Date Submitted: October 17, 2014

Approved:

For information or to review audio recordings of ABAG Executive Board meetings, contact Fred Castro, Clerk of the Board, at (510) 464 7913 or FredC@abag.ca.gov.

**Association of Bay Area Governments
Executive Board
Thursday, October 30, 2014
Project Review**

3.1 Federal Grant Applications Being Transmitted to the State Clearinghouse

The following federal grant applications which have been transmitted to the state clearinghouse by the applicants, have been entered into the regional clearinghouse by ABAG staff. These applications were circulated in ABAG's Intergovernmental Review Newsletter since the last Executive Board meeting. No comments were received on these projects. If the Executive Board wishes to take a position on any of these projects, it should so instruct the staff.

SAN FRANCISCO CITY AND COUNTY

Applicant: Bay Area Air Quality District
Program:
Project: Vehicle Technologies "Alternative Fuel Vehicle Development Initiatives"
Description: Plug-in Electric Vehicle Development at Car Rental Locations in California
Cost: Total \$1,234,198.00 Federal \$500,000.00 State:
Applicant \$212,500.00 Local \$145,000.00
Other \$378,198.00

Contact: Karen Schkolnick (415) 749-5090
ABAG Clearinghouse Number 16199

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MEETING SCHEDULE 2015

Approved by the Executive Board: TBD

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

General Assembly

Date: Usually the third Thursday in April, or TBD

Time: Usually 8:00 AM to 2:00 PM, or TBD

Location: TBD

Contact: Brad Paul, Deputy Executive Director, (510) 464 7955, bradp@abag.ca.gov

Executive Board

Dates: Thursday, January 15, 2015

Thursday, March 19, 2015

Thursday, May 21, 2015

Thursday, July 16, 2015

Thursday, September 17, 2015

Thursday, November 19, 2015

Time: 7:00 PM to 10:00 PM

Location: Joseph P. Bort MetroCenter, 101 8th Street, Auditorium, Oakland
Across from the Lake Merritt BART Station

Contacts: Brad Paul, Deputy Executive Director, (510) 464 7955, bradp@abag.ca.gov

Fred Castro, Clerk of the Board, (510) 464 7913, fredc@abag.ca.gov

Meeting Schedule 2015

Administrative Committee

Dates: *Meetings Scheduled as Needed*

Contact: Brad Paul, Deputy Executive Director, (510) 464 7955, bradp@abag.ca.gov

Legislation and Governmental Organization Committee

Dates: *See Executive Board Schedule*

Time: 3:30 PM to 5:00 PM

Location: ABAG Conference Room B

Contact: Halimah Anderson, Communications Officer, (510) 464 7986, halimaha@abag.ca.gov

Finance and Personnel Committee

Dates: *See Executive Board Schedule*

Time: 5:00 PM to 6:00 PM

Location: ABAG Conference Room B

Contact: Herbert Pike, Finance Director, (510) 464 7902, herbertp@abag.ca.gov

Regional Planning Committee

Dates: Wednesday, February 4, 2015

Wednesday, April 1, 2015

Wednesday, June 3, 2015

Wednesday, August 5, 2015

Wednesday, October 7, 2015

Wednesday, December 2, 2015

Time: 12:00 PM to 3:00 PM

Location: Joseph P. Bort MetroCenter, 101 8th Street, Auditorium, Oakland
Across from the Lake Merritt BART Station

Contact: Miriam Chion, Planning and Research Director, (510) 464 7919, miriamc@abag.ca.gov

Wally Charles, Administrative Secretary, Planning, (510) 464 7993, wallyc@abag.ca.gov

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: November 13, 2014

To: ABAG Executive Board

From: Laura Thompson
Project Manager, San Francisco Bay Trail Project

Subject: **Adoption of Resolution 18-14 Confirming CEQA Determination for Phase 2 of the Google/San Francisco Bay Trail Resurfacing Project**

Executive Summary

The San Francisco Bay Trail Project coordinates the completion of a 500-mile continuous shoreline trail that will connect 47 cities and nine counties and cross seven toll bridges. Currently, 340 miles are completed and in use by the public. Along a 6-mile stretch of the Bay Trail in the Mountain View – Sunnyvale area, the trail is a popular bicycle/pedestrian route used for recreation and car-free commutes along a gravel levee.

However, the existing gravel/base rock surface of the levee is loose, resulting in poor traction. Portions of the alignment have potholes and other portions are narrow. The overall scope of the project is to resurface the trail from Crittenden Lane in Mountain View to the Sunnyvale Water Treatment Plant, a total of 21,600 linear feet. This project covers Phase 2 which involves 9,500 linear feet of trail. The trail will be resurfaced with quarry fines and the primary objective of the project is to improve bicyclist safety and function while staying within the footprint of the existing levee trail. The project is a voluntary improvement project funded by Google.

Because the project spans the boundaries of several property owners, including NASA/AMES property leased by Google, Lockheed Martin and City of Sunnyvale properties, ABAG has stepped forward as the lead agency responsible for compliance with the California Environmental Quality Act (CEQA). ABAG staff has made factual findings to support a determination that the project is Categorical Exempt under CEQA's Section 15301, Class I exemption and ABAG's Legal Counsel concurs with the staff conclusion that the project is therefore exempt.

Upon adoption of the resolution, Bay Trail staff will file the Notice of Exemption with the Santa Clara County Clerk's Office.

Recommended Action

The Executive Board is requested to adopt Resolution No. 18-14 authorizing the filing of the Notice of Categorical Exemption under CEQA.

**Confirming CEQA Determination for Phase 2 of the Google/San Francisco Bay Trail
Resurfacing Project**

November 13, 2014

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Attachments:

CEQA Notice of Categorical Exemption and 100% Bid-Set Construction Documents
Resolution No. 18-14

GOOGLE / SAN FRANCISCO BAY TRAIL RESURFACING PROJECT (PHASE 2)
NOTICE OF CATEGORICAL EXEMPTION
-Section 15301-

Existing Conditions

The San Francisco Bay Trail Project is a regional plan for a 500-mile continuous shoreline trail that will connect 47 cities and nine counties and cross seven toll bridges. Currently, 340 miles are completed and in use by the public. Along a 6-mile stretch of the Bay Trail in the Mountain View – Sunnyvale Area, the trail is a popular bicycle/pedestrian route used for recreation and car-free commutes. However, the existing gravel/base rock surface is loose, resulting in poor traction. Portions of the alignment have potholes and other portions are narrow.

Project Description

The overall scope of the project is to resurface the trail from Crittenden Lane in Mountain View to the Sunnyvale Water Treatment Plant. See the attached construction documents which highlight the limits of work. This project is for Phase 2 which involves 9,500 linear feet of trail. The trail will be resurfaced with quarry fines. The primary objective of the project is to improve bicyclist and pedestrian safety and function while staying within the footprint of the existing trail.

Secondary project objectives include:

- Providing additional or separate space for pedestrians to reduce conflicts with bikes
- Reducing steep slopes, narrow points and sharp turns where feasible
- Providing improved interpretive/resting facilities
- Maintaining load capacity for PG&E maintenance vehicles

The entire project will resurface approximately 21,600, LF of Bay Trail. Phase 2 will resurface 9,500 LF of Bay Trail. The proposed trail structural cross section is 4"-6" of aggregate base topped with 2.5" of quarry fines. The majority of the trail will be 11' wide with a 2.5' compacted dirt sidepath directly adjacent to the trail. Some stretches of trail will be only 8' wide with a 2.5' pedestrian sidepath due to being on a narrow portion of the levee. In addition, 6 pullouts will be constructed on wider portions of the levee to allow bird watchers and trail users a resting point off of the trail.

Phase 2 is separated into two segments. The western segment is 3,775 LF of trail to be resurfaced on NASA/AMES property that is leased by Google. The eastern segment is 5,750 LF of trail to be resurfaced on Lockheed Martin and City of Sunnyvale property. See sheet A-2 of the construction documents for more information.

The project is a voluntary improvement project funded by Google.

CEQA Findings

The project is found Categorical Exempt from the California Environmental Quality Act (CEQA) under Section 15301, Existing Facilities. The relevant project criteria within this class of exemption consists of repair, maintenance or minor alteration of existing public or private structures involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The resurfacing of Bay Trail will repair potholed and narrow portions of the trail and prevent future damage from occurring.

There are exceptions to CEQA Categorical Exemptions based on project location, cumulative impact, significant impact, scenic highways, hazardous waste sites, and historical resources. The proposed project does not trigger any of these exemptions, as explained below:

- **Location** The trail resurfacing will take place within the existing trail footprint atop a manmade levee and will not pose a threat to natural resources.
- **Cumulative Impact** There are no other projects along the levee that, combined with this resurfacing, would have a negative cumulative impacts on the environment.
- **Significant Impact** Given the resurfacing is taking place within the existing trail footprint, there is no reasonable possibility that the project will have significant effect due to unusual circumstances.
- **Scenic Highways** The Bay Trail is not a scenic highway.
- **Hazardous Waste Sites** According to the State Department of Toxic and Substances Control's on-line EnviroStor database (accessed October 8, 2014) there are no listed hazardous waste locations along the trail corridor.
- **Historical Resources** No substantial impacts to significant historical resources are expected, as the project is located within the footprint of an existing trail atop a manmade levee.

Attachment

1. Project Plans

GOOGLE SAN FRANCISCO BAY TRAIL RESURFACING PROJECT

PHASE 1: STA 37+75 - 158+00

PHASE 2: STA 0+00 - 37+75; 158+50 - 323+90

BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS

NO	DATE	ITEM

REGISTRATION:

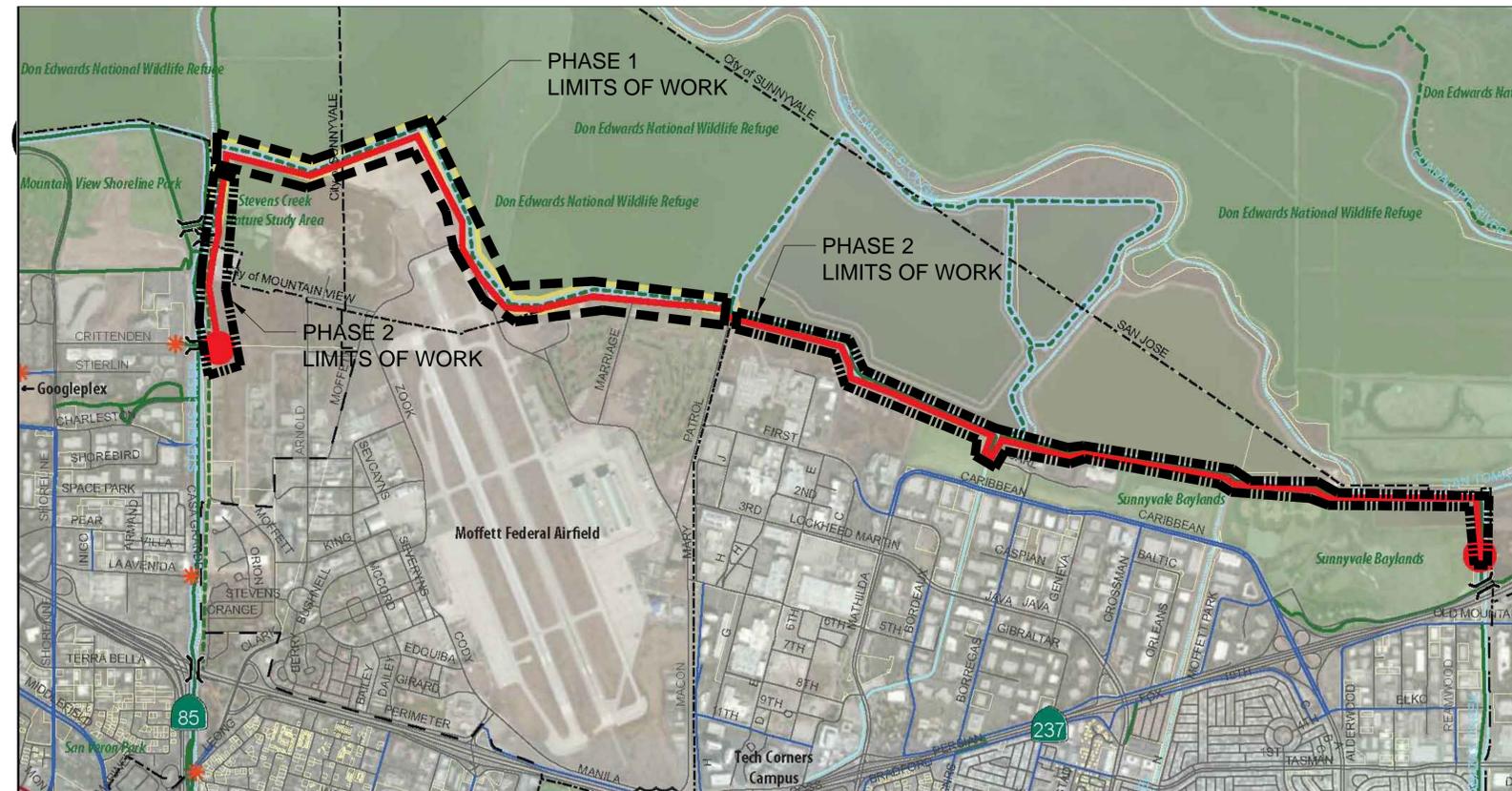


REVIEWED:	RA
DRAWN:	BB
PROJECT NO.	14-191
SUBMITTAL DATE:	SEPTEMBER 2014
PHASE	100 % CD

DRAWING TITLE:

SHEET NO.

T-1



VICINITY MAP



INDEX TO DRAWINGS NO.

SHEET

T-1	COVER SHEET
N-1	GENERAL NOTES
A-1	CONSTRUCTION ACCESS
A-2	PROPERTY OWNERSHIP
L-1	TRAIL LAYOUT
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L-4	TRAIL LAYOUT
L-5	TRAIL LAYOUT
L-6	TRAIL LAYOUT
L-7	REFERENCE TABLES
D-1	CONSTRUCTION DETAILS

CONSULTANT CONTACT INFORMATION FIRM

DISCIPLINE

CONTACT

ALTA PLANNING + DESIGN
 100 WEBSTER ST, SUITE 300
 OAKLAND, CA 94607

LANDSCAPE ARCHITECTURE BRIAN BURCHFIELD
 (510) 788-6875

CAL ENGINEERING & GEOLOGY
 1870 OLYMPIC BLVD., SUITE 100
 (925) 935-9771

GEO TECHNICAL ENGINEERING CHRIS HOCKETT
 (925) 935-9771

GENERAL NOTES:

1. THE CONTRACTOR AGREES THAT IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, THE CONTRACTOR WILL BE REQUIRED TO ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THE PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL BE MADE TO APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THE CONTRACTOR FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD THE OWNER AND DESIGN PROFESSIONAL HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONJUNCTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF OWNER OR DESIGN PROFESSIONAL.

2. LOCATIONS OF EXISTING UNDERGROUND FACILITY AND UTILITIES SHOWN ARE BASED ON FIELD SURVEY AND/OR AVAILABLE UTILITY COMPANY INFORMATION. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY THE ACTUAL LOCATION OF UTILITY COMPANY INFORMATION PRIOR TO THE COMMENCEMENT OF WORK. THE CONTRACTOR SHALL CONTACT UNDERGROUND SERVICE ALERT (U.S.A.) AT (800)-642-2444 AT LEAST 48 HOURS IN ADVANCE OF ANY EXCAVATING. PHYSICAL VERIFICATION OF UTILITY LOCATION SHALL BE PERFORMED BY POT HOLING OR HAND DIGGING AND CAREFUL SUBSURFACE PROBING IN CONFORMANCE WITH ARTICLE 6 OF THE CAL/OSHA CONSTRUCTION SAFETY ORDERS. ANY DEVIATIONS FROM LOCATIONS SHOWN ON PLANS SHALL BE BROUGHT TO THE ENGINEER'S ATTENTION BEFORE STARTING CONSTRUCTION.

3. CONTRACTOR SHALL HAND DIG UTILITY LINES AND BOXES LOCATED WITHIN THE PATHWAY PRIOR TO ANY PATHWAY CONSTRUCTION. MUST CALL UTILITY COMPANIES TO RELOCATE THEM IF NECESSARY TO COMPLETE THE PROJECT. NO EXTRA COST TO THE OWNER.

4. THESE PLANS ARE FOR USE WITH THE PROJECT CONTRACT DOCUMENTS AND SPECIAL PROVISIONS FOR THE GOOGLE SAN FRANCISCO BAY TRAIL RESURFACING PROJECT.

5. THE CONTRACTOR SHALL COORDINATE HIS WORK WITH THAT OF ANY AFFECTED UTILITY COMPANY.

6. CONTRACTOR SHALL REPLACE OR REPAIR, AT CONTRACTOR'S EXPENSE, ALL DAMAGED, REMOVED OR OTHERWISE DISTURBED WALLS, FENCES, SERVICES, UTILITIES, IMPROVEMENTS OR FEATURES OF WHATEVER NATURE, TO THEIR ORIGINAL CONDITION, WHETHER ON THE PLANS OR NOT; PROVIDED SUCH REPAIR OR REPLACEMENT IS CAUSED BY CONTRACT WORK OPERATIONS.

7. THE CONTRACTOR SHALL PREPARE AND SUBMIT A SAFETY PLAN, AND A TRAFFIC CONTROL PLAN, FOR REVIEW AND APPROVAL BY THE ENGINEER PRIOR TO COMMENCEMENT OF CONSTRUCTION ACTIVITIES AS PER BID DOC.

8. CONTRACTOR MUST VERIFY ALL DIMENSIONS IN FIELD AT START OF PROJECT. DRAWINGS ARE NOT BASED ON A SITE SURVEY BUT ON MAPPING LIDAR DATA COURTESY OF THE UNITED STATES GEOLOGICAL SURVEY. REPORT ANY DISCREPANCIES IMMEDIATELY TO PROJECT MANAGER.

12. THE CONTRACTOR SHALL NOT WILLFULLY PROCEED WITH DEMOLITION OR CONSTRUCTION SHOWN WHEN IT IS OBVIOUS THAT UNKNOWN CONDITIONS, OBJECTS, OR GRADE CHANGES EXIST THAT MAY NOT HAVE BEEN KNOWN DURING THE PREPARATION OF THIS PLAN. SUCH CONDITIONS, OBJECTS, OR GRADE CHANGES SHALL BE IMMEDIATELY BROUGHT TO THE ATTENTION OF THE OWNERS REPRESENTATIVE. THE CONTRACTOR SHALL ASSUME FULL RESPONSIBILITY FOR ALL NECESSARY REVISIONS DUE TO FAILURE TO GIVE SUCH NOTICE

13. UPON COMPLETION OF INSTALLATION AND ACCEPTANCE BY THE OWNER CONTRACTOR MUST PROVIDE OWNER WARRANTY BOND OR SURETY BOND.

14. CONTRACTOR SHALL KEEP THE PREMISES CLEAN AND FREE OF EXCESS EQUIPMENT, MATERIALS AND RUBBISH INCIDENTAL TO THE WORK. ALL CONSTRUCTION DEBRIS SHALL BE CLEARED FROM THE SITE AT THE END OF EACH DAY.

15. CONTRACTOR'S ON-SITE DUMPSTER MUST BE FROM CITY OF SUNNYVALE AND MOUNTAIN VIEW APPROVED COMPANIES.

16. CONTRACTOR SHALL FOLLOW THE STORM WATER POLLUTION PREVENTION PLAN (SWPPP).

17. CONTRACTOR FOLLOW THE NATIONAL POLLUTANT DISCHARGE ELIMINATION (NPDES) GUIDELINES AND BEST MANAGEMENT PRACTICES (BMP).

18. ALL THE ITEM/EQUIPMENTS NOT REMOVED AS PART OF THE CONTRACT MUST BE PROTECTED IN PLACE AND ADJUSTED BY THE CONTRACTOR.

19. QUANTITIES ARE ONLY FOR REFERENCE & ESTIMATE. CONTRACTOR MUST VERIFY IN THE FIELD AND ANY DISCREPANCY MUST BE BROUGHT TO THE OWNER'S REPRESENTATIVE ATTENTION PRIOR TO THE CONSTRUCTION.

20. CONTRACTOR & SUBCONTRACTOR MUST BE PROPERLY LICENSED IN CALIFORNIA FOR THE PROJECT AS PER THE BID DOC.

21. AREAS ADJACENT TO TRAIL DISTURBED DURING CONSTRUCTION MUST BE REPAIRED TO THE ORIGINAL CONDITION.

LAYOUT NOTES:

1. CROSS SLOPE OF PROPOSED TRAILS TO FOLLOW THE EXISTING DRAINAGE DIRECTION UNLESS OTHERWISE NOTED ON PLANS.

2. WHERE TRAIL INTERSECTS EXISTING UTILITIES/TEST WELLS, CONTRACTOR TO RESET UTILITIES TO FINISH GRADE OF TRAIL.

MINIMUM BMP REQUIREMENTS:

WM-1 MATERIAL DELIVERY AND STORAGE
PROVIDE A MATERIAL STORAGE AREA WITH SECONDARY CONTAINMENT AND/ OR WEATHER PROTECTION. NOTE THE MAINTENANCE PRACTICES AND SCHEDULE PROPOSED FOR THIS AREA.

WM-2 MATERIAL USE
HAZARDOUS MATERIALS, FERTILIZERS, PESTICIDES, PLASTERS, SOLVENTS, PAINTS, AND OTHER COMPOUNDS MUST BE PROPERLY HANDLED IN ORDER TO REDUCE THE RISK OF POLLUTION OR CONTAMINATION. TRAINING AND INFORMATION ON PROCEDURES FOR THE PROPER USE OF ALL MATERIALS MUST BE AVAILABLE TO THE EMPLOYEES THAT APPLY SUCH MATERIALS.

WM-4 SPILL PREVENTION AND CONTROL
IDENTIFY SPILL PREVENTION AND CONTROL MEASURES THAT WILL BE TAKEN FOR ALL PROPOSED MATERIALS. IDENTIFY THE METHODS, BY WHICH ACCIDENTAL SPILLS WILL BE CLEANED AND PROPERLY DISPOSED OF.

WM-5 SOLID WASTE MANAGEMENT
PROVIDE DESIGNATED WASTE COLLECTION AREAS AND CONTAINERS. ARRANGE FOR REGULAR DISPOSAL. PROVIDE COVERED STORAGE WITH SECONDARY CONTAINMENT. CONTAINERS ARE REQUIRED TO PROTECT WASTE FROM RAIN TO PREVENT WATER POLLUTION AND PREVENT WIND DISPERSAL.

WM-6 HAZARDOUS WASTE MANAGEMENT
HAZARDOUS MATERIALS MUST BE DISPOSED OF IN ACCORDANCE WITH STATE AND FEDERAL REGULATIONS. IDENTIFY THE PROPOSED METHODS OF DISPOSAL AND ANY SPECIAL HANDLING CONTRACTS THAT MAY BE APPLICABLE.

WM-7 CONTAMINATED SOIL MANAGEMENT
PREVENT OR REDUCE THE DISCHARGE OF POLLUTANTS TO STORMWATER FROM CONTAINMENT SOIL AND HIGHLY ACIDIC OR ALKALINE SOILS BY CONDUCTING PRE-CONSTRUCTION SURVEYS, INSPECTING EXCAVATIONS

SE-1 SILT FENCE ERODED SEDIMENTS MUST BE RETAINED ON-SITE AND NOT PERMITTED TO ENTER THE DRAINAGE SYSTEM. MAY BE WAIVED AT THE SOLE DISCRETION OF THE CITY INSPECTOR IF OTHER EROSION CONTROL BMP'S ARE DEEMED SUFFICIENT.

REGULARLY, AND REMEDIATING CONTAMINATED SOIL PROMPTLY.

WM-8 CONCRETE WASTE MANAGEMENT
STORE DRY AND WET MATERIALS UNDER COVER. AVOID ON-SITE WASHOUT EXCEPT IN DESIGNATED AREAS AWAY FROM DRAINS, DITCHES, STREETS, AND STREAMS. CONCRETE WASTE DEPOSITED ON SITE SHALL SET-UP, BE BROKEN APART, AND DISPOSED OF PROPERLY. CONTAINMENT AND PROPER DISPOSAL IS REQUIRED FOR ALL CONCRETE WASTE.

WM-9 SANITARY / SEPTIC WASTE MANAGEMENT
UNTREATED RAW WASTEWATER IS NOT TO BE DISCHARGED OR BURIED. SANITARY SEWER FACILITIES ON SITE ARE REQUIRED TO BE IN COMPLIANCE WITH LOCAL HEALTH AGENCY REQUIREMENTS. SANITARY OR SEPTIC WASTES MUST BE TREATED OR DISPOSED OF IN ACCORDANCE WITH STATE AND LOCAL REQUIREMENTS.

TC-1 STABILIZED CONSTRUCTION ENTRANCE
A STABILIZED ENTRANCE IS REQUIRED FOR ALL CONSTRUCTION SITES TO ENSURE THAT DIRT AND DEBRIS ARE NOT TRACKED ONTO THE ROAD OR ADJACENT PROPERTY. MAINTENANCE OF SUCH A SYSTEM IS REQUIRED FOR THE DURATION OF THE PROJECT. SUCH STABILIZATION MAY BE OF ROCK OR PAVED.



BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS		
NO	DATE	ITEM

REGISTRATION:



REVIEWED:	RA
DRAWN:	BB
PROJECT NO.	14-191
SUBMITTAL DATE:	SEPTEMBER 2014
PHASE	100 % CD

DRAWING TITLE:

NOTES

SHEET NO.

N-1



NASA/AMES CONSTRUCTION ACCESS FOR PHASE 1
(ACCESS FOR WESTERN PORTION OF PHASE 2 VIA
CRITTENDEN LANE ONLY - NO NASA/AMES ACCESS)



EASTERN BAY TRAIL CONSTRUCTION ACCESS
FOR PHASE 2



LOCKHEED MARTIN CONSTRUCTION ACCESS
FOR PHASE 2



**BAY TRAIL
RESURFACING**

**MT. VIEW
SUNNYVALE**

REVISIONS

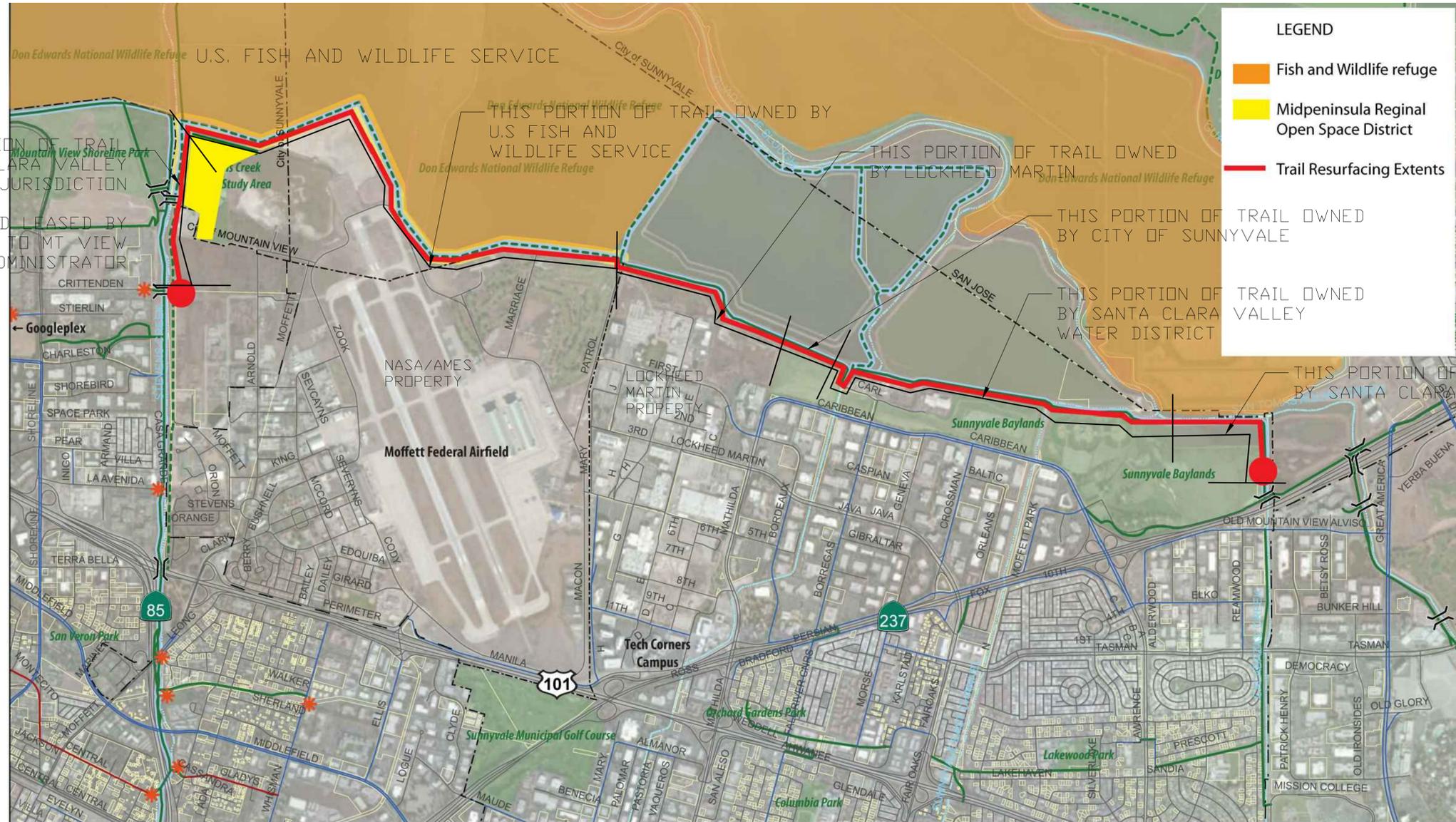
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REVIEWED:	RA
DRAWN:	BB
PROJECT NO.	14-191
SUBMITTAL DATE:	SEPTEMBER 2014
PHASE	100 % CD

DRAWING TITLE:
**CONSTRUCTION
ACCESS**

SHEET NO.
A-1



THIS PORTION OF TRAIL UNDER SANTA CLARA VALLEY WATER DISTRICT JURISDICTION OWNED BY NASA AND LEASED BY GOOGLE ACCORDING TO MT VIEW PROPERTY ADMINISTRATOR

THIS PORTION OF TRAIL OWNED BY U.S. FISH AND WILDLIFE SERVICE

THIS PORTION OF TRAIL OWNED BY LOCKHEED MARTIN

THIS PORTION OF TRAIL OWNED BY CITY OF SUNNYVALE

THIS PORTION OF TRAIL OWNED BY SANTA CLARA VALLEY WATER DISTRICT

THIS PORTION OF TRAIL OWNED BY SANTA CLARA COUNTY

PROPERTY OWNERSHIP ALONG TRAIL PHASE 1 WORK TO BE DONE WITHIN U.S. FISH AND WILDLIFE REFUGE ONLY LANDSCAPE ARCHITECT TO CONFIRM PHASE 2 OWNERSHIP BEFORE CONSTRUCTION BEGINS

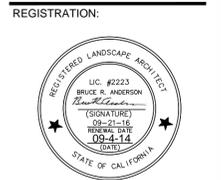


BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS

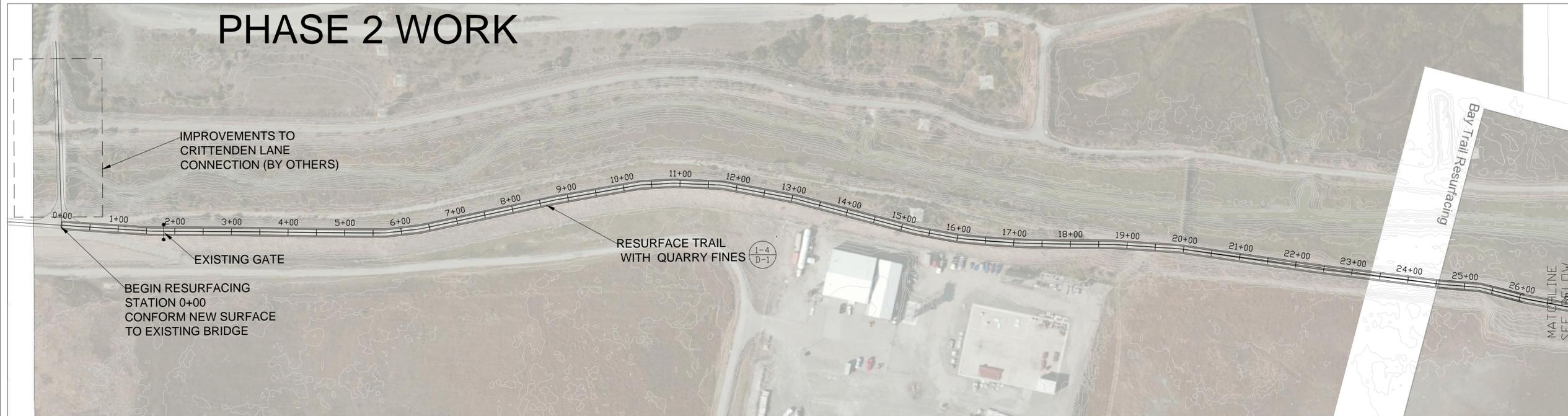
NO	DATE	ITEM



REVIEWED:	RA
DRAWN:	BB
PROJECT NO.	14-191
SUBMITTAL DATE:	SEPTEMBER 2014
PHASE	100 % CD

DRAWING TITLE:
 PROPERTY OWNERSHIP

SHEET NO.
 A-2



BAY TRAIL STA 0+00 - 26+50
 PHASE 2

SCALE 1"=100'
 1 INCH
 0 100' 200'

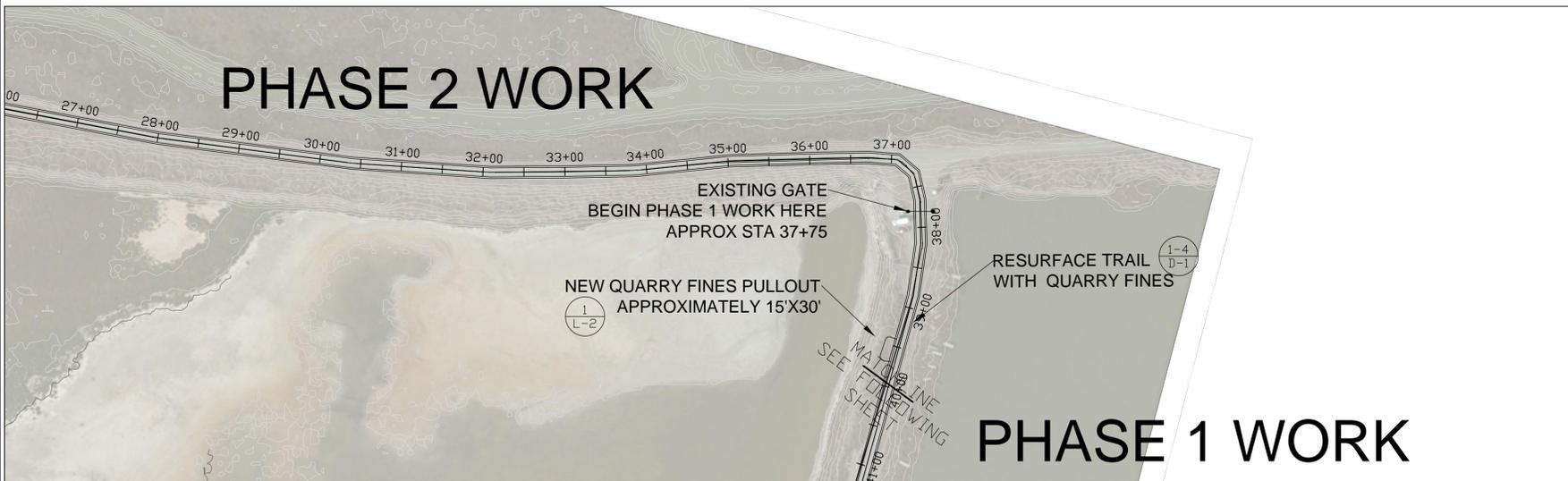
**BAY TRAIL
 RESURFACING**

**MT. VIEW
 SUNNYVALE**

REVISIONS

NO	DATE	ITEM

REGISTRATION:



BAY TRAIL STA 26+50 - 40+50
 PHASE 2

SCALE 1"=100'
 1 INCH
 0 100' 200'

NOTE: REFER TO REFERENCE TABLES ON SHEET L-7
 TO DETERMINE TRAIL WIDTH AND AB THICKNESS



KEY MAP

NTS

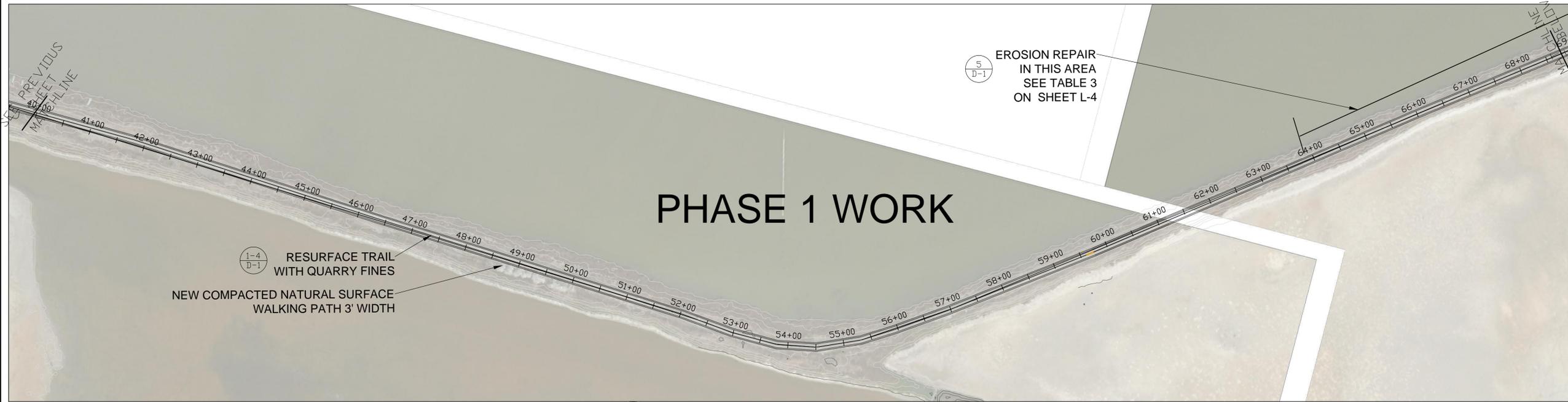
REVIEWED: _____ RA
 DRAWN: _____ BB
 PROJECT NO. 14-191
 SUBMITTAL DATE: SEPTEMBER 2014
 PHASE 100% CD

DRAWING TITLE:

TRAIL
 LAYOUT

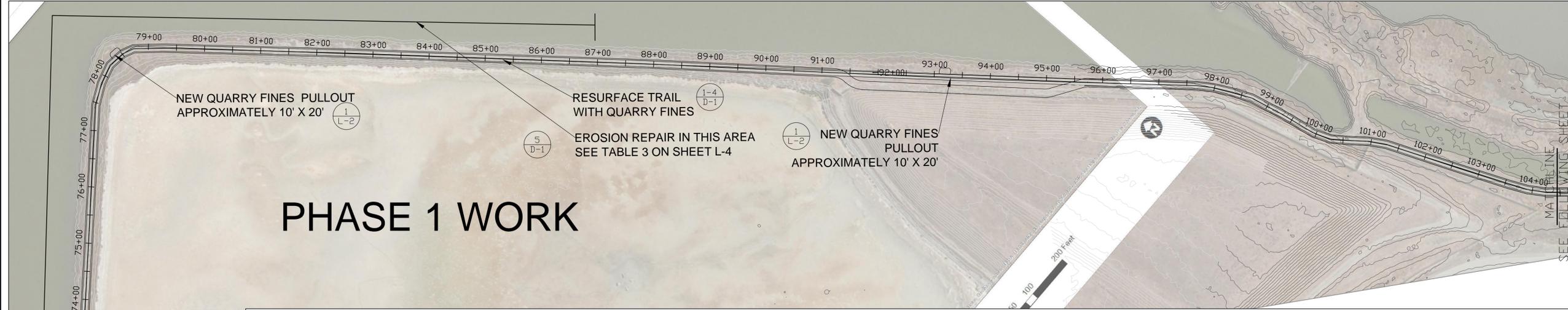
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L-1



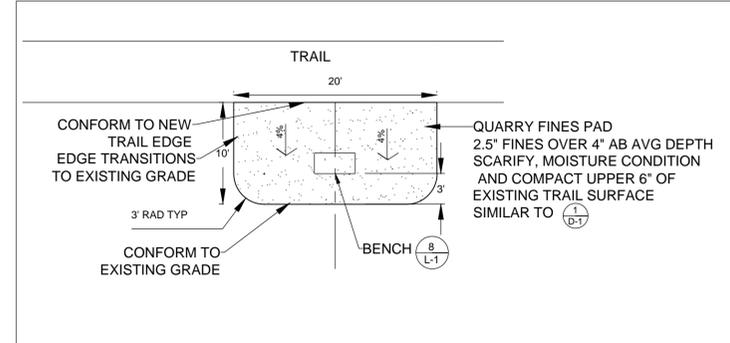
BAY TRAIL STA 40+50 - 68+50

SCALE 1"=100'



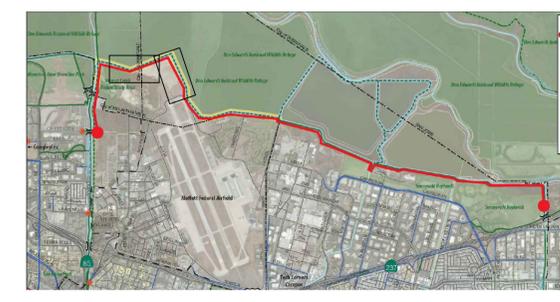
BAY TRAIL STA 68+50 - 104+00

SCALE 1"=100'



1 TYPICAL PULLOUT DETAIL

NOTE: REFER TO REFERENCE TABLES ON SHEET L-7 TO DETERMINE TRAIL WIDTH AND AB THICKNESS



KEY MAP

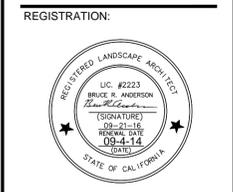
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BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS

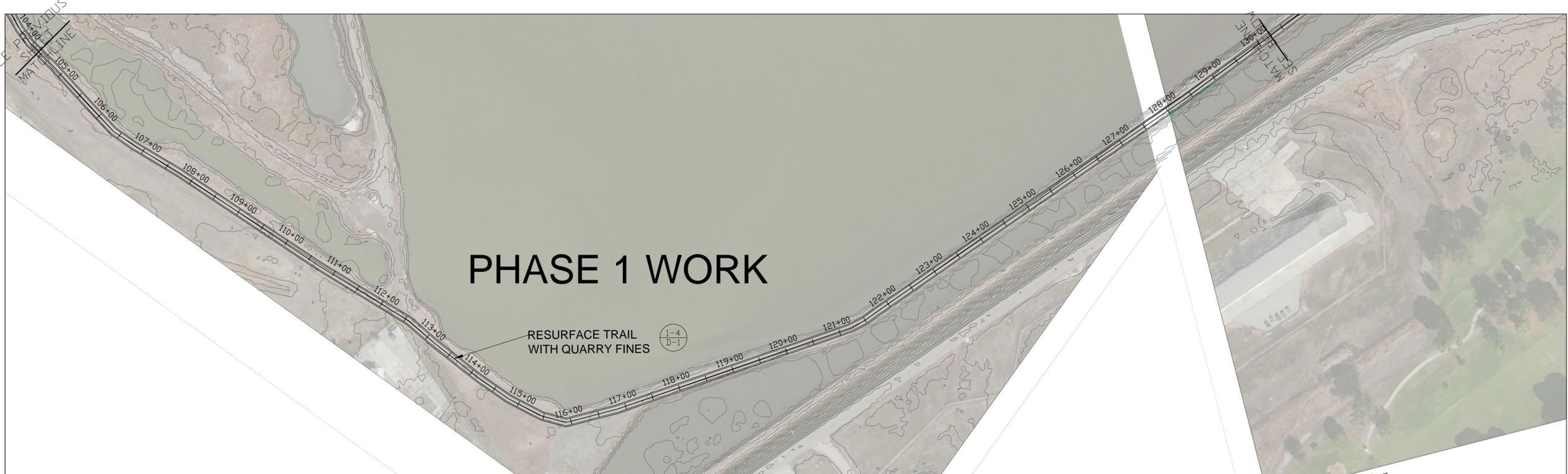
NO	DATE	ITEM



REVIEWED:	RA
DRAWN:	BB
PROJECT NO.	14-191
SUBMITTAL DATE:	SEPTEMBER 2014
PHASE	100% CD

DRAWING TITLE:
TRAIL LAYOUT

SHEET NO.
L-2



PHASE 1 WORK

RESURFACE TRAIL WITH QUARRY FINES (1-4 D-1)

BAY TRAIL STA 104+00-130+00



KEY MAP NTS

SCALE 1"=100'



BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS

NO	DATE	ITEM

REGISTRATION:

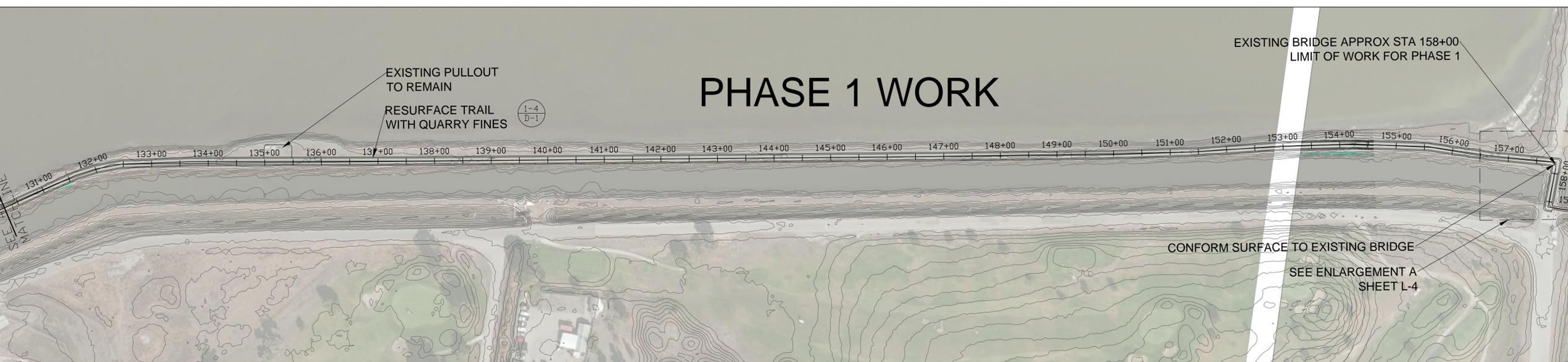


REVIEWED:	RA
DRAWN:	BB
PROJECT NO.	14-191
SUBMITTAL DATE:	SEPTEMBER 2014
PHASE	100% CD

DRAWING TITLE:

TRAIL LAYOUT

SHEET NO.
 L-3



PHASE 1 WORK

EXISTING PULLOUT TO REMAIN
 RESURFACE TRAIL WITH QUARRY FINES (1-4 D-1)

EXISTING BRIDGE APPROX STA 158+00
 LIMIT OF WORK FOR PHASE 1

CONFORM SURFACE TO EXISTING BRIDGE

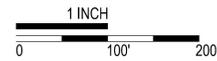
SEE ENLARGEMENT A SHEET L-4

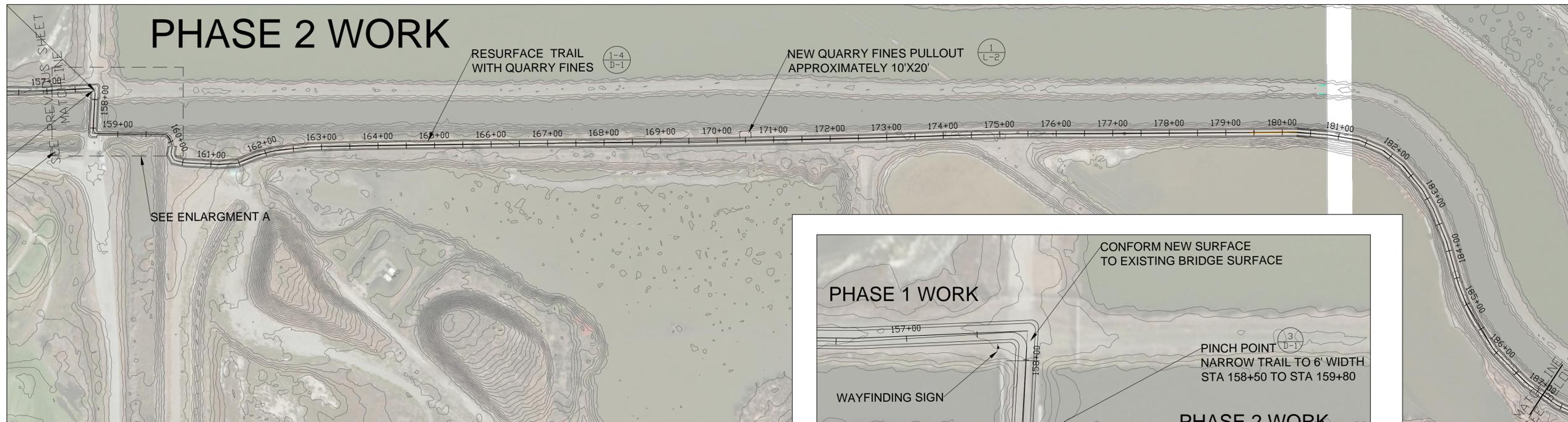
BAY TRAIL STA 130+00 - 157+25



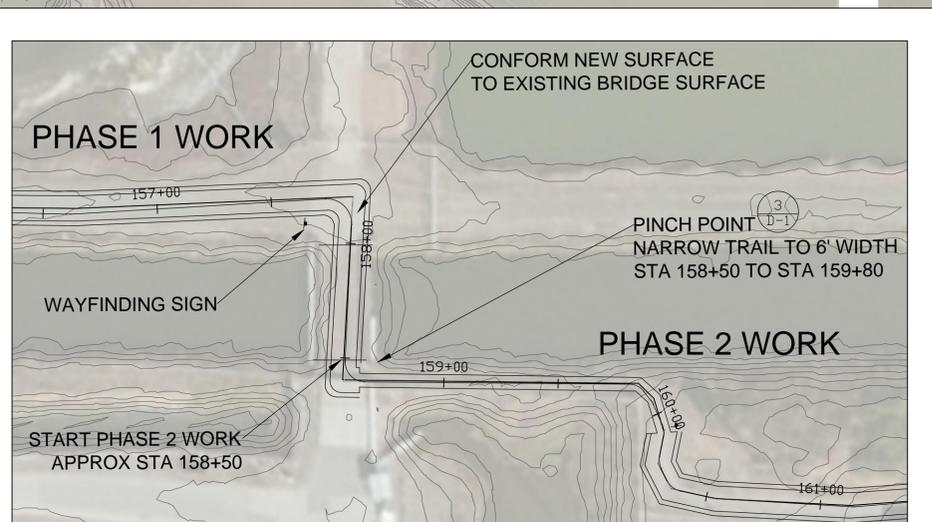
NOTE: REFER TO REFERENCE TABLES ON SHEET L-7 TO DETERMINE TRAIL WIDTH AND AB THICKNESS

SCALE 1"=100'

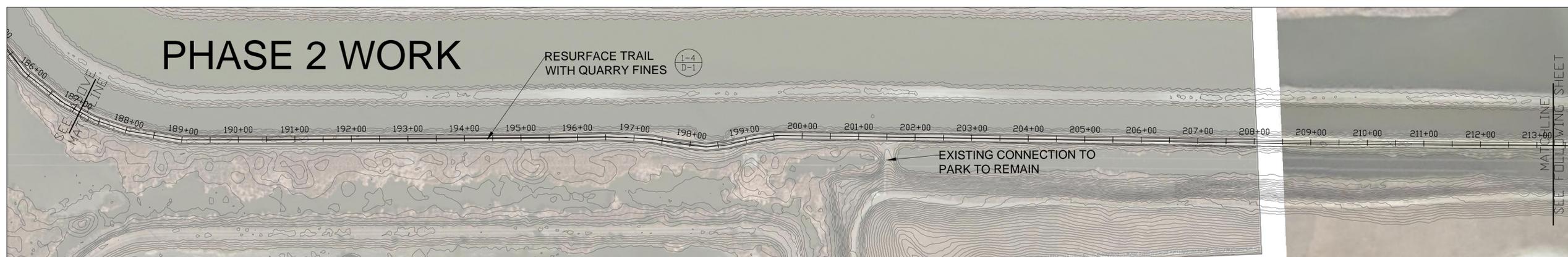




BAY TRAIL STA 157+00 - 187+00



ENLARGEMENT A SCALE 1"=40'



BAY TRAIL STA 187+00 - 213+00



NOTE: REFER TO REFERENCE TABLES ON SHEET L-7 TO DETERMINE TRAIL WIDTH AND AB THICKNESS



**BAY TRAIL
 RESURFACING**

**MT. VIEW
 SUNNYVALE**

REVISIONS

NO	DATE	ITEM

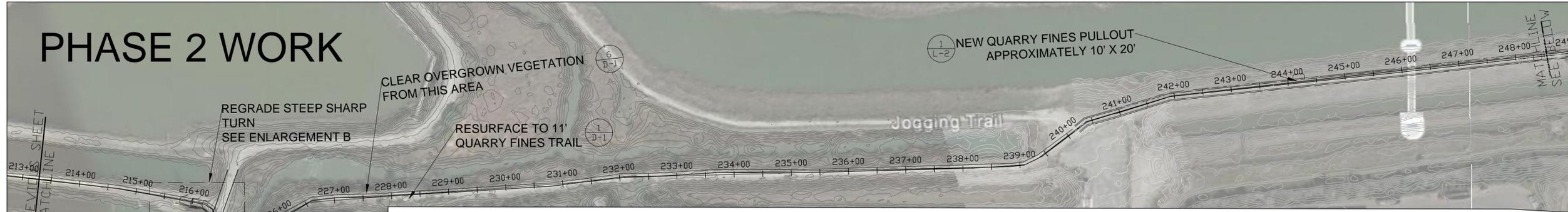


REVIEWED: RA
 DRAWN: BB
 PROJECT NO. 14-191
 SUBMITTAL DATE: SEPTEMBER 2014
 PHASE 100% CD

DRAWING TITLE:
**TRAIL
 LAYOUT**

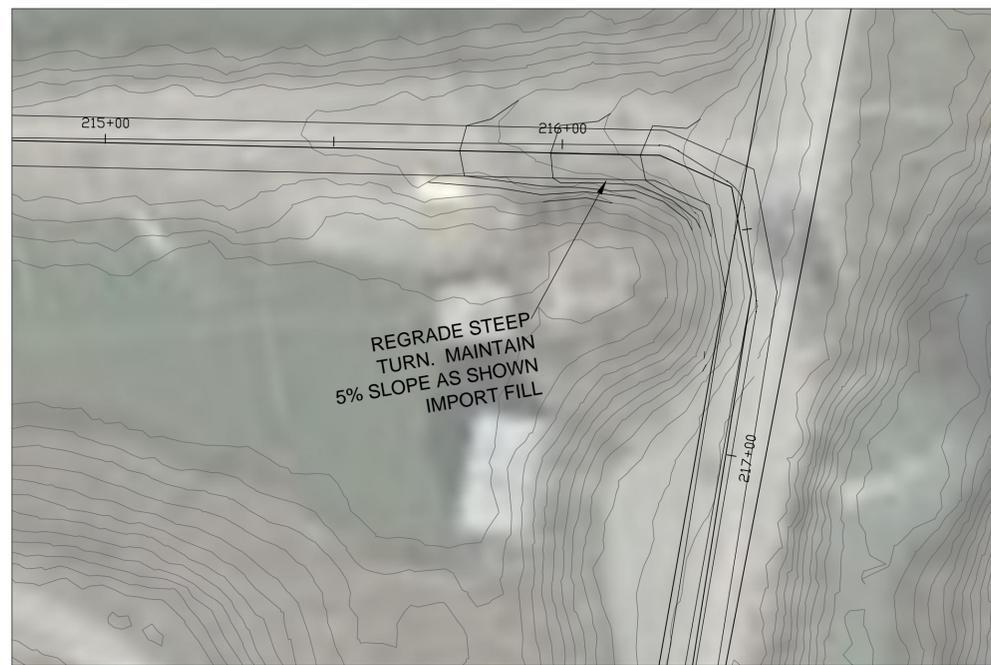
SHEET NO.
L-4

PHASE 2 WORK



BAY TRAIL STA
213+00 - 248+50

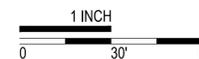
SCALE 1"=100'



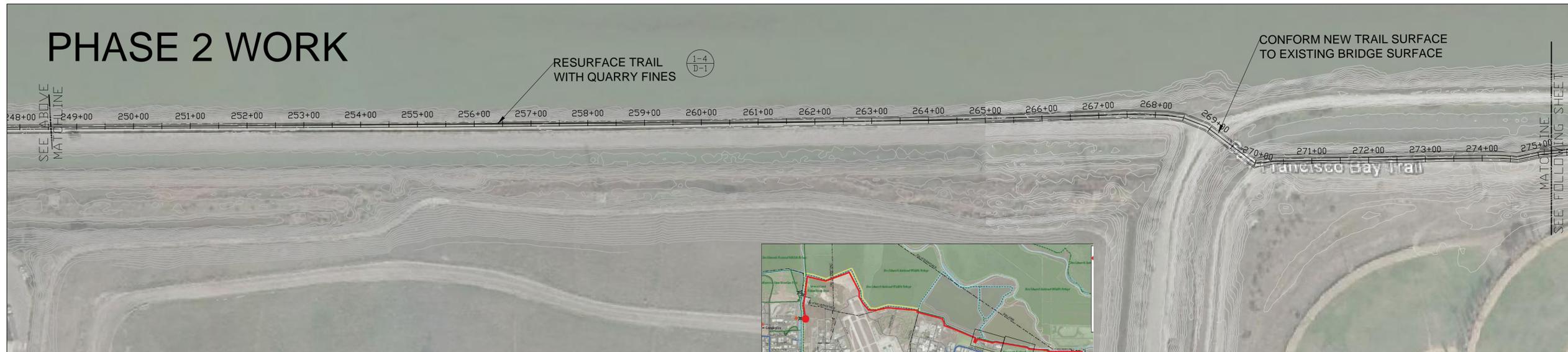
ENLARGEMENT B SCALE 1"=20'



ENLARGEMENT C SCALE 1"=30'



PHASE 2 WORK



BAY TRAIL STA 248+50 - 275+00

NOTE: REFER TO REFERENCE TABLES ON SHEET L-7 TO DETERMINE TRAIL WIDTH AND AB THICKNESS



KEY MAP

NTS

SCALE 1"=100'



BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS

NO	DATE	ITEM

REGISTRATION:



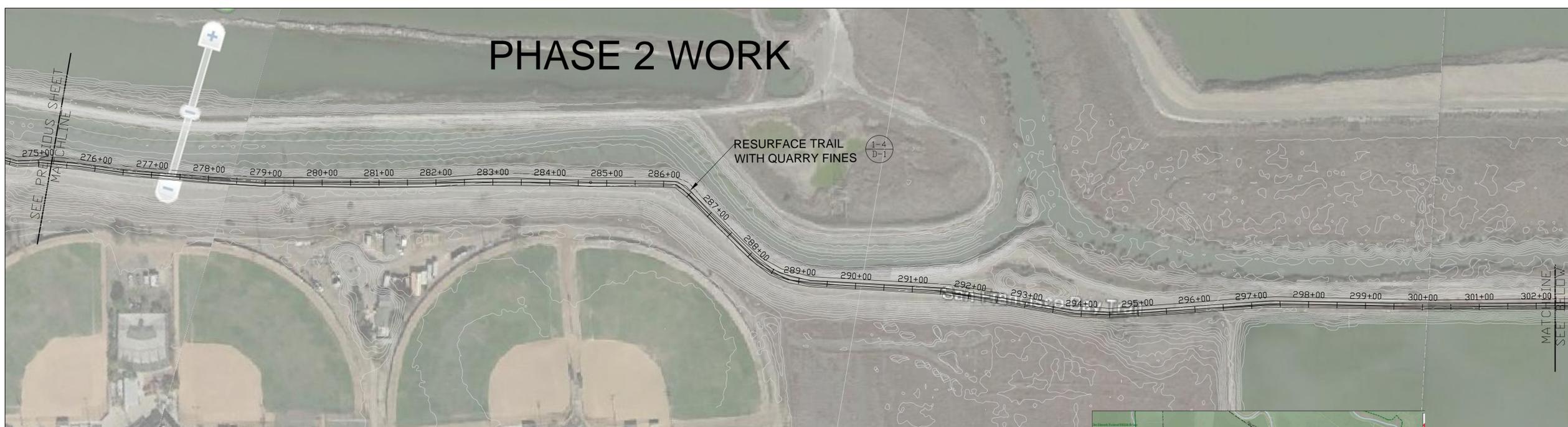
REVIEWED: RA
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DRAWING TITLE:

TRAIL LAYOUT

SHEET NO.

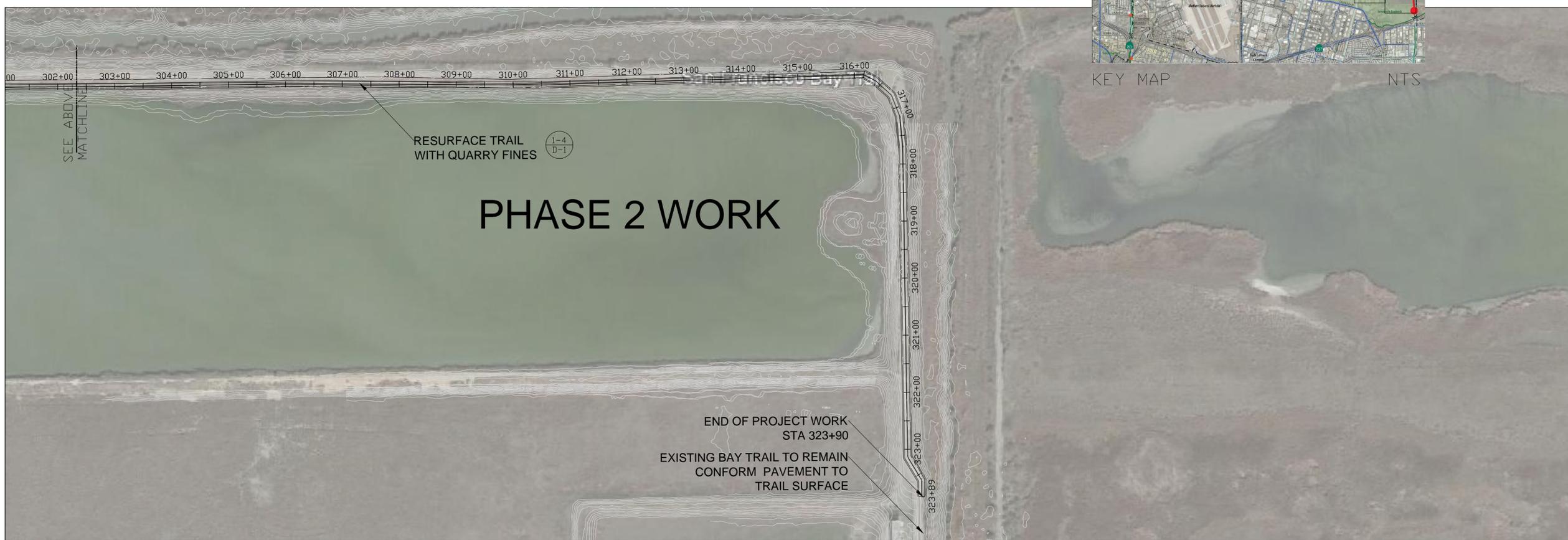
L-5



BAY TRAIL STA 275+00 - 302+00 



SCALE 1"=100'
 1 INCH
 0 100' 200'



BAY TRAIL STA 302+00 - 323+90 

NOTE: REFER TO REFERENCE TABLES ON SHEET L-7 TO DETERMINE TRAIL WIDTH AND AB THICKNESS

SCALE 1"=100'
 1 INCH
 0 100' 200'

**BAY TRAIL
 RESURFACING**

**MT. VIEW
 SUNNYVALE**

REVISIONS

NO	DATE	ITEM



REVIEWED: RA
 DRAWN: BB
 PROJECT NO. 14-191
 SUBMITTAL DATE: SEPTEMBER 2014
 PHASE 100 % CD

DRAWING TITLE:
**TRAIL
 LAYOUT**

SHEET NO.
L-6

TABLE 1 - TRAIL SURFACE WIDTH		
STATIONING	TRAIL SURFACE WIDTH	DETAIL REFERENCE
0+00 - 6+50	8' w/ 2'-3' ped sidepath	2/D-1
6+50 - 85+00	11' w/ 2'-3' ped sidepath	1/D-1
85+00 - 88+50	8' w/ 2'-3' ped sidepath	2/D-1
88+50 - 147+50	11' w/ 2'-3' ped sidepath	1/D-1
147+50 - 154+00	8' w/ 2'-3' ped sidepath	2/D-1
154+00 - 158+50	11' w/ 2'-3' ped sidepath	1/D-1
158+50 - 159+80	6'	3/D-1
159+80 - 163+50	11' w/ 2'-3' ped sidepath	4/D-1
163+50 - 185+50	11' w/ 2'-3' ped sidepath	1/D-1
185+50 - 188+50	8' w/ 2'-3' ped sidepath	2/D-1
188+50 - 201+00	11' w/ 2'-3' ped sidepath	1/D-1
201+00 - 208+50	8' w/ 2'-3' ped sidepath	2/D-1
208+50 - 323+90	11' w/ 2'-3' ped sidepath	1/D-1

PHASE 1 EXTENTS STA 37+75 - 158+00
 PHASE 2 EXTENTS STA 0+00 - 37+75; 158+50 - 323+90

TABLE 2 - REQUIRED AB THICKNESS	
STATIONING	REQUIRED AB THICKNESS
0+00 - 137+00	6
137+00 - 160+00	4
160+00 - 173+00	6
173+00 - 182+00	4
182+00 - 189+00	6
189+00 - 239+00	4
239+00 - 317+00	6
317+00 - 323+89	4

PHASE 1 EXTENTS STA 37+75 - 158+00
 PHASE 2 EXTENTS STA 0+00 - 37+75; 158+50 - 323+90

TABLE 3 - LEVEE REPAIR LOCATIONS		
STATION BEGIN	STATION END	LENGTH
63+94	64+10	16
64+14	64+24	10
64+44	64+62	18
64+70	64+80	10
65+70	65+74	4
65+90	66+72	82
66+82	67+18	36
67+22	67+28	6
67+60	67+84	24
67+88	67+92	4
68+56	68+60	4
68+98	69+06	8
69+20	69+36	16
71+14	71+24	10
71+58	71+68	10
71+86	71+96	10
72+46	72+58	12
72+62	72+68	6
72+88	73+22	34
73+74	73+88	14
73+92	74+00	8
75+80	75+84	4
76+36	76+42	6
77+00	77+56	56
83+70	83+92	22
84+04	84+48	44
84+68	84+98	30
85+04	85+16	12
85+44	86+12	68
86+58	86+80	22
Total Length =		606

ALL LEVEE REPAIR IS WITHIN PHASE 1 LIMITS

**BAY TRAIL
RESURFACING**

**MT. VIEW
SUNNYVALE**

REVISIONS

NO	DATE	ITEM

REGISTRATION:



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DRAWING TITLE:

REFERENCE
TABLES

SHEET NO.

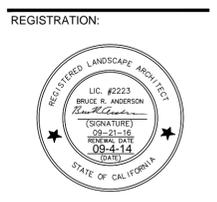
L-7

BAY TRAIL RESURFACING

MT. VIEW SUNNYVALE

REVISIONS

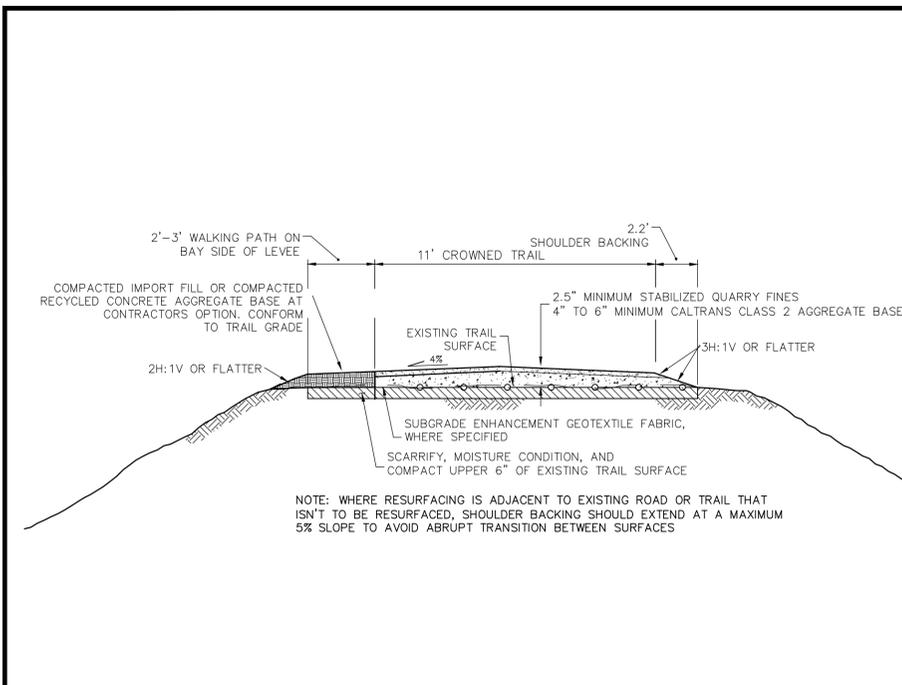
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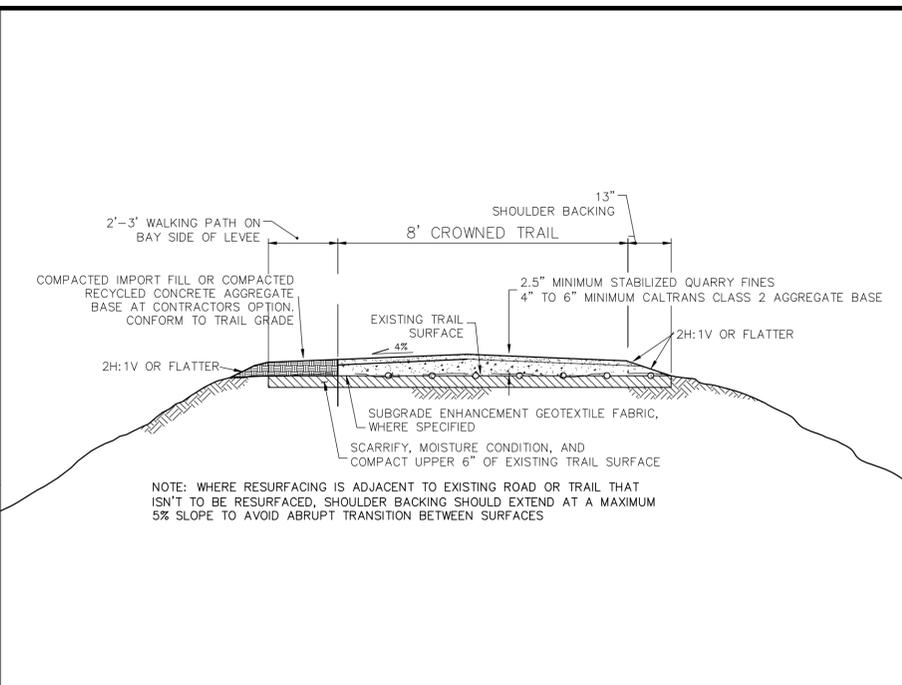
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 DRAWN: BB
 PROJECT NO. 14-191
 SUBMITTAL DATE: SEPTEMBER 2014
 PHASE 100% CD

DETAILS

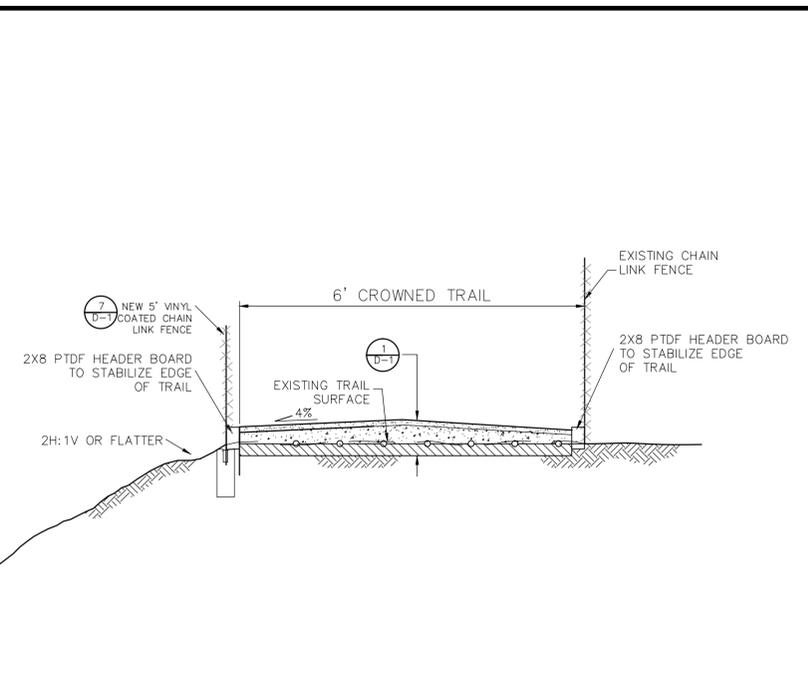
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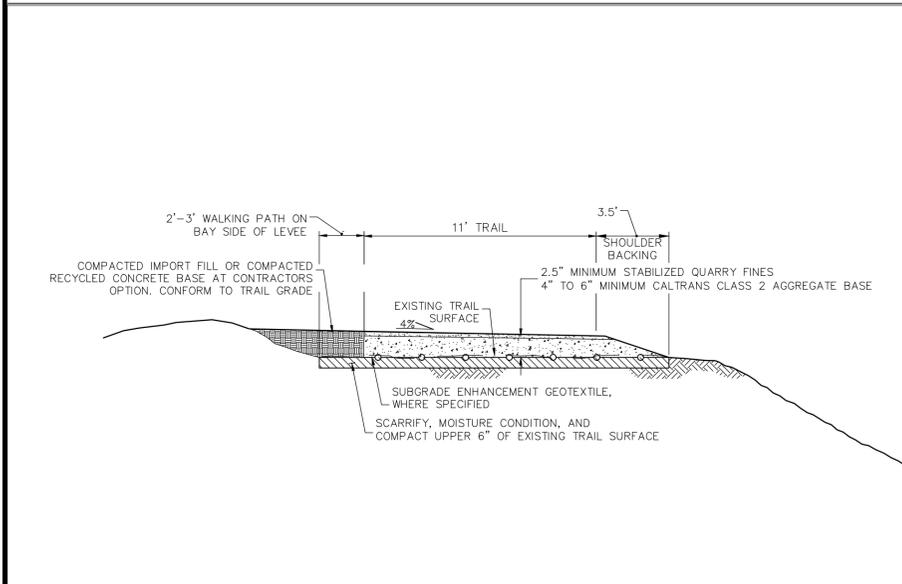
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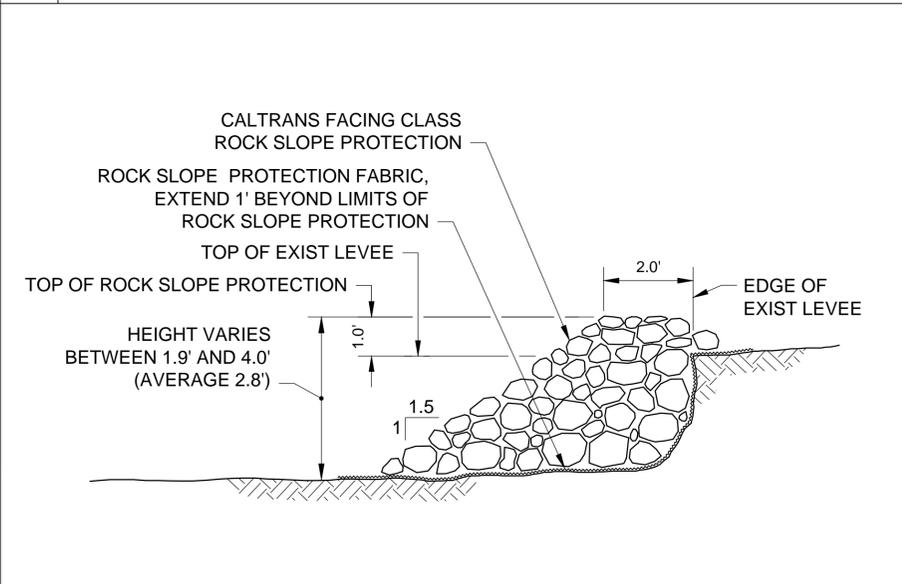
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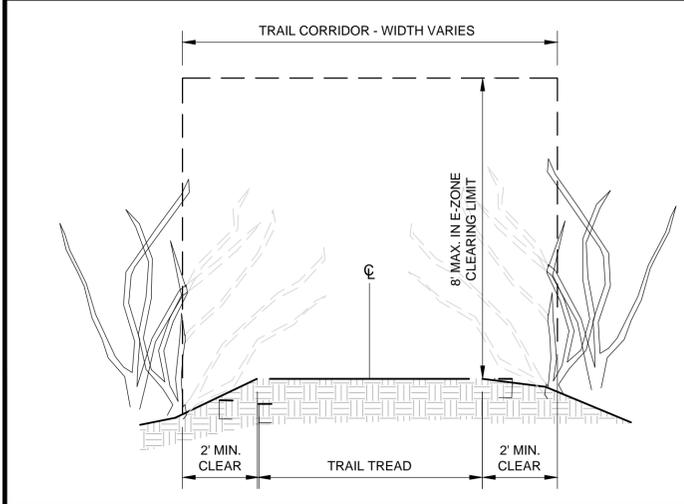
3 TRAIL AT PINCH POINT



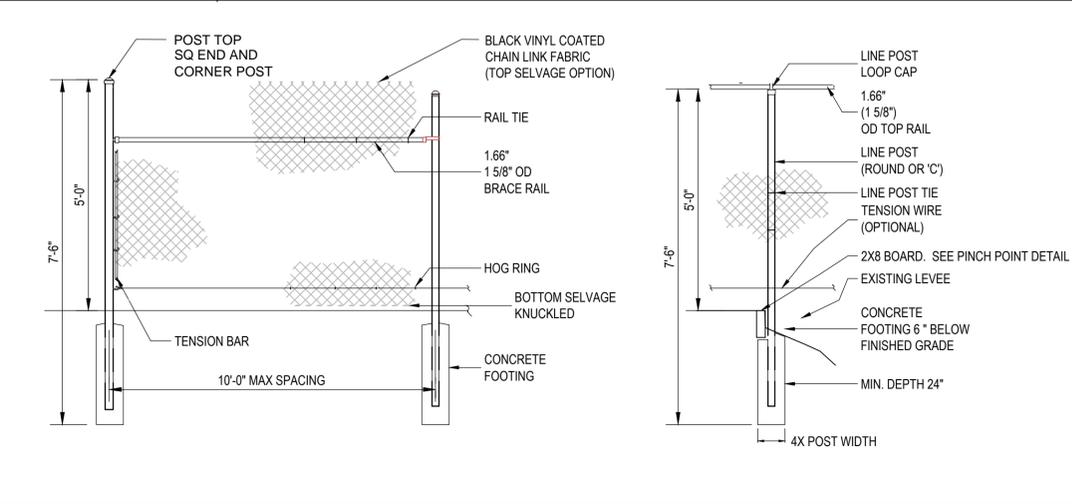
4 TRAIL ADJACENT TO UPSLOPE



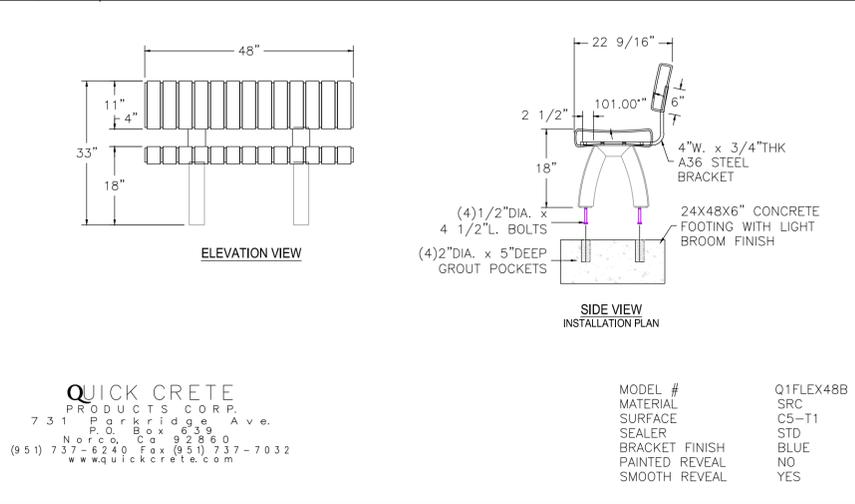
5 EROSION REPAIR



6 VEGETATION CLEARING



7 CHAIN LINK FENCE



8 BENCH

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 18-14

**AUTHORIZING THE FILING OF A NOTICE OF CATEGORICAL EXEMPTION UNDER
CEQA FOR THE GOOGLE / SAN FRANCISCO BAY TRAIL RESURFACING
PROJECT**

WHEREAS, 340 miles of San Francisco Bay Trail (Bay Trail) are complete and open to the public for hiking, jogging and bicycling along the shoreline of San Francisco Bay, and along a 6-mile section of shoreline in the Mountain View – Sunnyvale area, the Bay Trail is a popular bicycle/pedestrian route used for recreation and car-free commutes; and

WHEREAS, the existing gravel/base rock surface along a portion of this section is loose, resulting in potholes and poor traction, and the proposed project will resurface the trail with quarry fines to improve bicyclist and pedestrian safety and function; and

WHEREAS, the project spans several shoreline properties within two municipalities (Mountain View, Sunnyvale) that have agreed to participate in the project, and funding for the improvements has been secured by Google, Inc.; and

WHEREAS, staff and ABAG's Legal Counsel recommend that ABAG make the findings contained in, and authorize the filing of, the attached Notice of Exemption for the project.

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 18-14**

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

1. finds that the Google / San Francisco Bay Trail Resurfacing Project is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines 15301 as set forth in the Notice of Categorical Exemption attached to this resolution; and
2. authorizes the Executive Director, or his designee, to file the Notice of Categorical Exemption with the County of Santa Clara.

The foregoing was adopted by the Executive Board this 4th day of December, 2014.

Julie Pierce
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 4th day of December, 2014.

Ezra Rapport
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: November 17, 2014

To: ABAG Executive Board

From: Judy Kelly
Director, San Francisco Estuary Partnership

Subject: **Authorization to Enter into Contract Agreements with Local Project Sponsors for 10 Bay Area Integrated Regional Water Management Projects**

Executive Summary

At the June 13, 2014 Meeting of the Administrative Committee of Association of Bay Area Governments, the Committee adopted Resolution Number 09-14 authorizing the submittal of a grant application to the California Department of Water Resources to obtain an Integrated Regional Water Management Implementation Grant pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 *et/seq.*), and to enter into an agreement with the California Department of Water Resources to execute a grant agreement for the San Francisco Bay IRWM Prop 84 Round 3 (Drought) Implementation Projects. The grant was awarded to ABAG on November 12, 2014. We now seek approval to enter into contract agreements with the Local Project Sponsors who will implement the projects to be funded under this grant award following execution of the master grant agreement.

Project	Agency	Requested Grant Amount
Lower Cherry Aqueduct Emergency Rehabilitation Project	San Francisco Public Utilities Commission	\$3,000,000
Zone 7 Water Supply Drought Preparedness Project	Alameda County Zone 7 Water Agency	\$3,000,000
Los Carneros Water District and Milliken-Sarco-Tulocay Recycled Water Pipelines	Napa Sanitation District	\$4,000,000
Sunnyvale Continuous Recycled Water Production Facilities and Wolfe Road Pipeline	Santa Clara Valley Water District / City of Sunnyvale	\$4,000,000

Bay Area Integrated Regional Water Management Projects

November 17, 2014

2

Project	Agency	Requested Grant Amount
DERWA Phase 3 Recycled Water Expansion Project	Dublin San Ramon Services District/East Bay Municipal Utilities District	\$4,000,000
Calistoga Recycled Water Storage Facility	City of Calistoga	\$750,000
Drought Relief for South Coast San Mateo County	San Mateo Resources Conservation District/American Rivers	\$3,872,000
Stinson Beach Water Supply & Drought Preparedness Plan	Stinson Beach Water District	\$937,452
Bay Area Regional Drought Relief and Water Conservation Project	Stopwaste.org and Water Agencies	\$5,993,971
WaterSMART Irrigation with AMI/AMR	Marin Municipal Water District	\$975,000
Grant Administration	ABAG/SFEP	\$1,650,000
Proposal Total		\$32,178,423

Recommended Action

Request approval for Executive Director or designee to enter into contract agreements on behalf of ABAG with the Local Project Sponsors to implement the above referenced projects. The San Francisco Estuary Partnership and ABAG will provide overall grant management services for the DWR grant which extends four years from the award date of November 12, 2014.

Attachment

DWR Award Letter of November 12, 2014

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



November 12, 2014

Mr. Ezra Rapport
Executive Director
Association of Bay Area Governments
101 8th Street
Oakland, California 94607

RECEIVED
NOV 17 2014
EXECUTIVE DIRECTOR'S OFFICE

Commitment Letter - Proposition 84 Integrated Regional Water Management (IRWM)
2014 Drought Grant Award

Dear Mr. Rapport:

Thank you for your interest in the Proposition 84 IRWM 2014 Drought Grant Solicitation. We are pleased to inform you that the proposal, Bay Area Drought Relief Program, filed by Association of Bay Area Governments has been selected by the Department of Water Resources (DWR) for funding. This letter serves as DWR's conditional commitment of \$32,178,423 in Proposition 84 grant funding for the proposal. This award is conditioned upon the execution of a Grant Agreement between DWR and your agency. A copy of the Grant Agreement template is available at the following website: <http://www.water.ca.gov/irwm/grants/resourceslinks.cfm>

Within seven calendar days of the date of this letter, please confirm (e-mail acceptable) that your agency will accept the grant award in the amount of \$32,178,423.

On January 17, 2014, Governor Edmund G. Brown proclaimed a Drought State of Emergency, and on March 1, 2014, Governor Brown signed legislation to assist drought-affected communities and provide funding for various drought relief actions, including the expedited solicitation of IRWM funding. As the authorized representative of the Regional Water Management Group (RWMG), by signing the Acknowledgement Form, you affirmed that RWMG understands that it must provide additional information. Failure to submit the necessary information may result in delayed execution of the grant agreement or revocation of the conditional award of funds. Specifically, the following information must be provided within 30 days of the date of this letter:

- For each project contained in the proposal
 - A detailed Work Plan
 - A detailed Budget which demonstrates that each of the Local Project Sponsors has available sources of sufficient funds to complete the grant-funded project.
 - Any changes to the schedule.
 - Documentation to support the Project Justification claims.
 - Project Performance Monitoring Plans.
- Audited Financial Statements for the Grantee and the Local Project Sponsors whose project(s) is/are about to begin construction/implementation.

Specifically, submit copies of the most recent three years of audited financial statements including the following items:

- Balance sheets, statements of sources of income and uses of funds, a summary description of existing debts including bonds, and the most recent annual budget.
- Submit separate details for the water enterprise fund, if applicable to an agency or organization.
- A list of all cash reserves, restricted and unrestricted, and any planned uses of those reserves.
- Any loans required for project funding and a description of the repayment method of any such loans.
- California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA) documentation for those projects that are about to begin construction/implementation. The Environmental Information Form may be used for this purpose. Electronic fillable form is available at the following link: <http://www.water.ca.gov/irwm/grants/resourceslinks.cfm>
- Other materials that DWR deems necessary, which will include the following item:
 - A statement of whether the grantee or the Local Project Sponsors have Project Labor Agreement restrictions or bans contrary to the Public Contracts Code Section 2500 *et seq.*

Attachment 1 outlines additional requirements that must be addressed to either maintain grant eligibility or be met prior to disbursement of grant funds.

Please return the requested information within the time periods listed above, to Ms. Melissa Sparks at:

Department of Water Resources
Post Office Box 942836
Sacramento, California 94236-0001

If you have any questions, please contact Melissa Sparks at (916) 651-9221 or Melissa.Sparks@water.ca.gov.

Sincerely,



Tracie L. Billington, P.E., Chief
Financial Assistance Branch
Division of Integrated Regional Water Management

Attachment

Attachment 1

Additional Requirements to Maintain Eligibility for Grant Reimbursements

The Additional requirements must be met on an ongoing basis by the Grantee to maintain grant funding eligibility or must be met prior to disbursement of grant funds.

- Grantee must demonstrate compliance with all applicable requirements of CEQA and, if applicable, NEPA. DWR is the responsible agency in complying with CEQA for each individual project included in the grant agreement. Grantee must submit documents that satisfy the CEQA and NEPA process as well as any mitigation agreements and environmental permits. Reimbursement of grant expenses related to construction projects is subject to DWR's decision to concur or not concur with the Grantee's final CEQA document.
- All local project sponsors that are Urban Water Suppliers must:
 - Maintain compliance with water metering requirements (CWC §525 *et seq.*).
 - Meet the Urban Water Management Planning (UWMP) Act requirements (CWC §10610 - 10656) and requirements CWC §10608.16 -10608.44.
 - Maintain compliance with the UWMP Act and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6 (CWC§10608 *et. Seq.*)
 - Have their 2010 UWMP deemed consistent by DWR. The next Urban Water Management Plan update will be required in 2016. For more information visit the following website: <http://www.water.ca.gov/urbanwatermanagement>
- All local project sponsors that are Agricultural Water Suppliers must:
 - Comply with water conservation requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the CWC. Before July 1, 2016, submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to CWC §10608.48, for inclusion in the grant agreement as an Exhibit.
 - Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. The next AWMP update will be required in 2016. For more information visit the following website: <http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>
- Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 13 and 14 of the IRWM Program Guidelines, dated June 2014.
- Grantee or local project sponsors that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by CWC§ 10932 and the CASGEM Program.
- Surface water diverters receiving grant funding must comply with surface water diversion reporting requirements outlined in Part 5.1 (commencing with §5100) of Division 2 of the CWC. If a surface water diverter is not current with its surface water diversion reporting, then explain why the reports are not current and provide an estimated submittal date. DWR may withhold execution of the grant agreement or disbursing grant funds until reporting is current.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: November 19, 2014

To: ABAG Executive Board

From: Miriam Chion
Research and Planning Director

Subject: **Priority Development Area Implementation Showcase—Downtown San Francisco and Downtown Oakland**

Executive Summary

Rachel Flynn, Director of Planning and Building for the City of Oakland, and Gil Kelley, Director of Citywide Planning for the City of San Francisco, will share the long-term visions for their Downtown Priority Development Areas. Their presentation will compare development trends and focus on how the two downtowns relate to one another, and how they impact and relate to the rest of the region. Ms. Flynn and Mr. Kelley will also discuss opportunities for collaboration between the two cities, as well as other jurisdictions, to address some of the challenges to accommodating future growth.

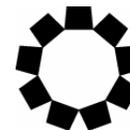
Recommended Action

Information

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: November 19, 2014
To: ABAG Executive Board
From: Miriam Chion
Planning and Research Director
Subject: **Review of Priority Development Area Criteria**

At the request of the Executive Board and Regional Planning Committee, we are providing an overview of the region's Priority Development Area (PDA) criteria and guidelines.

PDA Criteria

The existing PDA criteria were established in 2008 as part of the FOCUS Program. The criteria were extensively vetted and ultimately adopted by ABAG's Executive Board. They were revised in 2011 for inclusion in Plan Bay Area. Firstly, a PDA must have a resolution approved by a local jurisdiction responsible for land use. Secondly, a PDA must be located in an area that satisfies the following:

1. Within an existing community
2. Housing growth potential
3. Access to transit

All PDAs are proposed within the urban footprint of existing communities. This is intended to make use of the existing infrastructure and services. All PDAs consider potential housing growth; the planning efforts and housing construction feasibility varies across PDAs according to the local development and planning process and local vision. All PDAs must have access to transit infrastructure, including: 1) ½ mile around an existing rail station or ferry terminal, 2) ½ mile area served by bus route or bus rapid transit(BRT) corridor with a minimum headway of 20 minutes during peak weekday commute periods, or 3) ½ mile within a planned transit station defined in MTC's Resolution 3434.

PDA Guidelines

Guidelines for PDA size and density were established in key PDA program documents to serve as references for local planners and as measures of quality assurance for the PDA program at-large.

Review of Priority Development Area Criteria

November 19, 2014

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The PDA application guidelines recommend 100 acres, roughly ¼ mile radius, as an appropriate minimum size for PDAs given that the program seeks to support local area and specific planning. A maximum size of 500 acres has been suggested for specific planning areas applying for MTC PDA Planning Grant funds, however, specific planning areas and associated PDAs do not necessarily share the same boundaries.

PDA density guidelines are described in the Development Guidelines section of the Station Area Planning Manual¹, which recommends housing and employment development densities by PDA placetype. The manual identifies a range from 20-300 du/ac (dwelling units per acre) as housing density targets, and 1.0-5.0 FAR (floor area ratio) for employment density targets.

Most of the 191 PDAs are within the 100 to 500-acre range. PDA size outliers are largely due to local planning objectives for community and specific plans. These objectives define a broad range of geographies, from neighborhood main street corridors, often less than 100 acres, to institutional re-use parcels spanning more than 500 acres (see attachment 4).

Recommended Action

At its October 1, 2014 meeting, the Regional Planning Committee adopted a staff recommendation that the Executive Board take the action described below. We respectfully request that the Executive Board:

- Retain the current three PDA criteria without modifications: location within an existing community, housing growth potential and access to transit. These criteria are grounded in a sustainable growth approach to the region and are aligned with the intent of SB 375.
- Retain the density guidelines: They provide general references to local planners on the scale of the neighborhoods and the mix of shops, services and mobility options.
- Revise the size guidelines from a range of 100-500 acres to 40-640 acres, or PDA-boundary alignment with an existing community planning process that connects housing to transit (see attachment 3). After reviewing the size distribution of smaller PDAs, we recommend a 40-acre minimum size to align with the distance of an 1/8 - mile radius around a transit station, which captures a convenient walking distance to transit and allows for a comfortable walking distance to adjacent PDAs and/or transit-serving neighborhoods. We recommend a maximum size of 640 acres to align with roughly a 1-mile radius around a transit station; this minor revision allows a fitter rounding to the transit criteria and standards. This criteria modification additionally broadens the size capture of existing PDAs between 40-640 acres (see attachment 4).

This revision will not affect the status or eligibility of existing PDAs. Upon recommendation by the Regional Planning Committee and adoption by the Executive Board, the updated guidelines will apply to applications for new PDAs and to existing PDAs applying for modifications. The deadline for PDA applications and modifications is June 30, 2015. Application materials can be found here: http://www.bayareavision.org/pdaapplication/PDA_ApplicationForm_Jan2014.pdf

¹ Station Area Planning Manual (Metropolitan Transportation Commission: 2007), pg. 17

Review of Priority Development Area Criteria

November 19, 2014

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Attachments

1. Priority Development Area (PDA) List
2. Priority Development Area (Map)
3. Summary PDA Criteria/Guidelines Table
4. PDA Size Graphs

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Priority Development Area (PDA) List

9/23/2014



COUNTY	PDA NAME	PLANNING STATUS	PLACETYPE
Alameda	Alameda: Naval Air Station	Planned	Transit Town Center
Alameda	Alameda: Northern Waterfront	Potential	Transit Neighborhood
Alameda	Alameda County: Castro Valley BART	Potential	Transit Neighborhood
Alameda	Alameda County: East 14th Street and Mission Boulevard	Planned	Mixed-Use Corridor
Alameda	Alameda County: Hesperian Boulevard	Planned	Transit Neighborhood
Alameda	Alameda County: Meekland Avenue Corridor	Planned	Transit Neighborhood
Alameda	Albany: San Pablo & Solano Mixed Use Neighborhood	Potential	Mixed-Use Corridor
Alameda	Berkeley: Adeline Street	Potential	Mixed-Use Corridor
Alameda	Berkeley: Downtown	Planned	City Center
Alameda	Berkeley: San Pablo Avenue	Planned	Mixed-Use Corridor
Alameda	Berkeley: South Shattuck	Planned	Mixed-Use Corridor
Alameda	Berkeley: Telegraph Avenue	Potential	Mixed-Use Corridor
Alameda	Berkeley: University Avenue	Planned	Mixed-Use Corridor
Alameda	Dublin: Downtown Specific Plan Area	Planned	Suburban Center
Alameda	Dublin: Town Center	Planned	Suburban Center
Alameda	Dublin: Transit Center/Dublin Crossings	Planned	Suburban Center
Alameda	Emeryville: Mixed-Use Core	Planned	City Center
Alameda	Fremont: Centerville	Planned	Transit Neighborhood
Alameda	Fremont: City Center	Planned	City Center
Alameda	Fremont: Irvington District	Planned	Transit Town Center
Alameda	Fremont: Warm Springs	Planned	Suburban Center
Alameda	Hayward: Downtown	Planned	City Center
Alameda	Hayward: Mission Boulevard Corridor	Potential	Mixed-Use Corridor
Alameda	Hayward: South Hayward BART	Planned	Mixed-Use Corridor
Alameda	Hayward: South Hayward BART	Planned	Urban Neighborhood
Alameda	Hayward: The Cannery	Planned	Transit Neighborhood
Alameda	Livermore: Downtown	Planned	Suburban Center
Alameda	Livermore: East Side	Potential	Suburban Center
Alameda	Livermore: Isabel Avenue/BART Station Planning Area	Potential	Suburban Center
Alameda	Newark: Dumbarton Transit Oriented Development	Potential	Transit Town Center
Alameda	Newark: Old Town Mixed Use Area	Potential	Transit Neighborhood
Alameda	Oakland: Coliseum BART Station Area	Planned	Transit Town Center
Alameda	Oakland: Downtown & Jack London Square	Planned	Regional Center
Alameda	Oakland: Eastmont Town Center	Planned	Urban Neighborhood
Alameda	Oakland: Fruitvale and Dimond Areas	Planned	Urban Neighborhood
Alameda	Oakland: MacArthur Transit Village	Planned	Urban Neighborhood
Alameda	Oakland: Transit Oriented Development Corridors	Potential	Mixed-Use Corridor
Alameda	Oakland: West Oakland	Planned	Transit Town Center
Alameda	Pleasanton: Hacienda	Potential	Suburban Center
Alameda	San Leandro: Bay Fair BART Transit Village	Potential	Transit Town Center
Alameda	San Leandro: Downtown Transit Oriented Development	Planned	City Center
Alameda	San Leandro: East 14th Street	Planned	Mixed-Use Corridor
Alameda	Union City: Intermodal Station District	Planned	City Center
Contra Costa	Antioch: Hillcrest eBART Station	Planned	Suburban Center
Contra Costa	Antioch: Rivertown Waterfront	Potential	Transit Town Center
Contra Costa	Concord: Community Reuse Area/ Los Medanos	Potential	Suburban Center
Contra Costa	Concord: Community Reuse Area/ Los Medanos	Potential	Transit Neighborhood
Contra Costa	Concord: Downtown	Potential	City Center
Contra Costa	Contra Costa County: Contra Costa Centre	Planned	Mixed-Use Corridor
Contra Costa	Contra Costa County: Downtown El Sobrante	Potential	Mixed-Use Corridor
Contra Costa	Contra Costa County: Pittsburg/Bay Point BART Station	Planned	Transit Neighborhood
Contra Costa	Contra Costa County: Pittsburg/Bay Point BART Station	Planned	Transit Town Center
Contra Costa	Danville: Downtown	Potential	Transit Town Center
Contra Costa	El Cerrito: San Pablo Avenue Corridor	Planned	Mixed-Use Corridor
Contra Costa	El Cerrito: San Pablo Avenue Corridor	Planned	Mixed-Use Corridor
Contra Costa	Hercules: Central Hercules	Planned	Transit Neighborhood
Contra Costa	Hercules: Waterfront District	Planned	Transit Town Center
Contra Costa	Lafayette: Downtown	Planned	Transit Neighborhood

Priority Development Area (PDA) List

9/23/2014



COUNTY	PDA NAME	PLANNING STATUS	PLACETYPE
Contra Costa	Martinez: Downtown	Planned	Transit Neighborhood
Contra Costa	Moraga: Moraga Center	Potential	Transit Town Center
Contra Costa	Oakley: Downtown	Potential	Transit Town Center
Contra Costa	Oakley: Employment Area	Potential	Suburban Center
Contra Costa	Oakley: Potential Planning Area	Potential	Transit Neighborhood
Contra Costa	Orinda: Downtown	Potential	Transit Town Center
Contra Costa	Pinole: Appian Way Corridor	Potential	Mixed-Use Corridor
Contra Costa	Pinole: Old Town San Pablo Avenue	Potential	Mixed-Use Corridor
Contra Costa	Pittsburg: Downtown	Planned	Transit Neighborhood
Contra Costa	Pittsburg: Railroad Avenue eBART Station	Planned	Transit Town Center
Contra Costa	Pleasant Hill: Buskirk Avenue Corridor	Potential	Mixed-Use Corridor
Contra Costa	Pleasant Hill: Diablo Valley College	Potential	Transit Neighborhood
Contra Costa	Richmond: Central Richmond & 23rd Street Corridor	Planned	City Center
Contra Costa	Richmond: Central Richmond & 23rd Street Corridor	Potential	Mixed-Use Corridor
Contra Costa	Richmond: South Richmond	Planned	Transit Neighborhood
Contra Costa	Richmond (with Contra Costa County): North Richmond	Potential	Transit Neighborhood
Contra Costa	San Pablo: San Pablo Avenue & 23rd Street Corridors	Planned	Mixed-Use Corridor
Contra Costa	San Ramon: City Center	Planned	Suburban Center
Contra Costa	San Ramon: North Camino Ramon	Potential	Transit Town Center
Contra Costa	Walnut Creek: West Downtown	Planned	City Center
Contra Costa	West Contra Costa Transportation Advisory Committee: San Pablo Avenue Corridor	Planned	Mixed-Use Corridor
Contra Costa	West Contra Costa Transportation Advisory Committee: San Pablo Avenue Corridor	Potential	Mixed-Use Corridor
Contra Costa	West Contra Costa Transportation Advisory Committee: San Pablo Avenue Corridor	Planned	Mixed-Use Corridor
Marin	Marin County: Urbanized 101 Corridor	Potential	Transit Neighborhood
Marin	San Rafael: Downtown	Planned	City Center
Napa	American Canyon: Highway 29 Corridor	Potential	Mixed-Use Corridor
Napa	Napa: Downtown Napa and Soscol Gateway Corridor	Potential	Transit Neighborhood
San Francisco	San Francisco: 19th Avenue	Potential	Transit Town Center
San Francisco	San Francisco: Balboa Park	Planned	Transit Neighborhood
San Francisco	San Francisco: Bayview/Hunters Point Shipyard/Candlestick Point	Planned	Urban Neighborhood
San Francisco	San Francisco: Downtown-Van Ness-Geary	Planned	Regional Center
San Francisco	San Francisco: Eastern Neighborhoods	Planned	Urban Neighborhood
San Francisco	San Francisco: Market & Octavia	Planned	Urban Neighborhood
San Francisco	San Francisco: Mission Bay	Planned	Urban Neighborhood
San Francisco	San Francisco: Mission-San Jose Corridor	Planned	Mixed-Use Corridor
San Francisco	San Francisco: Port of San Francisco	Planned	Mixed-Use Corridor
San Francisco	San Francisco: Transbay Terminal	Planned	Regional Center
San Francisco	San Francisco: Treasure Island	Planned	Transit Town Center
San Francisco/San Mateo	San Francisco & Brisbane: San Francisco/San Mateo Bi-County Area	Potential	Suburban Center
San Francisco/San Mateo	San Francisco & Brisbane: San Francisco/San Mateo Bi-County Area	Planned	Transit Neighborhood
San Mateo	Belmont: Villages of Belmont	Potential	Mixed-Use Corridor
San Mateo	Burlingame: Burlingame El Camino Real	Planned	Transit Town Center
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Potential	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Potential	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	City/County Association of Governments of San Mateo County: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	Daly City: Bayshore	Potential	Transit Town Center
San Mateo	Daly City: Mission Boulevard	Potential	Mixed-Use Corridor
San Mateo	East Palo Alto: Ravenswood	Potential	Transit Town Center

Priority Development Area (PDA) List

9/23/2014



COUNTY	PDA NAME	PLANNING STATUS	PLACETYPE
San Mateo	Menlo Park: El Camino Real Corridor and Downtown	Planned	Transit Town Center
San Mateo	Millbrae: Transit Station Area	Planned	Mixed-Use Corridor
San Mateo	Redwood City: Broadway/Veterans Boulevard Corridor	Planned	Mixed-Use Corridor
San Mateo	Redwood City: Downtown	Planned	City Center
San Mateo	San Bruno: Transit Corridors	Planned	Mixed-Use Corridor
San Mateo	San Carlos: Railroad Corridor	Planned	Transit Town Center
San Mateo	San Mateo: Downtown	Planned	City Center
San Mateo	San Mateo: El Camino Real	Planned	Mixed-Use Corridor
San Mateo	San Mateo: Rail Corridor	Planned	Transit Neighborhood
San Mateo	South San Francisco: Downtown	Planned	Transit Town Center
Santa Clara	Campbell: Central Redevelopment Area	Planned	Transit Neighborhood
Santa Clara	Gilroy: Downtown	Planned	Transit Town Center
Santa Clara	Milpitas: Transit Area	Planned	Suburban Center
Santa Clara	Morgan Hill: Downtown	Planned	Transit Town Center
Santa Clara	Mountain View: Downtown	Planned	Transit Town Center
Santa Clara	Mountain View: El Camino Real	Potential	Mixed-Use Corridor
Santa Clara	Mountain View: North Bayshore	Potential	Suburban Center
Santa Clara	Mountain View: San Antonio	Potential	Transit Town Center
Santa Clara	Mountain View: Whisman Station	Potential	Transit Neighborhood
Santa Clara	Palo Alto: California Avenue	Planned	Transit Neighborhood
Santa Clara	San Jose: Bascom TOD Corridor	Potential	Mixed-Use Corridor
Santa Clara	San Jose: Bascom Urban Village	Potential	Mixed-Use Corridor
Santa Clara	San Jose: Berryessa Station	Planned	Transit Neighborhood
Santa Clara	San Jose: Blossom Hill/Snell Urban Village	Potential	Mixed-Use Corridor
Santa Clara	San Jose: Camden Urban Village	Potential	Mixed-Use Corridor
Santa Clara	San Jose: Capitol Corridor Urban Villages	Potential	Mixed-Use Corridor
Santa Clara	San Jose: Capitol/Tully/King Urban Villages	Potential	Suburban Center
Santa Clara	San Jose: Communications Hill	Planned	Transit Town Center
Santa Clara	San Jose: Cottle Transit Village (Hitachi)	Planned	Suburban Center
Santa Clara	San Jose: Downtown "Frame"	Planned	City Center
Santa Clara	San Jose: East Santa Clara/ Alum Rock Corridor	Planned	Mixed-Use Corridor
Santa Clara	San Jose: Greater Downtown	Planned	Regional Center
Santa Clara	San Jose: North San Jose	Planned	Regional Center
Santa Clara	San Jose: Oakridge/ Almaden Plaza Urban Village	Potential	Suburban Center
Santa Clara	San Jose: Saratoga TOD Corridor	Potential	Mixed-Use Corridor
Santa Clara	San Jose: Stevens Creek TOD Corridor	Potential	Mixed-Use Corridor
Santa Clara	San Jose: West San Carlos and Southwest Expressway Corridors	Planned	Mixed-Use Corridor
Santa Clara	San Jose: Westgate/El Paseo Urban Village	Potential	Suburban Center
Santa Clara	San Jose: Winchester Boulevard TOD Corridor	Potential	Mixed-Use Corridor
Santa Clara	Santa Clara: El Camino Real Focus Area	Planned	Mixed-Use Corridor
Santa Clara	Santa Clara: Santa Clara Station Focus Area	Planned	City Center
Santa Clara	Santa Clara Valley Transportation Authority: City Cores, Corridors & Station Areas	Potential	Mixed-Use Corridor
Santa Clara	Santa Clara Valley Transportation Authority: City Cores, Corridors & Station Areas	Potential	Mixed-Use Corridor
Santa Clara	Santa Clara Valley Transportation Authority: City Cores, Corridors & Station Areas	Potential	Mixed-Use Corridor
Santa Clara	Santa Clara Valley Transportation Authority: City Cores, Corridors & Station Areas	Potential	Mixed-Use Corridor
Santa Clara	Santa Clara Valley Transportation Authority: City Cores, Corridors & Station Areas	Potential	Mixed-Use Corridor
Santa Clara	Santa Clara Valley Transportation Authority: City Cores, Corridors & Station Areas	Potential	Mixed-Use Corridor
Santa Clara	Sunnyvale: Downtown & Caltrain Station	Planned	Transit Town Center
Santa Clara	Sunnyvale: East Sunnyvale	Potential	Urban Neighborhood
Santa Clara	Sunnyvale: El Camino Real Corridor	Planned	Mixed-Use Corridor
Santa Clara	Sunnyvale: Lawrence Station Transit Village	Potential	Transit Neighborhood
Santa Clara	Sunnyvale: Tasman Crossing	Potential	Transit Neighborhood
Solano	Benicia: Downtown	Planned	Transit Neighborhood
Solano	Benicia: Northern Gateway - Benicia's Industrial Park	Potential	Employment Center
Solano	Dixon: Downtown	Potential	Transit Town Center
Solano	Fairfield: Downtown South (Jefferson Street)	Planned	Suburban Center
Solano	Fairfield: Fairfield-Vacaville Train Station	Potential	Transit Town Center
Solano	Fairfield: North Texas Street Core	Potential	Mixed-Use Corridor

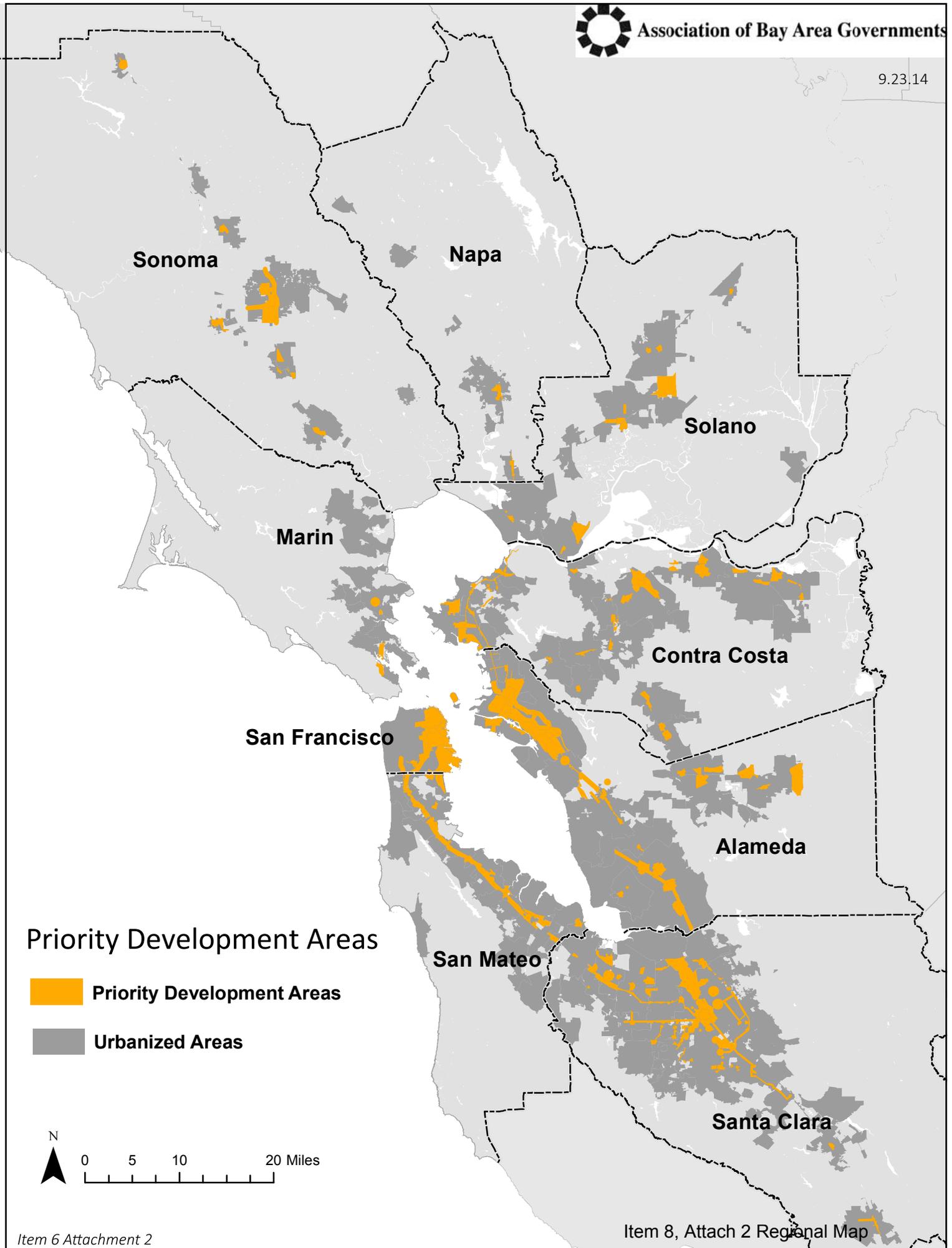
Priority Development Area (PDA) List

9/23/2014



COUNTY	PDA NAME	PLANNING STATUS	PLACETYPE
Solano	Fairfield: West Texas Street Gateway	Planned	Mixed-Use Corridor
Solano	Suisun City: Downtown & Waterfront	Planned	Transit Town Center
Solano	Vacaville: Allison Area	Planned	Suburban Center
Solano	Vacaville: Downtown	Planned	Transit Town Center
Solano	Vallejo: Waterfront & Downtown	Planned	Suburban Center
Sonoma	Cloverdale: Downtown/SMART Transit Area	Planned	Transit Town Center
Sonoma	Cotati: Downtown and Cotati Depot	Planned	Transit Town Center
Sonoma	Petaluma: Central, Turning Basin/ Lower Reach	Planned	Suburban Center
Sonoma	Rohnert Park: Central Rohnert Park	Potential	Transit Town Center
Sonoma	Rohnert Park: Sonoma Mountain Village	Planned	Suburban Center
Sonoma	Santa Rosa: Downtown Station Area	Planned	City Center
Sonoma	Santa Rosa: Mendocino Avenue/Santa Rosa Avenue Corridor	Potential	Mixed-Use Corridor
Sonoma	Santa Rosa: North Santa Rosa Station	Potential	Suburban Center
Sonoma	Santa Rosa: Roseland	Potential	Transit Neighborhood
Sonoma	Santa Rosa: Sebastopol Road Corridor	Planned	Mixed-Use Corridor
Sonoma	Sebastopol: Core Area	Potential	Transit Town Center
Sonoma	Windsor: Redevelopment Area	Planned	Suburban Center

Total count: 191



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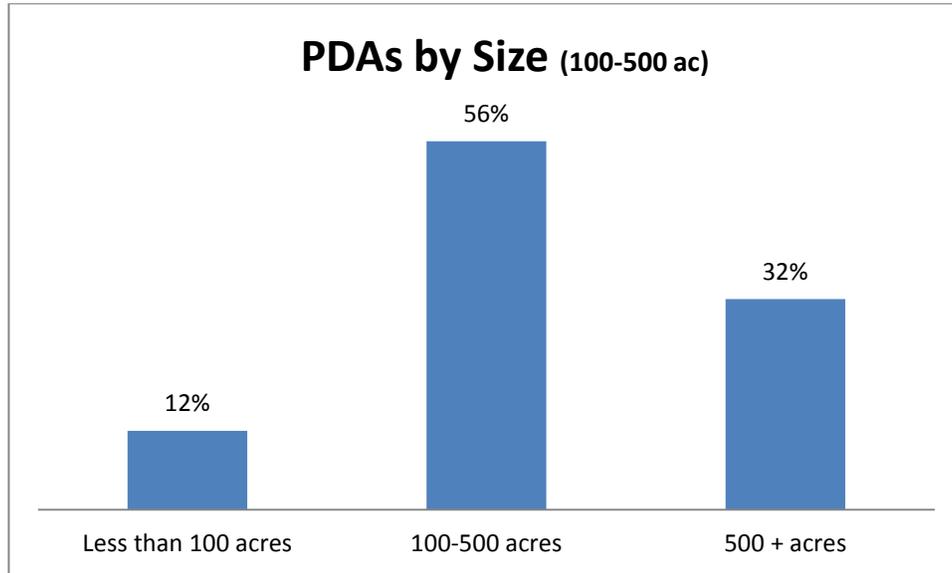
		EXISTING	RECOMMENDED CHANGES		
PDA CRITERIA	Location	1) <u>Within an existing community</u> , defined as: an urbanized area, or an area within an urban growth boundary limit	No Change		
		2) <u>Housing growth anticipated</u> , defined as: a community actively planning or considering to increase housing growth demonstrated by the jurisdiction's general plan, housing element, or via a specific planning process			
		3) <u>Near transit</u> , within .5 miles of: a) an existing ferry terminal or rail station, b) an existing bus/BRT route with minimum 20 min peak weekday headways, or c) a planned transit station (MTC Resolution 3434)			
PDA GUIDELINES	Size (acres)	minimum: 100 ac	minimum: 40 ac		
		maximum: 500 ac	maximum: 640 ac		
		outliers: n/a	outliers: must conform to the boundaries of an existing community plan		
PDA GUIDELINES	Density (by placetype)	PDA Place Type	Housing Density Range (dwelling units per acre)	Employment Density Range (floor area ratio)	No Change
		Regional Center	75-300 du/ac	5.0 FAR	
		City Center	50-150 du/ac	2.5 FAR	
		Suburban Center	35-100 du/ac	4 FAR	
		Transit Town Center	20-75 du/ac	2 FAR	
		Urban Neighborhood	40-100 du/ac	1 FAR	
		Transit Neighborhood	20-50 du/ac	1 FAR	
		Mixed Use Corridor	25-60 du/ac	2 FAR	

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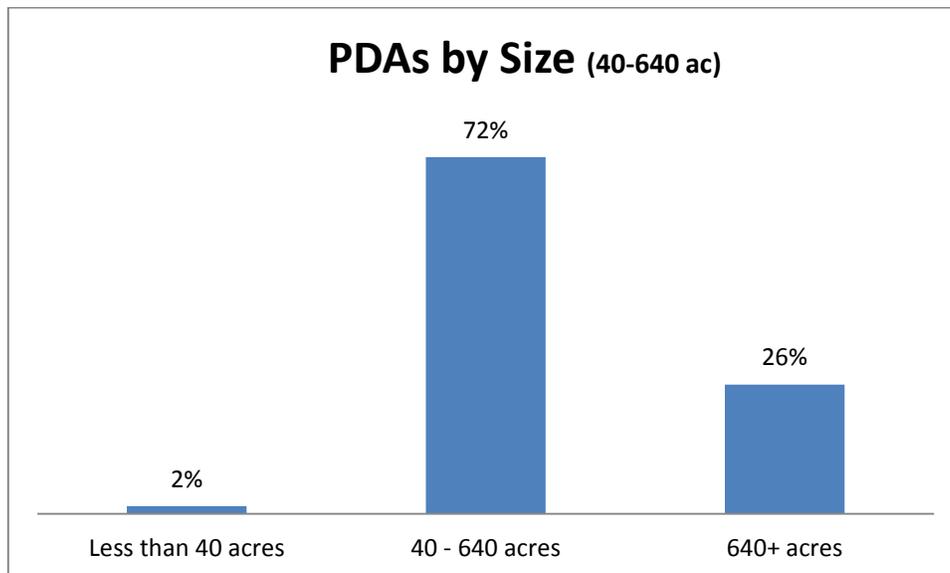
PDA Size Graphs



Existing Guidelines



Proposed Guidelines



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Date: November 14, 2014

To: Executive Board

From: Brad Paul, Deputy Executive Director
Miriam Chion, Planning and Research Director

Subject: **Community Engagement Plan for Plan Bay Area 2017**

Executive Summary

Last May, staff presented you with a memo describing what worked and what didn't regarding the first Plan Bay Area along with suggestions as to how to improve our communications about the Plan in the future. We also promised to come back with another memo presenting staff's recommendations for creating a more interactive, inclusive community engagement process for Plan Bay Area 2017.

As we begin the two and a half year process of updating Plan Bay Area, ABAG and MTC are developing complementary public participation plans to promote the ongoing and active participation of local jurisdictions, the public and a broad range of stakeholders.

This memo begins with a brief overview of the designated roles ABAG and MTC play in implementing SB375 and the federal Regional Transportation Plan (RTP) as well as the milestones we anticipate for Plan Bay Area 2017, including:

- 1) *State of Region* report - tells us what has happened in the Bay Area regarding jobs, business and housing over the past few years;
- 2) *People, Places and Prosperity* report – key regional land use perspectives for the next Plan;
- 3) Regional Forecast - jobs, population and housing forecast that inform the next Plan;
- 4) Scenarios/Draft Plan – housing and jobs land use alternatives based on #2 above and MTC's transportation investment strategy.

Next we outline ABAG's proposed community engagement process that will help supplement MTC's Public Participation Plan, and include a number of additional strategies that are complementary such as our ongoing countywide meetings with ABAG delegates. The strategies and venues described below will offer a variety of opportunities for community participation and engagement for Plan Bay Area 2017 including city officials, stakeholder groups, the business community and concerned residents.

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The community engagement proposals described in this memo incorporate your input from the May Executive Board meeting as well as our discussions with ABAG delegates (county by county), locally elected officials, MTC staff and other key stakeholders. The transparent, interactive community engagement process we are proposing should address most of the concerns we've heard over the past year about what "didn't work" the last time around.

Recommended Action

Adopt Community Engagement Plan for Plan Bay Area 2017

Learning from the first Plan Bay Area

In July 2013, ABAG and MTC adopted the Bay Area's first Sustainable Communities Strategy (e.g. Plan Bay Area). This state mandated plan must be revised and updated every four years in conjunction with MTC's Regional Transportation Plan (RTP), another long-range plan that's revised every four years. The next iteration of Plan Bay Area will be adopted in July of 2017.

Plan Bay Area 2013 was the first time MTC and ABAG worked jointly on a regional plan that combined the RTP, an MTC responsibility, with the regional housing and land use issues that are ABAG's responsibility. Despite the initial challenges, as both staffs gained experience, this joint work became a more informed and better coordinated effort. Staff was managing multiple statutory deadlines that resulted in some people feeling the process was rushed.

One major difference between the first Plan Bay Area and the 2017 update is that the 2017 update does not include the state mandated Regional Housing Needs Allocation (RHNA) which operates on an eight year cycle. It was required as part of the 2013 Plan and will be included again in the 2021 update of Plan Bay Area.

As we begin the process of putting together Plan Bay Area 2017, ABAG and MTC have benefitted from extensive in-house debriefings on what worked and what didn't in the first Plan Bay Area process. This led to some very productive cross staff discussions on how to best improve the community engagement process going forward (see attached "How We Talk About Plan Bay Area").

Complementary Roles of ABAG and MTC in Plan Bay Area Process

To ensure better coordination between transportation and housing investments and local land use decisions, SB 375 mandated that Plan Bay Area become an element of the Regional Transportation Plan (RTP), the Bay Area's long-range transportation investment strategy adopted by MTC every four years. The legislation also called for ABAG to be responsible for developing the land use and housing assumptions that inform the Plan.

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Specifically, SB 375 added three new elements to the Regional Transportation Plan:

- (1) a land use component that identifies how the region could house the region's entire population over the next 25 years;
- (2) a discussion of resource and farmland areas; and
- (3) a demonstration of how the forecasted development patterns and the transportation network can work together to reduce GHG emissions.

Every four years, as part of the RTP, MTC creates a Public Participation Plan (PPP) that describes the ways MTC and ABAG will involve Bay Area residents, local public officials, Congestion Management Agencies and others in the preparation of Plan Bay Area and the RTP in an open, transparent way. This memo outlines the additional community engagement work ABAG will be undertaking, beyond the PPP, to help ensure a more inclusive and transparent community engagement process for the next iteration of Plan Bay Area. It will describe some of the tasks and strategies including coordinating closely with ABAG members and MTC staff and Commissioners on a number of issues.

Timeline and Milestone's for Plan Bay Area 2017

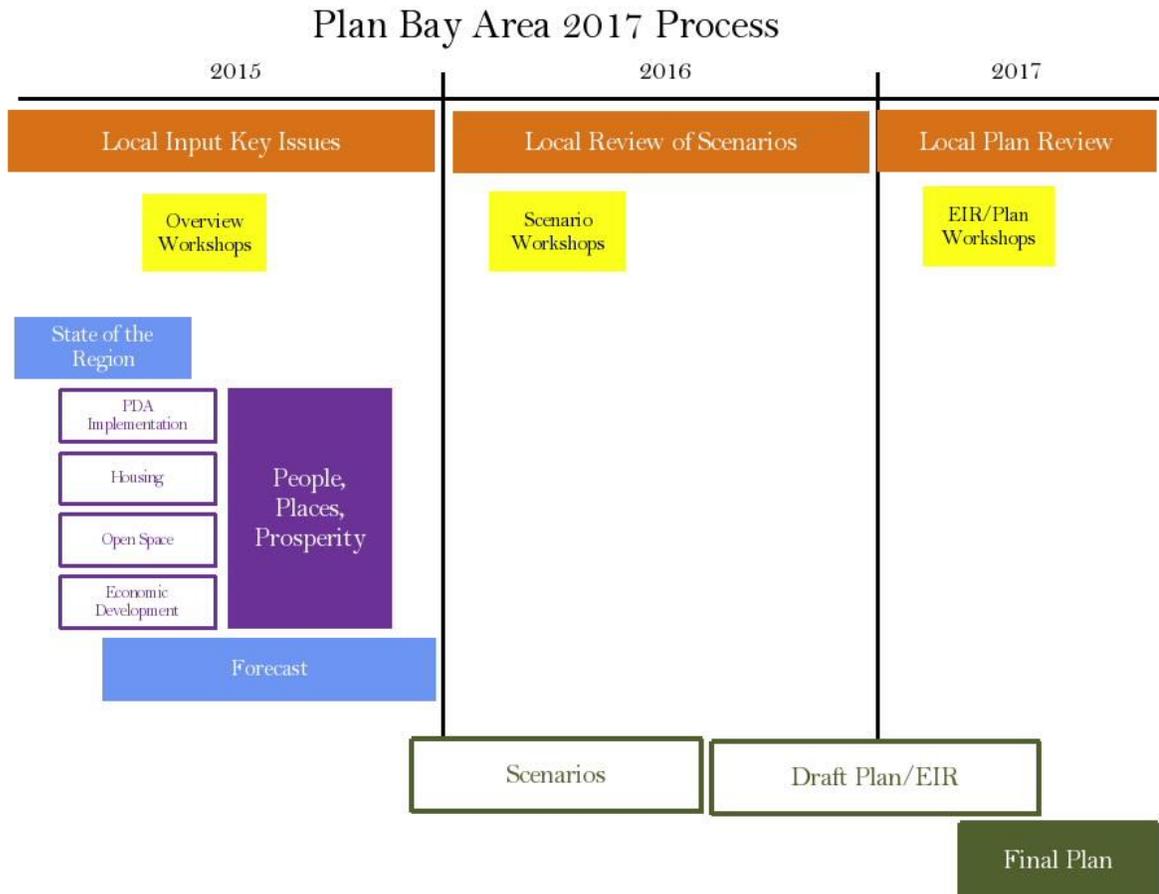
In preparation for the Plan Bay Area update, ABAG will complete three major tasks in 2015, the *State of the Region* report, the *People, Places and Prosperity* report, and the regional forecasts.

Below is a graphic of the next Plan process and timeline. After that is a more detailed description of key elements of that timeline.

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The development of Plan Bay Area 2017 involves three overarching phases: 2015 - Forecast and Major Planning Tasks; 2016 - Scenarios and Environmental Review; and 2017 - Plan Approval.

2015 - Forecast and Major Planning Tasks

The first phase Plan Bay Area 2017 starts with the *State of the Region report*, which provides an assessment of recent economic, demographic and housing trends to inform the forecast and upcoming plan. This report will be followed by a set of reports that address ongoing local strategies as well as regional tasks essential for the development and implementation of Plan Bay Area. They are organized under the four major categories of Plan Bay Area Implementation.

- PDA Implementation
 - *PDA Assessment (including economic and resilience issues)*
 - *Corridors Strategies*
 - *Infrastructure Interdependencies*
 - *Placemaking in the Bay Area*

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- Economic development
 - *Overview of Regional Strategies*
 - *Business partnerships*
 - *Job mobility and workforce opportunities*
 - *Priority Industrial Areas*
- Housing
 - *Housing and Community Risk*
 - *Housing production and affordability strategies*
 - *Fair Housing Equity Assessment*
- Open Space and Farmland
 - *Update of Priority Conservation Areas*
 - *Bay Trail Update*
 - *Water Trail Strategies*

These reports will be distributed to our Executive Board and Regional Planning Committee and posted on the ABAG website. They'll inform the comprehensive regional report: ***People, Places and Prosperity: Complete Communities in the Bay Area***, which will synthesize key regional land use issues and strategies to be considered in Plan Bay Area. The region's adopted Priority Development and Conservation Areas continue to act as the framework for the report.

ABAG and MTC are required to develop forecasts of the region's changing demographics as well as projections of anticipated housing and economic trends that will inform Plan Bay Area's investments and policy decisions. These forecasts form the basis for developing the Plan's regional land use plan and transportation investment strategies. ABAG is responsible for the land use and housing forecasts, and MTC is responsible for developing the transportation revenue and investment forecasts.

The end of 2015 will close with the release of the regional forecast of jobs, population and housing for Plan Bay Area. Based on econometric and demographic models, and local input from the Bay Area planners, this forecast will address growth from 2010 to 2040. Legal settlements associated with the Regional Housing Control Total for Plan Bay Area will also be addressed, including disclosure of key assumptions and the inter-regional commute forecast between the Bay Area and Central Valley counties.

2016 - Scenarios and Environmental Review

ABAG staff in coordination with MTC will gather input from local jurisdictions and stakeholders to inform development of three scenarios. ABAG will encourage planners from the jurisdictions to bring these scenarios before their respective city councils to elicit feedback. Each scenario will present an alternative land use and transportation pattern for 2040. The land use scenarios are expected to be analyzed through the UrbanSim model for additional information. The transportation scenarios will be developed by the Travel 2 transportation model at MTC. The preferred scenario will be adopted by the ABAG Board and MTC Commission by May 2016.

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The Environmental Impact Report will start in May 2016 and will be discussed at the various regional committee meetings for the rest of 2016.

2017 - Plan Approval

Plan Bay Area 2017 and its corresponding Environmental Impact Report would be adopted by the ABAG Board and MTC Commission by June 2017. Drafts will be released for discussion in February 2017

Proposed Community Engagement Plan for Plan Bay Area 2017 Update

Plan Bay Area 2013 forms the baseline for Plan Bay Area updates that are mandated every four years. Since its passage, staff has had time to reflect on what went well and what didn't in that effort. The most frequently cited problems were the compressed schedule, use of technical jargon, a perceived loss of local control and the desire to engage in the kind of dialogue that's hard to do in two-minute presentations.

Based on our experience in developing Plan Bay Area 2013, the suggestions and complaints we received before and after adoption of that plan in July 2013, and our ongoing discussions with MTC, staff is recommending a number of methods and venues for soliciting public feedback, ideas and suggestions for the next Plan Bay Area. We believe this menu of options will allow communication with a wide variety of interests—from individual residents to stakeholder organizations to people opposed to the current plan. It should also be noted that all ABAG meetings are currently being videotaped, and are freely accessible at www.Regional-video.com.

1. ABAG Delegate Meetings

An elected official from each city, town, and county in the Bay Area serves as a delegate to ABAG's General Assembly. Shortly after the adoption of Plan Bay Area 2013, staff (at the suggestion of Board member Eklund) decided to convene regular meetings of ABAG delegates in each county to start an ongoing dialogue with these elected officials to hear about the challenges they were facing in implementing Plan Bay Area and how ABAG could be of greater help.

To date, ABAG has held delegate meetings in San Mateo, Santa Clara, Alameda, Solano, Sonoma, Marin, Napa and Contra Costa counties with anywhere from 5 to 15 delegates in each meeting. These conversations are helping to inform ABAG and MTC about the challenges facing local jurisdictions as they seek to implement Plan Bay Area in ways that reflect their local land use controls as well as their unique assets and values. Some communities are focused on creating more open space and recreation areas for their residents while others seek to attract more jobs or create additional transportation and housing options for local families.

These delegate meetings with locally elected officials have been so successful that ABAG staff is planning to conduct a second and third round in each county over the next two years to continue

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learning about local issues and challenges and to inform local officials about the milestones and deadlines described above, giving them an even greater voice in the shaping of Plan Bay Area 2017.

Opportunities for Input: staff will set up staggered countywide meetings with ABAG delegates every nine months or so from now until adoption of Plan Bay Area 2017. Some counties (e.g. Marin) have chosen to meet more frequently.

2. ABAG's General Assembly

One suggestion from our Delegate Meetings is that we set aside time at our General Assembly (GA) for member jurisdictions to meet in affinity groups based on the size of each community and the issues that are most relevant. For instance, we might have a small cities and towns caucus, one for the fifteen largest and fastest growing older suburbs and one for the three large cities. We will be building these kinds of affinity groups into all future GA's to allow ABAG members to compare notes on challenges they face, share best practices and discuss each milestone and publication related to the Plan Bay Area 2017 update. These affinity group meetings will also include appropriate ABAG staff and policy experts as resources for our members.

Opportunities for Input: We will be conducting three ABAG General Assemblies between now and final adoption of Plan Bay Area 2017. These General Assemblies take place in April of each year. We'll also have the opportunity to conduct regional workshops and conferences around various aspects of Plan Bay Area such as resilience or economic development each fall. Our recent Loma Prieta 25 conference is one example of this.

3. Technical groups and evening public workshops on specific topics

One criticism we heard was that while ABAG's Executive Board meetings were at night, some Plan Bay Area 2013 meetings (e.g. RPC, RAWG) were held during the day, making it difficult for residents who worked to participate. This time, staff will encourage our partners who hold daytime meetings to offer alternative evening venues where Plan Bay Area topics will be discussed.

We will also use our website, social media and the press to publicize evening workshops and encourage the working groups we participate with (e.g. HUD Prosperity Working Group, Bay Area Council Economic Institute) to meet in the evening as well.

Whether meetings are held in the evening or during the day, whenever possible they should not be run like the public hearings last time where people line up and get two minutes to tell us what they think and then get no immediate response. Meetings will be set up in ways that encourage dialogue among participants and with ABAG staff. We look forward to real conversations with people in these meetings and workshops, ones that allow us to benefit from openly discussing the challenges and opportunities local communities are facing related to housing, employment, open space, etc. and how the next iteration of Plan Bay Area could better address their concerns.

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We also need to avoid taxing both our staff and the general public with too many meetings. Therefore, we will use existing discussions among ABAG partners (e.g. regional agencies and business, open space and housing advocacy groups) to gather input for Plan Bay Area 2017.

Examples of this would include:

1. **Housing/Equity:** RPC, RAWG, HUD Prosperity Working Group/Conference
2. **Open Space/Farmland Preservation:** meetings re: implementing PCA revisions
3. **Business & Economic Development:** input gathered by Bay Area Council & BACEI; and economic development groups such as East Bay EDA, Silicon Valley Leadership, the Northern Waterfront Economic Development Initiative, the North Bay Leadership Council and the Joint Policy Committee
4. **Resilience:** Resilience activities include work to plan for climate adaptation i.e. Resilient Shorelines to consider rising sea levels (ABAG/BCDC/CA Coastal Commission, JPC) as well as other natural hazards such as mitigation and recovery from a major earthquake

Staff will also reach out to people with experience on these topics who either didn't participate in Plan Bay Area 2013 or opposed it and invite them to meet with us to discuss their ideas for better addressing each topic. The purpose of these meetings is to see if we clearly understand their concerns and accurately capture their points of view.

4. Ongoing communication with local Planning Directors and City Managers through Meetings and Basecamp

ABAG's planning staff will continue to coordinate with planning directors and city managers in each of cities and towns in all nine Bay Area counties through Basecamp, an invitation only internet user group that allows users to communicate on a number of planning issues.

ABAG staff currently coordinates with local planners on the implementation of PDA planning grants, attends county wide meetings of planning directors and city managers, and participates in corridor meetings that include planning staff, transit agencies, Congestion Management Agencies (CMAs) and local jurisdictions.

Staff uses these opportunities to gather local planning input to develop Plan Bay Area 2017 scenarios. In addition, staff will ask each planning director to update their local city council on an ongoing basis with regard to issues of concern in each jurisdiction.

Opportunities for Input: Local planners will provide information on current building, housing and job trends, as well as input on local land use plans and community engagement.

5. New ABAG Website and Social Media

ABAG's communications staff, web master and IT staff are working collaboratively with a design consultant, to implement a new website design for ABAG, the first major update of our website since the 1980s. A major focus of this effort is to make the website simpler, more user friendly and easier to

Community Engagement Plan for Plan Bay Area 2017

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navigate. We will soon be putting up our new homepage which links to every page on the old website. Our next focus will be on updating those landing pages related to implementing Plan Bay Area 2013 and preparing for the Plan Bay Area 2017 Update. For instance, we have a new Priority Development Area (PDA) showcase that will highlight best practices and approaches in some of the Bay Area's most vibrant PDAs throughout the region.

As we begin the conversations on each of these topics, we will find better ways to highlight those discussions on our website in clear, simple, non-technical language with lots of good visuals. Upcoming reports (e.g. State of the Region Report, Regional Prosperity Plan) will continue to be published in hard copy form, but in addition we will have a web version up on our website for review and comment.

Finally, as part of this effort we are also developing a more robust social media program for ABAG starting with an ABAG Twitter account featured on the new ABAG homepage. We will continue to refine and expand our social media presence as we find new ways to engage our members and constituents, particularly around the major issues related to Plan Bay Area.

Opportunities for Input: *The new ABAG homepage will go live by the end of the year, including a link to our new ABAG Twitter account and several revised landing pages that speak directly to PDAs, PCAs and Plan Bay Area PDA implementation.*

6. Regional Public Workshops by County

We propose doing nine county workshops to solicit local feedback on the published papers, key milestones and major issues related to the next iteration of Plan Bay Area (e.g. proposed forecast methodology, resilience issues, maintaining local control). We are now considering conducting five county workshops on one date and four workshops on another date.

Each workshop would begin with an open house format, where ABAG and MTC staff would engage in a more informal dialogue with attendees around a set of exhibits related to major topics of interest (e.g. housing, local control, resilience). That portion of the workshop would be followed by a more traditional hearing not by ABAG or MTC staff or Board members, but by local elected officials, including ABAG delegates.

Key Planning and Management Staff that can attend each county-wide meetings:

Ezra Rapport	Mark Shorett
Brad Paul	Hing Wong
Miriam Chion	Gillian Adams
Duane Bay	Johnny Jaramillo

7. Taking Advantage of Invitations to Speak Out in the Community

Over the past year, staff has been invited to speak at local city council meetings, gatherings of local Boards of Realtors, forums on local housing and environmental issues, resilience conferences, etc. We see these as an excellent opportunity to both explain that ABAG is more than just Plan Bay Area, and to

Community Engagement Plan for Plan Bay Area 2017

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engage in more in depth discussions with these groups about their concerns, suggestions, questions and ideas as they relate to implementing the current Plan and preparing for the 2017 Update. To the extent staff is available, we will work with our Board and local officials to find opportunities to go out into our various communities to have these discussions at the local level.

Major Challenges and Opportunities that Remain

- **Language:** As we stated in our May Board memo, we must continue to be mindful of the need to avoid technical jargon that leads to misunderstanding, distrust and alienation (e.g. GHG, TOD, VMT) whether it is in our upcoming publications, our meetings with local stakeholders or our larger public workshops.
- **Engaging the Business Community:** we will continue to work with the Bay Area Council and the Council's Economic Institute to engage business leaders in a deeper conversation about economic development forecasts for the Bay Area and what Plan Bay Area might contribute to the goals of the business community.
- **Deepening Discussion on Resilience:** we're currently working with both BCDC and the CA Coastal Commission to develop a deeper analysis of the impacts of sea level rise locally. ABAG's Resiliency Unit also works with the United States Geologic Survey, FEMA, and Caltrans to consider seismic risk mitigation and long term recovery in the Bay Area.
- **Working earlier with BCDC, Air Quality Management District and JPC:** ABAG and MTC staff have been meeting with these regional partners to determine when and how they would like to become more involved in the next iteration of Plan Bay Area.
- **Forecasts:** We will provide the public with our regional forecasts earlier in the process and in a more transparent way, starting with the release of the assumptions and methodology we will be using in the fall of 2015. Continuing to stay in close contact with the Department of Finance throughout this process will also help us arrive at a common set of projections related to anticipated increases in population, jobs and housing.

Conclusion

ABAG's Community Engagement Plan attempts to facilitate a broad dialogue regarding the Bay Area's future with local jurisdictions, stakeholders, the business community, and the public at large. The intent is to ensure all sectors of the Bay Area community have an opportunity to engage, comment and influence Plan Bay Area 2017. While resources are limited, a robust engagement plan provides the best means to develop momentum for the implementation of the Plan's goals, including expanding housing choices, enhancing the natural environment, and growing the Bay Area economy.

Community Engagement Plan for Plan Bay Area 2017

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Recommended Action

Adopt ABAG's Community Engagement Plan for Plan Bay Area 2017

1. ABAG Delegate Meetings
2. ABAG General Assembly
3. Technical Groups and Evening Public Workshops on Specific Topics
4. Ongoing Communication with local Planning Directors and City Managers
5. New ABAG website and social media
6. Regional Public Workshops
7. Taking Advantage of Invitations to Speak Out in the Community

Attachment:

Communications Support Surrounding Plan Bay Area 2017, May 8, 2014

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 8, 2014
To: ABAG Executive Board
From: Brad Paul
Deputy Executive Director
Subject: **How We Talk About Plan Bay Area 2017**

Executive Summary

As we get ready to update Plan Bay Area 2017, we're looking at what worked well and what didn't in preparing the first Plan to help us create a more responsive, interactive process this time around. After reviewing what we've learned to date, this memo focuses on the biggest criticism we heard this year, that ABAG did not communicate as effectively as we could have with our delegates, electeds and the public about the Plan.

This memo reviews those elements we think would make for a more responsive communications program associated with Plan Bay Area going forward. Also included are some questions to facilitate Executive Board discussion and clarify the next steps. Once we have a clearer sense of how we can improve our listening and communication efforts around the Plan, we'll come back to you soon to discuss how to restructure the public engagement process for Plan Bay Area 2017.

Recommended Action

No action is required; this item is for discussion only.

Next Steps

No action is required; this item is for discussion only.

Improving Communications in Support of Plan Bay Area

May 8, 2014

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Lessons Learned

Plan Bay Area, adopted in July 2013, forms the baseline for future Plan Bay Area updates every four years. Since its passage, staff has had time to reflect on what went well and what didn't in the first process. Two of the most frequently cited problems were how we presented the three year schedule for developing Plan Bay Area—and when some people first heard about it—and the ways in which we described and discussed the Plan. Early on, our outreach and communications efforts used technical and planning language such as GHG (greenhouse gas) reduction, vehicle miles traveled (VMT), and density and sustainable development, that either did not resonate with or engage the public or angered them because it sounded too much like insider jargon.

Schedule: This was the first time MTC and ABAG worked jointly on a regional plan that combined the Bay Area's Regional Transportation Plan (RTP) with land use issues. It was a challenge, but as we gained experience, the work flowed more smoothly. We were also up against statutory deadlines to complete a complex Plan that was being done for the first time.

Communications: Neither ABAG nor MTC anticipated the intensity of the public response to the first Plan. We were also slow responding to misinformation which left the impression that this misinformation was correct and left elected officials feeling unsupported. We responded more quickly at the end but didn't always coordinate well with our Executive Board (e.g. alerting them to upcoming op-eds in their local papers).

Last fall we began holding meetings to inform us about how delegates and local jurisdictions felt about the Plan and the challenges they faced. These meetings included county by county delegate meetings, PDA site visits and discussions with ABAG's Regional Planning Committee and at our annual Administrative Committee retreat.

ABAG Delegate Meetings

To date, we've held delegate meetings in San Mateo, Santa Clara, Alameda, Solano, Sonoma and Marin counties with 50 delegates (see attached list). From these meetings a consensus has emerged around what worked and what needs improvement, much of it focused on communication issues.

What Went Well

- The self-nominated Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs) used as the Plan's organizing framework helped local jurisdictions set boundaries and place types that reflected each community's unique character and needs.
- This is a flexible blueprint that can be updated every four years based on new jobs/housing/population forecasts, local experience and available resources.
- All local land use decisions remained solely under the control of local officials.
- Local jurisdictions will be able to nominate additional PDAs and PCAs, as well as modify or remove existing ones, solely at their discretion prior to the next Plan.
- The Plan created greater dialogue among the regional agencies and between local jurisdictions and the ABAG Executive Board and staff.

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What Didn't Go Well

- Use of technical jargon/acronyms (VMT, GHG) was a barrier to communication – it was off putting, didn't connect with our key audiences (delegates, elected officials and the public) and made it feel like a top down plan.
- People felt we were trying to sell them a predetermined, one size fits all plan that met big city needs, pushed higher density everywhere and ignored the needs of smaller towns and rural areas.
- Beginning presentations with 30-year cumulative population, jobs and housing numbers for the entire region reinforced concerns about this being a top down, one size fits all plan.
- Despite very specific language in SB375 and the Plan itself stating nothing in the Plan could undermine local control over local land use decisions, people are still worried about this issue.
- Increasing infrastructure and housing in PDAs without identifying new funding for it. Without a replacement for Redevelopment funding, affordable housing will be much harder to build.
- People felt several water issues were not adequately addressed (regional water capacity and supply issues and impact of sea level rise on PDAs and highway, rail and port facilities).
- Despite joint memo from DOF/ABAG/HCD confirming Plan's population, housing and jobs projections, DOF's earlier release of conflicting numbers created confusion and skepticism.
- Didn't provide jurisdictions with good visuals of existing, locally appropriate development at slightly higher densities to counter opponents ugly "Stack & Pack" visuals.
- People who heard about the Plan late in the process felt there wasn't sufficient time for them to adequately comment on it.
- We didn't clearly explain the roles of each regional agency (ABAG/MTC/BCDC/BAAQMD).

We also asked ABAG delegates what we could do to help them implement their PDAs, PCAs and development appropriate to their jurisdictions and found consensus on the need to identify and secure new sources of funding for housing and infrastructure as well as developing greater flexibility in ways the state allows local jurisdictions to meet their affordable housing goals.

Effective Communications to Get Ready for Plan Bay Area 2017

Prior to starting the process for Plan Bay Area 2017, staff is working on more effective ways to talk about the Plan as well as ABAG's role in it. Our communications work – the way we talk about the plan – and the research and analysis that goes into it will inform and guide the formal public participation plan we'll be bringing before you soon.

This time we won't be starting from scratch, but using Plan Bay Area 2013 as a baseline and building on existing public awareness of the Plan. As we look at ways to improve our communications work several questions arise:

1. What are our overall goals in this next phase of work?
2. What are the most effective tools and venues for communicating with elected officials, major stakeholders and the public in a more open, interactive way?
3. Who are our key audiences in this conversation?
4. What major opportunities and outcomes should we be prepared to discuss?

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5. What are key recommendations for improving the way we communicate about the Plan?

What are our overall goals in this next phase of work?

As we prepare for the *State of the Region Report* (2015) and Plan Bay Area (2017) there are several related goals staff has identified so far.

1. Inspire confidence in the Plan's overall objectives, ABAG and the planning process.
2. Convey clear, concise information on all aspects of the Plan while avoiding technical jargon.
3. Focus on the needs of local residents, families and communities first by asking the question 'How will this plan make life better for me and my family.'
4. Quickly respond to all local concerns and quickly correct any factual misinformation.
5. Ensure everyone feels their concerns are taken seriously and adequately addressed.
6. Use Executive Board members as public spokespersons whenever possible.

Having such goals helps us carry out our work in a more open and accessible way.

Tools for Initial Research and Discussion

We're currently revising our website to make it more user friendly and easier to navigate. This will allow us to use the website and social media to engage audiences (e.g. elected officials, city planners, local residents) in a more timely, transparent way. As we revise Plan Bay Area, we'll have the benefit of having the new website up and running for some months and expanding the number of staff engaged in content management so we can quickly update website pages as new information or questions arise.

We will continue to use Basecamp, which allows us to quickly interact with local planners, and continue to hold meetings with ABAG delegates and other agencies such as the Congestion Management Agencies, Bay Area Planning Directors Association, Regional Advisory Working Group, Regional Planning Committee, Regional Prosperity Consortium, and MTC. Depending on what issues surface during the next planning process we may also conduct focus groups on various issues and undertake traditional and online public opinion surveys.

Key Audiences

Based on our experience, the key audiences we will be communicating with include:

- Local elected officials
- Cities and town staff:
 - City Managers
 - Planning Directors and staff
 - Community Development
 - Public Works
- Public at large:
 - Residents
 - Workers
 - Businesses
- Congestion Management Authorities
- Stakeholders:
 - Businesses
 - Housing
 - Transportation
 - Environment
 - Health
 - Neighborhood Groups
 - Developers
- Regional, state and federal agencies.

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The way we communicate with each of these audiences may differ. For example, local officials may want to focus on parts of the Plan that guarantee local governments retain sole discretion over local land use decisions (e.g. where future growth goes, what it looks like) while local residents will also want to know if the Plan will make their daily lives better (e.g. more choices) or not (fewer choices). Both groups will want to know where the new resources will be coming from to implement their PDAs, PCAs and affordable housing.

Opportunities

The run up to Plan Bay Area 2017 provides us with a second chance to point out that, if done right, Plan Bay Area, can continue to champion:

- A variety of locally nominated PDAs and Place-types, that recognize the value and diversity of very different places in our region, from big cities and older suburbs to small towns and rural communities.
- More choices to reduce commuting time (and GHG emissions), and increase family time.
- Complete communities that range from high quality urban neighborhoods to small towns.
- A regional economy that is growing rapidly overall, but has impacts and benefits that vary widely from place to place.
- Plans and planning are local processes, done by local governments.

The State of the Region report will also provide a unique opportunity to demonstrate progress made in some of our more successful PDAs and PCAs and address lessons learned to date.

Key Recommendations

1. Demonstrate this isn't top down planning by starting discussions from the individual's perspective "how will this plan make life better for me and my family," not gross regional population and housing numbers for the next 30 years.
2. Show progress using examples of location appropriate activity from a variety of PDAs, and PCAs that are judged successful by local residents. Provide good visuals.
3. Leverage social media and our new website to tell stories related to Plan Bay Area, PDAs, PCAs and local control over all land use decisions.
4. Use consistent, accessible language throughout all of our communications about this work.
5. Use the next iteration of Plan Bay Area and our new communications plan to strengthen relationships with local elected officials, local planners and planning agencies, and the people who live and work in the Bay Area.

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Questions for the Executive Board

1. Do you agree with our assessment of what worked in preparation for Plan Bay Area 2013 and what needs improvement going forward?
2. What is your reaction to the suggested goals of our communications work, the tools we have outlined, key audiences, opportunities and key recommendations?
3. Will this proposed work be more helpful in the communities you represent?
4. What have we missed or forgotten?

Attachments:

List of participants in county Delegate meetings

List of PDA site visits

LIST OF ATTENDEES TO DATE AT OUR COUNTY DELEGATE MEETINGS

Marin County and Cities – April 28, 2014

1. Novato Councilmember Pat Eklund
2. Larkspur Councilmembers Catherine Way and Dan Hillmer
3. San Anselmo Councilmembers Doug Kelley and Ford Greene
4. Mill Valley Councilmembers Jessica Jackson and Garry Lion
5. Sausalito Mayor Ray Withy
6. San Rafael Councilmember Maribeth Bushey
7. Fairfax Councilmember Renee Goddard
Corte Madera Councilmember Bob Ravasio

Sonoma County and Cities - March 28, 2014

1. Sonoma Supervisor David Rabbitt
2. Rohnert Park Councilmember Jake Mackenzie
3. Windsor Vice Mayor Bruce Okrepkie
4. Sonoma Councilmember Laurie Gallian
5. Cloverdale Councilmember Mike Maacks
6. Santa Rosa Mayor Scott Bartley
7. Healdsburg Councilmember Shaun McCaffery

Solano County and Cities - March 14, 2014

1. Solano Supervisor Linda Seifert
2. Dixon Councilmember Steven Bird
3. Rio Vista Councilmember David Hampton
4. Rio Vista Vice Mayor Constance Boulware
5. Fairfield Mayor Harry T. Price
6. Vacaville Councilmember Curtis Hunt
Belinda Smith, District Representative,
Solano County

Alameda County and Cities -Feb 20, 2014

1. Alameda Supervisor Scott Haggerty
2. Pleasanton Councilmember Jerry Pentin
3. Alameda Vice Mayor Marilyn Ezzy Ashcraft
4. Berkeley Councilmember Susan Wengraf

Santa Clara County and Cities Meeting - January 9th, 2014

1. Santa Clara Supervisor Cindy Chavez,
2. Sunnyvale Councilmember Jim Davis
3. Saratoga Councilmember Chuck Page
4. Morgan Hill Councilmember Gordon Siebert
5. Palo Alto Councilmember Greg Schmid
6. Santa Clara Mayor Jamie L. Matthews
7. Los Altos Mayor Jarrett Fishpaw
8. Gilroy Councilmember Peter Arellano
9. Los Altos Hills Councilmember Gary Waldeck
10. Mountain View Councilmember Ronit Bryant
11. Milpitas Councilmember Carmen Montano

San Mateo County and Cities - Nov 15, 2013

1. San Mateo County Supervisor David Pine
2. San Mateo County Supervisor Warren Slocum
3. Hillsborough Councilmember Shawn Christianson
4. South San Francisco Mayor Pedro Gonzalez
5. Brisbane Councilmember Cliff Lentz
6. Atherton Mayor Elizabeth Lewis
7. Redwood City Mayor Barbara Pierce
8. San Mateo County Supervisor David Pine
9. San Mateo County Supervisor Warren Slocum
10. Hillsborough Councilmember Shawn Christianson
11. South San Francisco Mayor Pedro Gonzalez
12. Brisbane Councilmember Cliff Lentz
13. Atherton Mayor Elizabeth Lewis
14. Redwood City Mayor Barbara Pierce

More than 50 delegates and alternates

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PDA site visits

Where	When
Burlingame, San Mateo	09/26/13
Daly City, Millbrae, South San Francisco, Colma, San Bruno, San Carlos	10/01/13
East Palo Alto, Menlo Park, Redwood City, Belmont	10/03/13
Berkeley, Emeryville	10/21/13
Hercules, Pinole	10/21/13
Richmond, El Cerrito, San Pablo	10/28/13
San Jose	10/31/13
Union City, San Leandro, Hayward, Alameda County	11/5/13
Oakland	11/6/13
Sunnyvale, Santa Clara	11/13/13
Mountain View, Palo Alto	11/14/13
Fremont, Milpitas	11/18/13

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE

Thursday, December 4, 2014

3:30 p.m. – 5:00 pm

Site: Association of Bay Area Governments, 101 8th Street, Conference Room B, Oakland, CA

Committee Chair: Supervisor Scott Haggerty, Alameda County

Committee Vice Chair: Councilmember Desley Brooks, City of Oakland

Staff: Brad Paul, Deputy Executive Director, 510/464-7955, BradP@abag.ca.gov

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

1. CALL TO ORDER
2. OPEN AGENDA—PUBLIC COMMENT
3. APPROVAL OF MINUTES: FROM JULY 17, 2014 MEETING Action
4. BRIEFING ON 2014 LEGISLATIVE SESSION
A summary of bills chaptered and vetoed reviewed by the Committee in 2014
Attachment: 2014 Legislation Summary: Report Card
Information/Action
5. DRAFTING L&GO LEGISLATIVE PRIORITIES FOR 2015 Information
Attachment: 2014 Legislative Priorities for reference
6. BRIEFING ON UNACCOMPANIED CHILDREN (UAC) AND/OR REFUGEE CHILDREN PROGRAM—IMPLICATIONS FOR LOCAL GOVERNMENT Information/Action
7. ADJOURNMENT
The next meeting of the L&GO Committee will be on **January 15, 2015.**

The ABAG Legislation and Governmental Organization Committee may act on any item on this agenda.
Agenda and attachments available at ABAG/Front Desk, 101 8th Street, Oakland,
or at www.abag.ca.gov/meetings.

For information, contact Kathleen Cha at (510) 464-7922

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

LEGISLATION
2014 State Legislative Session—Final Status
Legislation & Governmental Organization Committee

	2014 Legislative Session	Status	L&GO Position
		Statutes of 2014	
AB 2008 Quirk	Transit Village Plans: Goods Movement	Chapter 88	Watch
AB 2170 Mullin	Joint Powers Authority: Common Powers	Chapter 386	Watch
AB 1179 Bocanegra	Recycling Waste Tires—Public Work Projects (was Strategic Growth Council)	Chapter 589	Support
AB 1537 Levine	General Plan Housing element: Regional Housing Need	Chapter 875	Support
AB 1690 Gordon	Local Planning Housing Elements	Chapter 883	Support
AB 1793 Chau	Redevelopment Housing Successor Report (was Community Development: Affordable Housing)	Chapter 672	Watch
AB 2282 Gatto	Building Standards: Recycled Water Systems	Chapter 606	Watch
AB 2748 Env.Safety Toxic Mat.	Hazardous Waste: Business Plan	Chapter 744	Support
SB 270 Padilla	Solid Waste: Single-use Carryout Bags	Chapter 850	No Position taken
SB 1077 DeSaulnier	Vehicles: Road Usage Charge Pilot Program	Chapter 835	Support
AB 2280 Alejo	Community Revitalization and Investment Authorities	Vetoed	Support
SB 792 DeSaulnier	Administrative Regulations: Corrosion Prevention and Mitigation Projects (was Regional Entities San Francisco Bay Area)	Vetoed	<i>(was opposed to original bill)</i>

	Bills that failed passage/did not move out of Committee/ held under submission	Last status	
AB 418 Mullin	Local Government: Special tax, Assessment, or Property-related Fee	SEN-Held at Desk	Support
AB 1893 Stone and Eggman	Sharps Waste	Stricken from File	No position
AB 1961 Eggman	Land Use: Planning—Sustainable Farmland Strategy	ASM Appropriations—held Submission	Watch
AB 1970 Gordon	CA Global Warming Solutions Act of 2006: Community Investment and Innovation Program	ASM Appropriations—held submission	Support
AB 2145 Bradford	Electricity: Community Choice Aggregation	SEN Read amended & ordered to 3rd Reading	Oppose
AB 2284 Williams	Recycling Household Batteries Pilot Projects	SEN Environmental Quality	Watch-Stalled in Com.
AG 2372 Ammiano	Change in Ownership	SEN Appropriations—held submission	Support
SB 53 deLeon	CA Ammunition Safe Sales System: Ammunition—Purchase Permits	ASM Read 3rd time & refused passage	Support
SB 848 Wolk	Safe Drinking Water, Water Quality, & Water Supply Act 2014	SEN Inactive	Support
SB 1014 Jackson	Pharmaceutical Waste: Home Generated	ASM Appropriations	No Interest as amended
SB 1021 Wolk	School Districts: Parcel Taxes	ASM Failed Passage in Revenue & Taxes Com	Support
SB 1122 Pavley	Sustainable Communities: Strategic Growth Council	SEN Appropriations—held submission	Support
SB 1156 Steinberg	CA Carbon Tax Law of 2014	SEN Govt & Finance	Watch
SB 1184 Hancock	San Francisco Bay Conservation and Development Commission: Sea Level Rise—Regional Resilience Strategy	SEN Appropriations—held submission	Watch
SB 1260 DeSaulnier	Local Government: Affordable Housing	SEN Appropriations—held submission	Watch



Legislation and Governmental Organization Committee

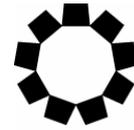
Legislative Priorities for 2014 Legislative Session

Legislation Priorities	
Subject	Specific Objectives
<p>Focus on SB 375 Implementation</p>	<p>This focus would include the following legislative objectives:</p> <ul style="list-style-type: none"> • Continue pursuing permanent funding and/or receiving sufficient funds for COGs, MPO, and local governments to fulfill Plan Bay Area implementation. • Seeking affordable housing funding • Housing Element Reform • Legislation providing resources and incentives for planning, infrastructure and services to assist local governments, as well as State and federal legislation establishing innovative financing and project delivery mechanisms • CEQA/Entitlement Efficiency
<p>Lowering the 2/3 Supermajority Vote Threshold</p>	<ul style="list-style-type: none"> • Seeking voter threshold reduction for infrastructure taxes and bonds statewide and locally • Continue legislative partnerships with CalCOG, MTC, Air District, BCDC, League of California Cities, and CSAC

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

FINANCE AND PERSONNEL COMMITTEE

Thursday, December 4, 2014, 5:00 PM

Location:

Joseph P. Bort MetroCenter
Association of Bay Area Governments
101 8th Street, Conference Room B
Oakland, California

The ABAG Finance and Personnel Committee may take action on any item on this agenda.

Agenda and attachments available at abag.ca.gov

For information, contact Herbert Pike, Finance Director, at (510) 464-7902.

1. CALL TO ORDER

2. PUBLIC COMMENT

Information.

3. APPROVAL OF MINUTES OF SEPTEMBER 18, 2014.

ACTION.

Minutes of September 18, 2014 meeting attached.

4. PRESENTATION AND REVIEW OF FINANCIAL REPORT FOR SEPTEMBER 2014.

Information/ACTION.

Financial Report for September 2014 is attached.

ABAG Finance and Personnel Committee

December 4, 2014

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5. REPORT ON DIVERSITY AND BUSINESS OPPORTUNITY--FY 2013/14

Information/Action

Attachment: Diversity Report

6. AUDITED FINANCIAL REPORTS FOR ABAG-- JUNE 30, 2014

Information/ACTION

Audited Financial Reports are not yet completed, but are expected to be available at least a week before the meeting. They will be e-mailed prior to the meeting/hard copies will be available at the meeting.

7. CLOSED SESSION

A. Conference with Labor Negotiators

Agency designated representatives: Brian Kirking, Brad Paul and Herb Pike.

Employee organization: SEIU Local 1021.

B. Public Employee Performance Evaluation

Title: Executive Director

8. ADJOURNMENT

The next meeting of the Finance and Personnel Committee will be on Thursday, January 15, 2015.

Submitted:

Herbert Pike, Finance Director

Date: November 18, 2014

ABAG FINANCE AND PERSONNEL COMMITTEE

Summary Minutes

September 18, 2014

Members Present

Mayor Bill Harrison
Supervisor Karen Mitchoff
Councilmember Desley Brooks
Councilmember Ronit Bryant
Supervisor Scott Haggerty
Councilmember Julie Pierce
Supervisor Mark Luce
Supervisor David Rabbitt

Jurisdiction

City of Fremont
County of Contra Costa
City of Oakland
City of Mountain View
County of Alameda
City of Clayton
County of Napa
County of Sonoma

Members Absent

Supervisor Dave Pine
Supervisor David Cortese
Supervisor John Gioia

County of San Mateo
County of Santa Clara
County of Contra Costa

Officers and Staff Present

Ezra Rapport, Executive Director
Bradford Paul, Asst. Exec. Director
Kenneth Moy, Legal Counsel
Brian Kirking, HR & IT Director
Herbert Pike, Finance Director
Susan Hsieh, Asst. Finance Director

Guests

Councilmember Pat Eklund
Ken Bukowski, Videographer

City of Novato

1. The meeting was called to order by Mayor Harrison, Committee Chair, at 5:00 pm.
2. Public Comments—Mr. Bukowski announced he has a new website where videos of ABAG Committee meetings can be view— Regional-Video.com
3. Summary Minutes of the July 17, 2014 meeting were approved.
/M/Haggerty/S/Brooks/C/approved unanimously.

4. Mr. Pike presented the financial reports for June (Fiscal Year-end) and July 2014.
/M/Mitchoff/S/Bryant/C/ acceptance of the report unanimously.

5. Mr. Pike presented a Resolution Fixing the ABAG Contribution under the Public Employees' Medical and Hospital Act for Employer Code 1642. This action, to take effect on January 1, 2015, had already been approved as Resolution No. 14-14 approved in July, but is now being presented in a new format mandated by CalPERS. The new Resolution number is 16-14.
/M/Brooks/S/Rabbitt/C/unanimously approved for Executive Board approval.

6. Mr. Rapport presented the proposed plan by which ABAG plans to eliminate the structural indirect overhead deficit necessitated by the elimination of four positions in ABAG PLAN operations, thereby reducing overhead recovery to cover indirect costs. Presentation was for information only.

7. There was no reportable action from Closed Session.

8. Meeting was adjourned at approximately 5:45pm.

Submitted: Herbert Pike, Finance Director

Date: September 30, 2014

TO: Finance and Personnel Committee

DT: October 23, 2014

FM: Herbert Pike, Finance Director

Re: Financial Reports
-- September 2014

The following are highlights of the financial reports for September 2014.

Overall Summary

ABAG recognized a surplus of \$266 thousand for the month ended September 2014. The surplus is primarily attributed to high billable hours in September. Budgeted revenues and expenses were increased to reflect the new \$12.8 million BayREN project with PG&E/CPUC. The contract will be signed in December 2014. Please refer to the **Table of Financial Report Data Elements** for actual and adopted numbers.

Cash on Hand

The cash balance was \$6.8 million at the end of September including \$2.2 million invested with the Local Agency Investment Fund (LAIF). There was a decrease of \$819 thousand from the prior month and a decrease of \$671 thousand from the prior year. Figure 1 depicts the actual cash balances for FY 14 and FY 15 and the projected balances for the remaining year. The high cash balance is primarily attributed to grant advances for SFEP projects and the BayREN/Energy project. ABAG expects subrecipients for the BayREN project to draw down the funds for incentive rebates by the end of December 2014. These funds are for single and multifamily energy retrofits. The incentive rebates will benefit the Bay Area residents in the nine counties. Unspent funds of approximately \$5 million are recorded as unearned revenues. The cash balance is projected to be about \$6 million at the end of the fiscal year.

Receivables

Receivables from grant and service programs amounted to \$5.38 million at the end of September comprised primarily of \$2.29 million in grants receivables and \$2.72 million in unbilled receivables. The total decreased by \$118 thousand from the prior month and increased by \$526 thousand from the prior year. The fluctuations are reasonable as changes are expected from one period to another (depending on timing of expenditures). Staff will continue to send out invoices in a timely manner and follow up on past due invoices to reduce the average age of outstanding receivables. Figure 2 depicts the actual receivable balances for FY 14 and FY 15 and the projected balances for the remaining year. Total receivable is expected to be approximately \$5.5 million at the end of the year.

Revenues and Expenses

Revenues exceeded expenses by \$266 thousand as of September 30. Total revenues amounted to \$6.34 million, or 23 percent, of the adjusted budget revenues of \$27.83 million. Total expenses amounted to \$6.07 million, or 22 percent, of the adjusted budget expenses of \$27.78 million. Revenues and expenses are 2 percent and 3 percent below the 25 percent budgeted. Budgeted

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revenues and expenses were adjusted to include the projected revenues/expenses associated with the new BayREN project mentioned above. A portion of the funds will be spent in this fiscal year. ABAG operations are expected to yield a net surplus of \$50 thousand as of June 30, 2015. Figure 3 presents a comparison of current month, year-to-date actual and budgeted revenues and expenses. Figure 4 shows year-to-date revenues by major category, and Figure 5 shows year-to-date expenses by major category.

Net Position/Fund Equity

Total fund equity was \$3.15 million as of September 30 including \$2.44 million in general fund equity and \$710 thousand in restricted fund equity. The fund equity increased by \$257 thousand compared to the prior month. The restricted fund equity consists of capital, self-insurance, building maintenance and reserves. A surplus is projected at year end and will be reserved for contingency to reflect the commitment to increase restricted reserves by \$50 thousand per year. Figure 6 presents actual and adopted general, restricted, and total fund equities for the current fiscal year.

Indirect Overhead Rate

The Agency's actual indirect cost (overhead) rate for the first quarter of the fiscal year was 40.45 percent, or 4.50 percent below the budget estimate of 44.95 percent. This means that for the first quarter, ABAG has charged more to grants for overhead expense than what was actually spent. The actual realized overhead rate is expected to approach the budgeted rate towards the end of the fiscal year. Figure 7 shows a comparison between the actual indirect cost rate and the approved rate.

Financial Information by Program

The **Report by Program of Net Surplus/(Deficit)** is included after the charts. This report presents revenue and expense information by program. It provides an overview of budgeted and year-to-date revenue and expense data for major programs such as the Planning Services, San Francisco Estuary Partnership, Bay Trail and POWER/Energy.

Association of Bay Area Governments
Table of Financial Report Data Elements
(thousands of dollars)

For the Month Ended September 2014

Projected percentage of budget is 25%.

Description	Adjusted Budget	Year-To-Date Actual	% of Budget	Budget Balance
ASSETS				
Cash	6,000	6,801	113%	(801)
Receivables	5,500	5,377	98%	123
REVENUES				
Membership Dues	1,821	455	25%	1,366
Grants	20,696	4,525	22%	16,171
Charges for Services and Other	5,313	1,355	26%	3,958
Total Revenues	27,830	6,335	23%	21,495
EXPENSES				
Salaries and Benefits	11,451	2,863	25%	8,588
Pass-through and Consultant Expenses	14,000	2,833	20%	11,167
Other Expenses	2,329	373	16%	1,956
Total Expenses	27,780	6,069	22%	21,711
Change in Net Position	50	266	532%	(216)
Beginning Net Position	2,887	2,887	100%	-
Ending Net Position	2,937	3,153	107%	(216)
NET POSITION BREAKDOWNS				
Unrestricted	2,177	2,443	112%	(266)
Restricted	760	710	93%	50
Total Net Position	2,937	3,153	107%	(216)
INDIRECT OVERHEAD				
Overhead Rate	44.95%	40.45%		

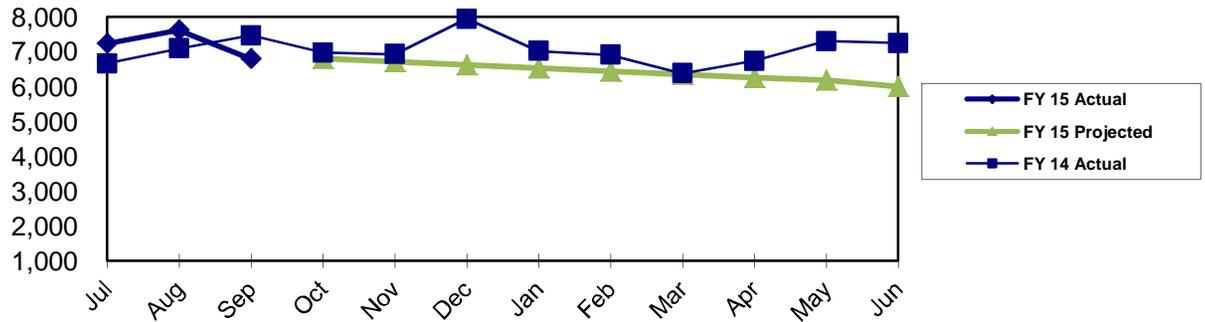
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ABAG Financial Indices

Cash on Hand FY 14-FY 15 (\$'000)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 15 Actual	7,243	7,620	6,801									
FY 15 Projected				6,800	6,711	6,622	6,533	6,444	6,355	6,266	6,177	6,000
FY 14 Actual	6,667	7,091	7,472	6,974	6,933	7,943	7,017	6,907	6,385	6,741	7,306	7,248

Represents the sum total of cash deposited at our bank and the Local Agency Investment Fund. This chart shows fluctuation patterns of cash on hand for the current and prior fiscal years.

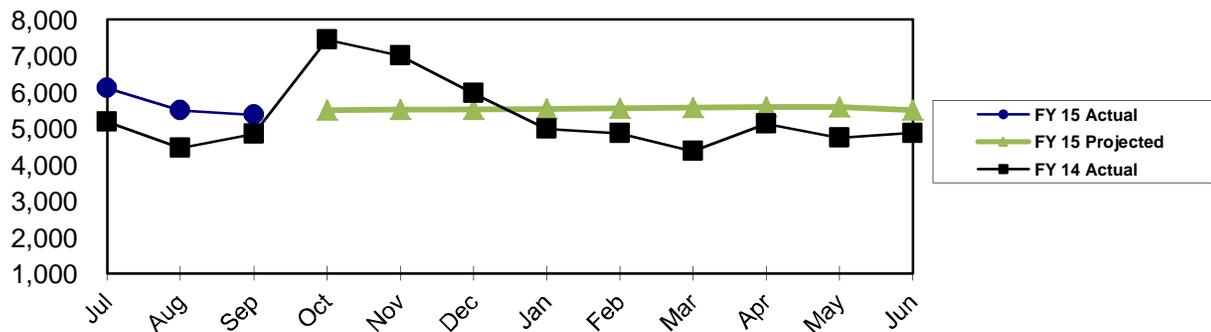
Figure 1--Cash on Hand--FY 14 and FY 15 (\$'000)



Accounts Receivable FY 14-FY 15 (\$'000)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 15 Actual	6,116	5,495	5,377									
FY 15 Projected				5,500	5,514	5,527	5,541	5,555	5,568	5,582	5,596	5,500
FY 14 Actual	5,182	4,463	4,851	7,445	7,006	5,973	4,985	4,862	4,379	5,132	4,742	4,874

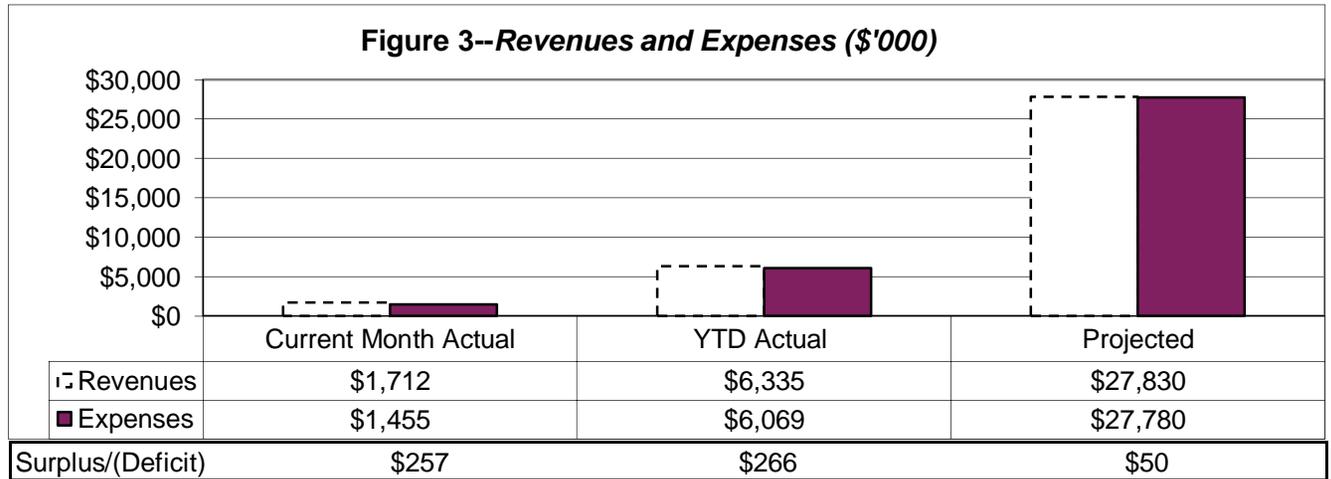
Accounts receivable include receivables generated by grants and service programs over two fiscal years. Reflects the reasonableness of our receivable levels; usually have about six weeks' worth of annual revenues in receivables.

Figure 2--Accounts Receivable--FY 14 and FY 15 (\$'000)



ABAG Financial Indices

Presents a comparison of current month actual, year-to-date actual, and adopted/projected revenues and expenses.



Shows year-to-date revenues by major category including membership dues, grants, and charges for services and other.

Shows year-to-date expenses by major category including salaries and benefits, pass-through and consultant expenses, and other expenses.

Figure 4-- Year-to-date Revenues by Category (\$'000)

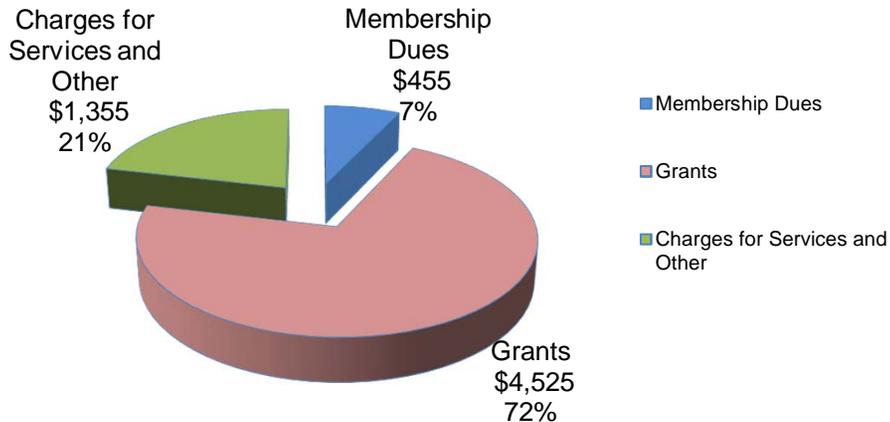
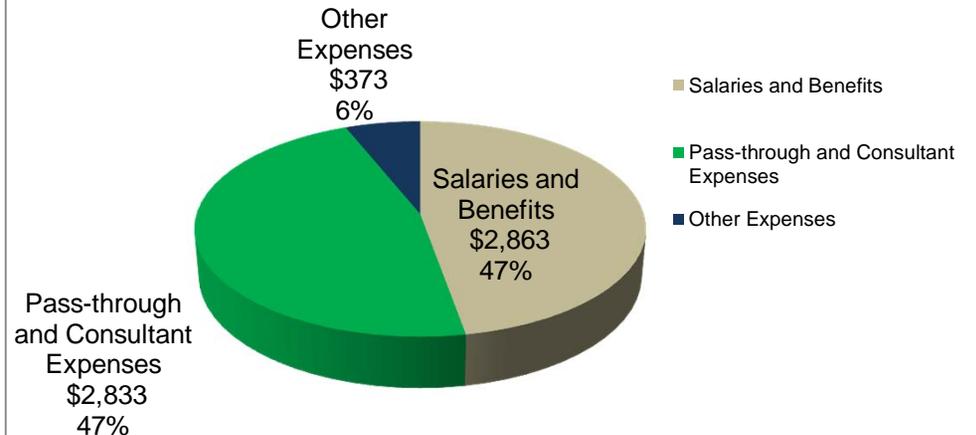


Figure 5-- Year-to-date Expenses by Category (\$'000)



ABAG Financial Indices

Presents actual and adopted/projected general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building improvement interest, building maintenance, self-insurance, capital and contingency reserve. These restricted equities represent the Association's equities set aside for specific purposes. Total equity is the sum total of general and restricted equities.

Shows a comparison between the actual indirect cost rate and the budgeted/approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with federal guidelines.

Figure 6--Net Position/Fund Equity (\$'000)

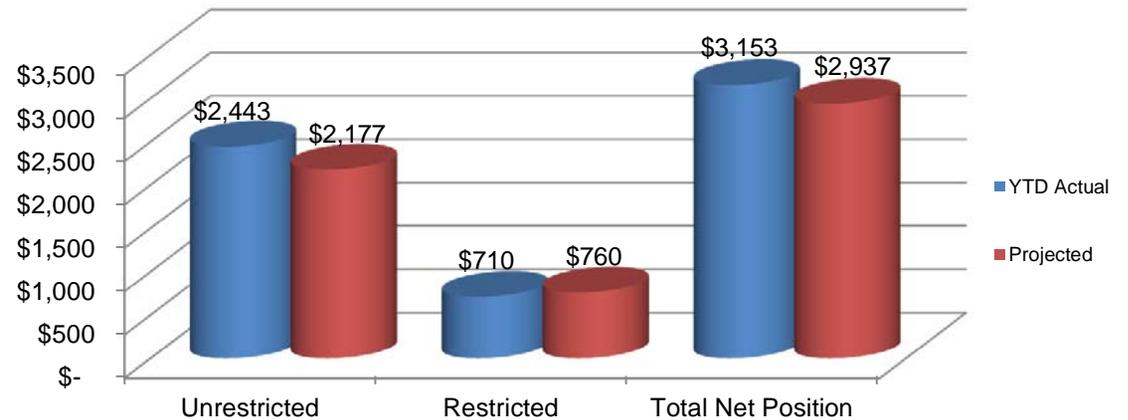
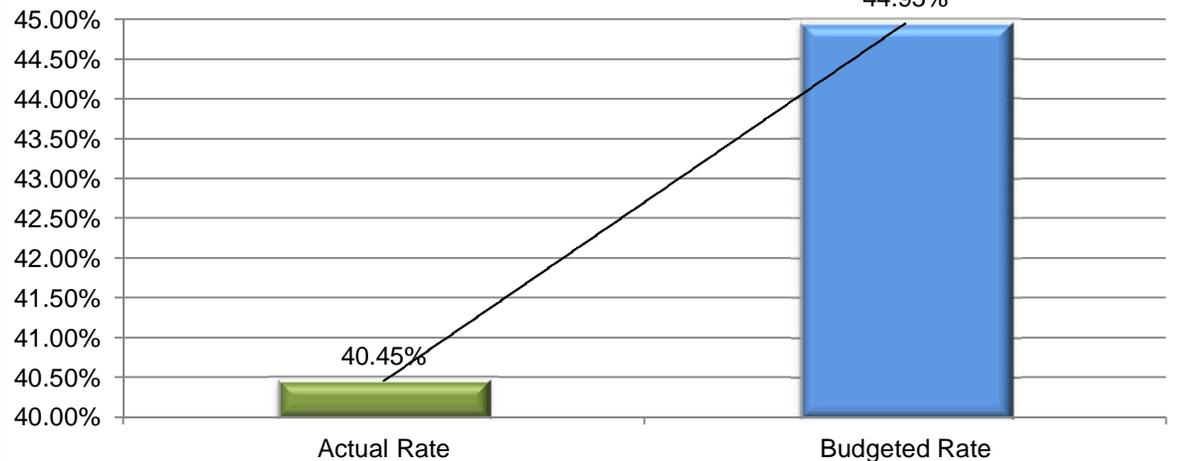


Figure 7--Indirect Overhead Rate



Association of Bay Area Governments

Report by Program of Net Surplus/(Deficit) Through September 2014 / 25% of Year Elapsed

Program Description	Adjusted Budget Expenses *	Year-To-Date Revenues	Year-To-Date Expenses	YTD Surplus/ (Deficit)	% of Expense Budget	Explanations for Variances over 5%
	A	B	C	D = B - C	E = C/A	
Planning Services	3,967,523	1,062,407	1,062,407	-	27%	
San Francisco Estuary Partnership	5,549,917	1,101,864	1,136,200	(34,336)	20%	
Disaster Recovery	400,000	126,866	102,225	24,640	26%	
Bay Trail	1,737,560	225,427	225,427	-	13%	More expenditures will incur during the year.
Green Business	120,000	14,532	14,532	-	12%	Program expenditures will increase during the remaining months.
Training Center, Web Hosting and Publications	672,500	166,226	148,057	18,168	22%	
POWER/Energy	9,550,239	2,255,227	2,260,530	(5,303)	24%	
Finance Authority	1,500,000	369,492	365,105	4,388	24%	
Plan Corporation - Property & Liability Insurance Pool	2,250,000	506,377	506,377	-	23%	
SHARP - Worker's Comp Pool	140,000	21,680	21,680	-	15%	Members usually submit reimbursement requests for their wellness programs during later part of the fiscal year (about 35% of budget).
Fiscal Agent Services	101,200	40,162	40,344	(181)	40%	Accounting staff spent more time on contracted services due to the final audit.
Communications/Legislative	775,000	170,459	170,459	-	22%	
Agency Administration	1,016,061	273,628	255,396	18,232	25%	
Payroll Clearing		-	(155,866)	155,866	N/A	The surplus is primarily attributed to high billable hours.
Central Overhead	3,333,913	858,094	772,952	85,142	23%	
Totals	31,113,913	7,192,440	6,925,825	266,616	22%	

* Projected expenses equal to projected revenues for all programs except for Agency Administration in which a \$50K surplus was budgeted.

Date: November 19, 2014

To: Ezra Rapport, Executive Director

From: Brian Kirking, Human Resources Director
Herbert L. Pike, Finance Director

Subject: **Report on Diversity and Business Opportunities - FY 2013/14**

This status report summarizes ABAG's business opportunities, recruitment, promotion and training activities during FY 2013-2014 (ending June 30, 2014) and recommends programs that will continue our record toward improving the Agency's diversity.

Executive Summary

ABAG continues to have limited opportunities for employment and promotion due to our size, funding and turnover. The fiscal year ended with 80 employees. During this past fiscal year, ABAG was able to add one permanent full-time male to our management staff, four females to our professional staff of which one is part-time, and four full-time males to our professional staff of which one is a temporary position.

ABAG's Diversity Program has three goals:

- To achieve in major job classifications (Management, Professional, Support) the same proportion of under-represented group members as exists in the nine-county San Francisco Bay Area labor force;
- To provide opportunities for all under-represented group members employed by ABAG to participate in training and education programs that will improve their personal advancement and contributions to the work of the Agency; and
- To ensure that the promotion of under-represented group members employed by ABAG be consistent with relevant skills, experience and background of the employees, performance requirements of higher job classifications and the needs for particular skills and positions in the Agency's work program.

This policy is consistent with the requirements and objectives set forth in Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e); the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621 et seq); Section 504 of the Rehabilitation Act of 1973 (29

U.S.C. § 793); the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101 et seq); and California Government Code Sections 12940 et seq.

The following table shows the racial make-up of the total population and the labor force in the nine Bay Area counties. This reflects 2010 census information.

BAY AREA NINE COUNTIES	TOTAL POPULATION CENSUS 2000	TOTAL POPULATION CENSUS 2010
RACIAL MAKE-UP	6,783,760	7,150,739
Amer. Indian & Alaska Native	0.6%	0.7%
Asian, Native Hawaiian & Other Pacific Islander	19.5%	23.9%
Black or African American	7.5%	6.7%
Hispanic*	19.4%	23.5%
Others	9.2%	10.8%
White	58.1%	52.5%
Two or More Races	4.9%	5.4%

The racial make-up of the three counties (Alameda, Contra Costa and San Francisco) from which ABAG staff is primarily drawn differs from the nine-county Bay Area as shown below.

ALAMEDA, CONTRA COSTA AND SAN FRANCISCO COUNTIES	TOTAL POPULATION CENSUS 2000	TOTAL POPULATION CENSUS 2010
RACIAL MAKE-UP	3,169,290	3,364,531
Amer. Indian & Alaska Native	0.6%	0.6%
Asian, Native Hawaiian & Other Pacific Islander	20.7%	24.8%
Black or African American	11.5%	10.0%
Hispanic*	17.4%	21.3%
Others	8.1%	9.8%
White	54.0%	49.1%
Two or More Races	5.1%	5.7%

*Persons of Hispanic origin may be of any race. Percent totals of White, Black, Asian, American Indian, Others and Two or More Races may not total 100 percent due to rounding of decimals. Persons who identified themselves in the 2000 census as of Hispanic origin are also included in the racial categories.

Current Composition of Staff

The table below shows the composition of the ABAG staff as of June 30, 2014. Of 80 employees, 46 are White (57.5 percent), 16 are Asian (20 percent), 10 are Black (12.5 percent), 3 are Hispanic (3.75 percent), 2 are Other (2.5 percent), 2 are Two or More Races (2.5 percent) and 1 is American Indian (1.25 percent). On June 30, 2013, ABAG had 81 employees; the composition was 59 percent White, 18.5 percent Asian, 12 percent Black, 2.5 percent Hispanic, 4 percent Other, 1 percent American Indian, and 3 percent was Two or More Races. Because of the relatively small size of the staff, the addition or loss of one or two employees appears significant in percentages.

Progress towards diversity shows some variations for different under-represented members when examined by classification. Hispanics are not currently represented in the support classification. As opportunities become available additional effort will be made to recruit this group.

ETHNIC BREAKDOWN BY CLASSIFICATION							
Race	Management		Professional		Support		Total
Amer. Indian	--		1	1.5%	--		1 1.25%
Asian	--		14	21%	2	40%	16 20%
Black	--		8	12%	2	40%	10 12.5%
Hispanic	1	12.5%	2	3%	--		3 3.75%
Others	1	12.5%	1	1.5%	--		2 2.5%
Two or More	1	12.5%	--		1	20%	2 2.5%
White	5	62.5%	41	61%	--		46 57.5%
Total	8	100%	67	100%	5	100%	80 100%

An examination of the composition of staff by classification and gender in the following table shows a need for more females in management and more males in professional and support classifications.

STAFF COMPOSITION BY CLASSIFICATION & GENDER							
Management (8)		Professional (67)		Support (5)		Total (80)	
Male	(6) 75%	Male	(29) 43%	Male	(1) 20%	Total	(36) 45%
Female	(2) 25%	Female	(38) 57%	Female	(4) 80%	Total	(44) 55%

During FY 2013-2014, twelve staff members left the Agency. Seven retired, four resigned and one was terminated at the conclusion of an approved leave of absence.

	White*	Black	Asian	Hispanic	Male	Female
Management	--	--	--	--	--	--
Professional	9	--	2	--	3	8
Support	--	--	1	--	--	1
Totals	9	--	3	--	3	9

*White includes Other

Recruitment

During FY 2013-2014, the Agency added nine new staff members, five males and four females. Also, a former female support staff member was rehired.

	White*	Black	Asian	Hispanic	Two or More Races	Male	Female
Management	1	--	--	--	--	1	--
Professional	4	--	3	1	--	4	4
Support	--	--	--	--	--	--	--
Totals	5	--	3	1	--	5	4

*White includes Other

Job openings were advertised with other regional councils of governments and other professional and non-profit organizations. Agency job openings were also posted on the Internet and the application was available online.

Interview panels have, whenever possible, included under-represented group members as well as both genders. This policy will continue. The Human Resources Director and hiring manager select applicants for interview without knowledge of their ethnic status. If, however, this process does not produce representatives of under-represented groups, they are asked to re-examine the credentials of under-represented candidates. Whenever possible, qualified under-represented applicants are invited to interview.

The following table presents the salary breakdown for classified staff by race and gender as of June 30, 2014.

ASSOCIATION OF BAY AREA GOVERNMENTS
COMPOSITION OF CLASSIFIED STAFF BY GENDER, RACE AND SALARY RANGE
(As of June 30, 2014)

SALARY RANGE	WHITE*		BLACK		ASIAN		AMERICAN INDIAN		TWO OR MORE RACES		HISPANIC		SUB-TOTAL		TOTAL
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
MANAGEMENT															
\$126,996-\$165,000	5	1	--	--	--	--	--	--	1	--	--	1	6	2	
SUBTOTAL	5	1	--	--	--	--	--	--	1	--	--	1	6	2	8
PROFESSIONAL															
\$94,932-\$115,380	1	4	--	--	--	1	--	--	--	--	--	--	1	5	
\$75,024-\$100,548	1	6	1	1	2	--	--	--	--	--	--	1	4	8	
\$68,280-\$83,004	10	8	1	1	4	1	1	--	--	--	--	--	16	10	
\$56,820-\$69,060	2	4	--	1	--	3	--	--	--	--	1	--	3	8	
\$49,512-\$60,180	4	2	--	3	1	2	--	--	--	--	--	--	5	7	
SUBTOTAL	18	24	2	6	7	7	1	--	--	--	1	1	29	38	67
SUPPORT															
\$44,832-\$54,660	--	--	--	--	--	1	--	--	--	1	--	--	--	2	
\$38,952-\$47,352	--	--	--	2	1	--	--	--	--	--	--	--	1	2	
\$35,304-\$42,948	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
\$30,360-\$37,080	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
SUBTOTAL	--	--	--	2	1	1	--	--	--	1	--	--	1	4	5
	WHITE*		BLACK		ASIAN		AMER IND		TWO OR MORE		HISPANIC		SUB-TOTAL		TOTAL
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
TOTAL	23	25	2	8	8	8	1	0	1	1	1	2	36	44	80

*White includes Other

Internship Program

Our traditional summer internship program consistently attracts a high caliber of applicants. The Agency received a total of 117 applications and hired 5 interns who were continuing or had just completed their college education. Of the 5 interns, 3 were White (60 percent), 1 was Asian (20 percent), and 1 was Hispanic (20 percent).

Training

It is the Agency's policy to encourage staff to participate in training to enhance their performance and develop skills for future growth. Thirty-nine employees participated in 50 classes with the assistance of our training and development program. The Agency's expenditure was \$12,199 which compares to \$33,422 invested in FY 12/13 and \$28,855 invested in FY 11/12. The participants were from every classification and represented all races and genders. Although not represented in these numbers, the Agency encourages and supports managers and professionals to participate in workshops and associations related to their field. The expenditures for these on-going professional development programs are included in individual program and project budgets.

All program managers are encouraged to promote the professional growth of their staff. Since funds are limited, we encourage focus on those efforts that enhance the position-related qualifications of regular staff members. A special effort will be made to identify under-represented group members who need guidance and encouragement, as well as financial help, to further their careers. This is especially true for those interested in completing their college education.

Promotions

There were no promotions during this fiscal year.

Business Opportunities

Our adopted diversity policy states in part that:

“ABAG will, in its contracts with third parties for technical, consulting or other professional and non-professional services, comply with Federal rules regarding third-party relationships. ABAG will solicit proposals: from consultants with the required expertise who have protected group representatives among their employees, and from protected group consultants with the required expertise.”

In this spirit during FY 2013-14, ABAG used—and in most cases continues to use—the MBE/WBW firms, organizations or companies presented on Tables I and II.

In the past year, the agency consulting/services contracts with MBE/WBE organizations totaled \$1.000 million representing an increase of 22.55 percent (\$181 thousand) over FY 2012-13. Accounting for the largest increase from the prior year was the moving of the General Assembly to the Oakland Marriott City Center, an Asian-owned enterprise, which accounted for \$135 thousand in FY 2013-14 compared to nothing in the prior year.

At the same time, total contracted services increased in FY 2013-14 over FY 2012-13 by 17.4 percent (\$2.94 million). However, most of this is attributable to pass-through to other governmental agencies within the region, so the subtotal of contracted services for non-governmental entities was \$3.05 million in FY 2013-14, a 1.74 percent (\$52 thousand) increase from the prior fiscal year.

Thus, MBE/WBE contracted services climbed from 27.24 percent of non-governmental contracts for services in FY 2012-13 to 32.81 percent in FY 2013-14. Accounting is hopeful that as we continue to verify and confirm MBE/WBE status of our existing vendors and identify the status of new bidders, the percentage will be able to note a higher MBE/WBE performance percentage in subsequent reports.

Table 1—List of Firms/Contracts by Name and Table II—List of Firms/Contracts by Type are attached and provide additional detail.

Conclusion

Progress toward achieving and maintaining a diverse workforce continues to be a challenge. As in previous years, we continue to seek Hispanic applicants in the professional and support classifications to round out ABAG's diverse workforce. We will continue our efforts to send job announcements to organizations that provide services to Hispanics, such as the Unity Council in Oakland. We will also continue to reach out and provide contracting opportunities to as many under-represented groups as possible, while maintaining our requirements of excellence.

TABLE I-LIST OF FIRMS/CONTRACTS BY NAME

COMPANY	NATURE OF WORK	TYPE	FY 2012/13	FY 2013/14
			(\$'000)	(\$'000)
ASIA PACIFIC OFFSET LIMITED	PRINTING	ASIAN		15
BARR, EILEEN C	CONSULTANT	WOMAN	1	1
CAREER ALLIANCE INC	TEMP. PERSONNEL	AFRICAN-AMERICAN	197	165
CUSTOMIZED PERFORMANCE, INC.	JANITORIAL SERVICES	HISPANIC	34	34
FINGER DESIGN ASSOCIATES		WOMAN	3	
GOODWIN CONSULTING GROUP INC	CONSULTANT	WOMAN	30	32
GOZA GEAR		HISPANIC		7
JEANNE PERKINS CONSULTING	CONSULTANT	WOMAN	8	17
JODY LONDON CONSULTING		WOMAN	2	27
JP GRAPHICS INC	PRINTING	WOMAN	9	
JT LITHO	PRINTING	ASIAN	40	42
LUNCHSTOP CAFE METRO CENTER	CATERING	ASIAN & WOMAN	9	7
MAZE AND ASSOCIATES	AUDITOR	WOMAN	109	140
NETWORK CONSULTING SERVICES	CONSULTANT	WOMAN	4	2
OAKLAND MARRIOTT CITY CENTER	CONVENTION HOTEL	ASIAN		135
OKAMOTO, ARIEL RUBISSOW	CONSULTANT	ASIAN & WOMAN	30	65
PAULA SCHULZ	CONSULTANT	WOMAN	8	
PDQ PRINT COPY MAIL	PRINTING/MAILING	ASIAN & WOMAN	1	
PRISTIA, ELIZABETH	TRANSCRIPTION SVCS.	WOMAN		1
PRUNUSKE CHATHAM INC	CONSULTANT	WOMAN	3	
SAFETY COMPLIANCE MANAGEMENT INC	ON-LINE INSTRUCTION	WOMAN	262	291
SIGHT & SOUND CORPORATE STAGING & EVENTS	AUDIO-VISUAL SERVICES	AFRICAN-AMERICAN	21	
SSP DATA PRODUCTS	COMPUTER SUPPLIES	ASIAN & WOMAN	45	19
TOTAL			816	1,000
% OF ALL NON-GOV'T RELATED CONTRACTS/SERVICES			27.24%	32.81%
% OF ALL CONTRACTS/SERVICES			4.84%	5.05%

TABLE II-LIST OF FIRMS/CONTRACTS BY TYPE

COMPANY	NATURE OF WORK	FY 2012/13 (\$'000)	FY 2013/14 (\$'000)
AFRICAN-AMERICAN			
CAREER ALLIANCE INC	TEMP. PERSONNEL	197	165
SIGHT & SOUND CORPORATE STAGING & EVENTS		21	
TOTAL AFRICAN-AMERICA		218	165
ASIAN			
ASIA PACIFIC OFFSET LIMITED			15
JT LITHO	PRINTING	40	42
OAKLAND MARRIOTT CITY CENTER	CONVENTION HOTEL		135
TOTAL ASIAN		40	192
ASIAN & WOMAN			
LUNCHSTOP CAFE METRO CENTER	CATERING	9	7
OKAMOTO, ARIEL RUBISSOW	CONSULTANT	30	65
PDQ PRINT COPY MAIL	PRINTING/MAILING	1	
SSP DATA PRODUCTS	COMPUTER SUPPLIES	45	19
TOTAL ASIAN & WOMAN		85	91
HISPANIC			
CUSTOMIZED PERFORMANCE, INC.	JANITORIAL SERVICES	34	34
GOZA GEAR			7
TOTAL HISPANIC		34	41
WOMAN			
BARR, EILEEN C	CONSULTANT	1	1
FINGER DESIGN ASSOCIATES		3	
GOODWIN CONSULTING GROUP INC	CONSULTANT	30	32
JEANNE PERKINS CONSULTING	CONSULTANT	8	17
JODY LONDON CONSULTING		2	27
JP GRAPHICS INC	PRINTING	9	
MAZE AND ASSOCIATES	AUDITOR	109	140
NETWORK CONSULTING SERVICES	CONSULTANT	4	2
PAULA SCHULZ		8	
PRISTIA, ELIZABETH	TRANSCRIPTION SVCS.		1
PRUNUSKE CHATHAM INC	CONSULTANT	3	
SAFETY COMPLIANCE MANAGEMENT INC	ON-LINE INSTRUCTION	262	291
TOTAL WOMAN		439	511
TOTAL MBE/WBE		816	1,000
TOTAL NON-GOV'T RELATED CONTRACTS/SERVICES		2,996	3,048
% OF ALL NON-GOV'T RELATED CONTRACTS/SERVICES		27.24%	32.81%
TOTAL ALL ABAG CONTRACTS/SERVICES		16,867	19,810
% OF ALL CONTRACTS/SERVICES		4.84%	5.05%

**ASSOCIATION OF
BAY AREA GOVERNMENTS
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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**ASSOCIATION OF BAY AREA GOVERNMENTS
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

The Executive Board
Association of Bay Area Governments
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Association of Bay Area Governments (Association), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Association as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2014 but did not have a material effect on the financial statements:

Statement 65 – *Items Previously Reported as Assets and Liabilities.*

Statement 67 – *Financial Reporting for Pension Plans.*

Statement 70 – *Accounting and Reporting for Non-exchange Financial Guarantees.*

The emphasis of this matter does not constitute a modification to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2014, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Mage + Associates

Pleasant Hill, California
November 9, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Association of Bay Area Governments (Association) has issued the financial reports for fiscal year ending June 30, 2014 based on the provisions of the Government Accounting Standards Board Statement 34, "Basic Financial Statement and Management's Discussion & Analysis—for State and Local Governments," (GASB 34). One of the most significant requirements of GASB 34 is for government entities to prepare financial reports using the full accrual basis of accounting. Since the Association has already been using this method of accounting, changes in its financial reports are primarily in format of presentation.

GASB 34 requires the Association to provide an overview of financial activities in the fiscal year and it should be read in conjunction with the accompanying financial statements.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements required under GASB 34 include:

1. Statement of Net Position—provides information about the financial position of the Association, including assets, liabilities and net position. The difference between this statement and the traditional Balance Sheet is that net position (fund equity) is shown as the difference between total assets and total liabilities.
2. Statement of Activities—presents revenues, expenses and changes in net position for the fiscal year. It differs with the traditional Statement of Revenues and Expenses in that revenues and expenses directly attributable to operating programs are presented separately from investment income and financing costs.
3. Statement of Cash Flows—provides itemized categories of cash flows. This statement differs from the traditional Statement of Cash Flows in that it presents itemized categories of cash inflows and outflows instead of computing the net cash flows from operation by backing out non-cash revenues and expenses from net operating surplus/deficit. In addition, cash flows related to investments and financing activities are presented separately.

The Basic Financial Statements above provide information about the financial activities of the Association's three programs—ABAG, ABAG Finance Corporation and BALANCE Foundation, each in a separate column. Also presented is the San Francisco Bay Restoration Authority as a "discretely presented component unit."

FISCAL YEAR 2014 FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The Association's Total Assets were \$13.21 million at June 30, 2014. At June 30, 2013, total assets were \$11.81 million. Total Assets include Cash and Cash Equivalents of \$7.63 million (up \$2.13 million from the prior year), Federal, State and Local Grants Receivables of \$4.89 million (down \$650 thousand), Interest Receivables of \$1,407 (down \$516), Prepaid Expenses and Other of \$196 thousand (up \$79 thousand) and Capital Assets net of Accumulated Depreciation of \$492 thousand (down \$163 thousand). The increase of \$1.40 million in Total Assets is due primarily to the increase in Cash and Cash Equivalents. The primary causes of this improvement in cash are a \$507 thousand increase in unearned revenue, a \$435 thousand increase in accounts payable and an improvement in net position of \$606 thousand. The increase in unearned revenue largely reflects cash advances for several grants that have yet to have expenditures accrued.
- The Association's total program revenues were \$27.14 million in FY 2014, while total program expenses were \$28.54 million. This imbalance (\$1.40 million) is offset by \$1.76 million in Membership Dues, \$234 thousand in unrestricted donations, and \$12 thousand in interest income, all recorded as General Revenues summing to \$2.01 million. This yielded an improvement in net position of \$606 thousand.
- The Association's total net position increased \$606 thousand in FY 2014 to a new total of \$3.28 million at June 30, 2014. This figure includes Restricted Net Assets of \$201 thousand in the BALANCE Foundation.
- ABAG program operating revenues were \$27.11 million in FY 2014. There were no operating revenues for ABAG Finance Corporation, and BALANCE Foundation operating revenues were \$29 thousand.
- ABAG program operating expenses were \$28.43 million in FY 2014, while ABAG Finance Corporation operating expenses were \$6 thousand and BALANCE Foundation operating expenses were \$107 thousand.
- Non-operating revenues (General Revenue) and expense yielded a net gain of \$2.01 million in total, of which \$1.76 million is membership dues, \$234 thousand was in unrestricted donations (\$185 thousand to ABAG and \$49 thousand to BALANCE Foundation) and \$12 thousand in interest income.
- ABAG Net Position was \$2.89 million at June 30, 2014, while ABAG Finance Corporation Net Position was \$35 thousand and BALANCE Foundation Net Position was \$357 thousand at that date.
- The San Francisco Bay Restoration Authority received a \$90 thousand grant and spent \$80 thousand of that for consultant services within its operating budget. In addition, the Authority received a \$50 donation and \$6 in interest in General Revenues. Thus, the Authority ended the year with a net position of \$9,591.

CAPITAL ASSETS

At June 30, 2014, the Association had \$492 thousand in capital assets, net of accumulated depreciation, a decrease of \$163 thousand from the year prior. The change from the prior year is wholly attributable to the depreciation expense associated with facility improvements (\$44 thousand), furniture & equipment (\$110 thousand and capitalized software (\$8 thousand). There were no capitalizable additions, largely because of anticipation of a move to San Francisco in or around December 2015. Further details of the Association's capital assets are presented in Note 3 to the financial statements.

DEBT ADMINISTRATION

The Association's accumulated debt during FY 2014 was reduced in the amount of \$110 thousand through the final payment of \$45 thousand for the seismic retrofit of the MetroCenter and a payment of \$65 thousand toward the \$501 thousand owed for the office improvement project at the beginning of the year. This left a balance of \$436 thousand for the office improvement project. Of the \$436 thousand debt outstanding at the end of the year, \$69 thousand is classified as current portion, payable within the next fiscal year. There was no new debt incurred.

MAJOR PROGRAM INITIATIVES IN FY 2013 AND OUTLOOK FOR FY 2014

We are happy to report the following accomplishments in fiscal year 2014 and goals for fiscal year 2015:

Planning & Research Programs

The primary focus for the Planning and Research Department during FY 2014-2015 will be taking steps to achieve the pattern of growth envisioned in Plan Bay Area, the region's first Sustainable Communities Strategy, and the 2014-2022 Regional Housing Need Allocation (RHNA). Plan Bay Area brings together housing, transportation, economic development, and land use strategies into a set of priorities that can guide development to strengthen the qualities of neighborhoods and ensure protection of natural resources and rural areas.

Implementation of Plan Bay Area is bolstered by the end of the Great Recession in the Bay Area. However, the economic recovery is uneven across jurisdictions within the region. Some cities are struggling to attract investments, while others are experiencing rapid increases in housing costs as a result of significant new residential and commercial development.

ABAG's efforts will focus on maximizing the benefits of new investments throughout the Bay Area and addressing the challenges of rapid growth—especially in the region's adopted Priority Development Areas. This work will seek to expand access to high-quality services and networks of opportunity for all Bay Area residents and increase the range of housing choices—particularly affordable options—in every community. Also, ABAG's tasks have expanded to include economic development policy to strengthen the region's economic competitiveness.

Implementation of Plan Bay Area's vision will also be supported by an increased emphasis on promoting regional resilience in the face of natural disasters. Effort to accommodate growth in PDAs will be complemented by the region's Priority Conservation Areas (PCAs), which are retaining and enhancing the qualities of our natural environment and agricultural lands.

Working closely with local jurisdictions, Congestion Management Agencies (CMAs), and the Metropolitan Transportation Commission (MTC), ABAG's Planning and Research Department will provide planning assistance, research support, and institutional coordination for implementation of PDAs, enhancement of open space and regional trails, housing production, and economic development through the programs described below. These efforts are supported by a stronger research program and new communication tools.

The region's PDAs are the organizing framework for implementing Plan Bay Area. They are expected to accommodate most of the Bay Area's new homes and jobs. The Plan's major investments in transportation and planning assistance are focused in the PDAs, but there are significant obstacles to achieving PDA growth and investment. ABAG and local jurisdictions will conduct a focused effort to identify and overcome these obstacles, with an emphasis on development feasibility and entitlement, while supporting adopted PDA plans.

In Plan Bay Area, the majority of housing and job growth is projected in the PDAs along transit corridors stretching between San Francisco, San Jose, Oakland, and West Contra Costa County. These corridors will increasingly function as an interconnected system. Implementing the Plan will depend upon the success of all of the communities and business districts along the corridor, which today vary significantly in terms of housing and commercial development, amenities, infrastructure, and public services.

In coordination with local jurisdictions and CMAs, Planning and Research staff is conducting a detailed analysis of each corridor's PDAs in order to evaluate development potential and readiness as well as impediments to development. Based upon this analysis ABAG will work with responsible parties, including affected special districts, to address challenges that cross jurisdictional boundaries. The result will be a comprehensive assessment of the specific qualities and unique needs of PDAs along each corridor, identification of common obstacles to development, and a tailored set of best practices and implementation actions involving jurisdictions, communities, businesses, and special districts. This effort will be closely coordinated with the housing and economic development efforts as described below, and will build upon advances planning such as the El Camino Real Grand Boulevard Initiative and the PDA Investment and Growth Strategies completed by CMAs.

Plan Bay Area sets the stage for local jurisdictions to choose to take full advantage of relatively new State legislation to increase the efficiency of the development process for projects within PDAs. In addition to providing guidance to local jurisdictions on entitlement efficiency, ABAG will advocate for state legislative and administrative reforms to remove bureaucratic obstacles that are a by-product of the dissolution of redevelopment agencies, and to make resources available for producing affordable housing and fostering economic growth in PDAs.

Plan Bay Area identifies the need for strategies to improve resilience in the face of natural disasters. ABAG will assess earthquake and hazard' risk in PDAs as well as work with the Bay Conservation and Development Commission (BCDC) to analyze the risk of sea level rise and seismic hazards along the Bay shoreline. The program will also continue research on infrastructure vulnerability and interdependencies following a major disaster.

These and other program efforts will involve consultation with jurisdictions in high risk zones, infrastructure providers, other special districts, and regional agencies to develop specific local strategies for resilience. These strategies can make use of the opportunity of new development to plan appropriate mitigations and adaptations for proximate hazards such as air quality near freeways and arterials, as well as impending hazards such as earthquakes, sea level rise and storm-induced flooding.

Since its inception in 2007, the MTC/ABAG PDA Planning Grant program has supported the development and adoption of 52 plans to create walkable, mixed-use communities within walking distance of transit. These plans accommodate the potential development of more than 40,000 new housing units, 60,000 new jobs and 24 million square feet of commercial space. Upcoming plans could add another 28,500 units. To enhance PDA planning capacity across the region, each county received a dedicated share of PDA planning funds between 2013 and 2017. These funds are allocated to local jurisdictions by CMAs. This approach helps ensure a comprehensive process for funding PDA planning throughout the region. To complement the county PDA programs, MTC and ABAG will continue to lead a strategic regional PDA planning grant program which focusses on implementation issues such as affordable housing production, rehabilitation and preservation; community stabilization; and overcoming a variety of obstacles to infill development. Planning and Research Department staff provides primary contact and support for the local planning staff involved.

Increasing housing production and affordability—especially in transit-served locations—is essential for achieving the vision of focused growth articulated in Plan Bay Area. ABAG is working with the private and non-profit sectors to provide a comprehensive approach to promote housing production and rehabilitation while supporting neighborhood stability and community resources. This approach emphasizes increasing the funding for affordable housing, removing barriers to housing production, promoting the preservation of affordable housing as a tool to prevent displacement, and facilitating the collection and sharing of information. While addressing the region’s housing challenges on a broad scale, this effort will also seek to identify tools and strategies to assist local jurisdictions in spurring housing growth in PDAs based upon each community’s unique needs and circumstances.

State subsidies play an important role in meeting our workforce housing needs. However, there are not enough existing resources to adequately address the state’s housing needs. ABAG will work with local jurisdictions, housing advocates, and other stakeholders to pursue additional funding sources for housing production and preservation, particularly those dedicated to affordable housing.

ABAG is also working to target regional resources for affordable housing to support Plan Bay Area implementation. Plan Bay Area allocates \$12 million to the Transit-Oriented Affordable Housing (TOAH) fund. Funded by MTC, the TOAH has been recognized as a national model for linking housing and transit investments. ABAG will continue to work with MTC to refine the criteria for TOAH-funded projects to ensure the program supports the goals of the Plan.

Information about the Bay Area housing context, including development activity, local plans and policies, housing needs, and available resources, is an essential foundation for policy development and legislative advocacy. ABAG staff will gather housing data to support the policy objectives of PLAN Bay Area and improve the accessibility and usefulness of the data to partner and member agencies. This includes supporting local governments working on updates to their Housing Elements to incorporate the 2014-2022 Regional Housing Need Allocation and Congestion Management Agencies developing the PDA Investment and Growth Strategies to improve coordination of housing and transportation investments.

Through the Sustainable Communities grant from the U.S. Department of Housing and Urban Development (HUD), ABAG is advancing numerous housing-related projects.

In addition to pursuing creation of new sources of state and regional funding for affordable housing development, ABAG will actively pursue adjustments to state housing policies. Key issues include ensuring that Housing Element policies are aligned with the region's changing demographics and housing needs, particularly with respect to senior housing and preservation of existing affordable housing, and that the disposition of land within PDAs owned by former redevelopment agencies takes place in a timely manner. ABAG staff will also pursue opportunities to initiate or support legislation that promotes the goals of Plan Bay Area.

ABAG will collaborate with regional agencies, business groups, and community-based organizations to strengthen the competitiveness of the regional economy, enhance local business districts in PDAs, address goods movement and industrial land, expand access to opportunities for all Bay Area residents, and develop economic development policies for the next update to Plan Bay Area.

As part of the HUD Sustainable Communities grant, MTC and ABAG are working with a broad group of private, non-profit, and public sector stakeholders to create a strategy to expand opportunities for the region's low and moderate income workers. The regional agencies and partner organizations will conduct outreach to community groups, workers, and the business community. The effort will also support a technical assessment of industries of opportunity, employment barriers, best practices, and policies addressing issues such as job creation, career pathways, and apprenticeships.

The Prosperity Strategy will address the Bay Area as a whole as well as sub-regions. In addition to a set of policies and actions, the Strategy will fund pilot projects that support its objectives and seek to establish replicable approaches to expanding opportunities for low and moderate income workers.

ABAG will create place-based strategies to support the economic growth of different types of PDAs and job centers. This will respond to the changing dynamics of the regional and sub-regional economies and the needs of growing industries. ABAG will investigate the unique role of different types of PDAs in the regional economy, ranging from centers in which office and retail jobs cluster around transit hubs to agricultural areas protected from urban development. The place-based strategies will include approaches to both strengthen local business districts and create physical environments that support investment in driving industries.

The movement of freight and the protection of production and distribution businesses have important environmental, economic and equity implications for the region. The region is home to the fifth-busiest maritime port in the nation, the Port of Oakland, which serves not only Bay Area residents and industries, but also provides a critical link to national and international markets for North Bay and Central Valley agriculture. Furthermore, the nine-county Bay Area is closely connected with its adjacent counties and metropolitan areas. Alameda, Solano, Contra Costa and Santa Clara counties are especially affected by decisions in neighboring counties outside of the nine-county Bay Area related to inter-regional commuting, shipping and land use patterns, housing needs and job access. ABAG and MTC recognize the need for coordinated planning of local, regional and state investment strategies to ensure that the Bay Area's growth opportunities and inter-regional challenges are adequately addressed.

Current efforts on good movement within the regional and sub-regional analysis of goods movement in terms of the role of the transportation system, land use requirements, and air quality implications; identifying best practices for economic development as this relates to goods movement; coordination with sub-regional and local jurisdictions on the sometimes competing demands of truck flows, freight rail, and passenger travel; and collaboration with the Alameda Countywide Goods Movement planning process to identify needs and short and long term priorities for freight and goods movement.

The Bay Area Council Economic Institute (BACEI) has invited ABAG to participate in its proposed public-private partnership engagement process. The process would be conducted by the BACEI professional staff in cooperation with the business leadership organization of the Bay Area Council. This would involve meeting with local leaders and organizations that have developed their own economic development strategies, to learn from the experiences of the different organizations and identify linkages and commonalities across the region. The next stage of the process would involve convening a diverse group of stakeholders from the business community (representing a wide spectrum of industries, firm sizes and leadership roles) and the public sector into a steering committee whose tasks will be to explore the region's best opportunities for economic success, framing an overall strategy, and defining concrete actions.

Priority Conservation Areas (PCAs) complement PDAs by identifying locations with high ecological, recreational, and economic value. More than 100 locally selected PCAs provide a framework to refine the PCA program and advance regional open space strategies. Adoption of Plan Bay Area sets the stage for implementation activities.

ABAG will expand its forecasting capabilities; improve its underlying understanding of characteristics and motivations for businesses, households, and individuals that affect land use and travel decisions; and analyze important policies affecting access to jobs and housing in the region. In collaboration with MTC, ABAG staff will complete the State of the Region report to assess the ongoing trends and major accomplishments as a point of departure for the preparation of Plan Bay Area 2017.

Although the Plan Bay Area update will not be released until 2017, the schedule for adopting revisions requires that any changes in methodology for forecasting and projections as well as assessment of current trends occur during 2014 and 2015.

In fiscal year 2015 the Planning and Research Programs will:

1. Continue to work with cities and CMAs on development entitlement efficiency, infrastructure investments, housing funds, publicizing effective local policies and practices in PDAs, and providing targeted grant support. Staff will also integrate local and regional resiliency to major earthquakes and flooding into the PDA framework.
2. Advance ABAG's legislative agenda to develop new funding sources for affordable housing and to remove obstacles to jurisdictions' implementation of local infill development objectives; work with MTC to use existing resources to incentivize and support infill housing production' and continue to co-lead the Housing the Workforce initiative of the Regional Prosperity Plan (aka HUD grant) to address economic displacement due to new development and to upgrade the housing production tracking system.
3. Work to improve methods to monitor housing production across the Bay Area to track PDA implementation progress and inform strategies to address the housing production shortfall.
4. Sponsor pilot projects by cities and partner organizations in local communities to test or implement new funding and incentive strategies.
5. Conduct a Fair Housing Equity Assessment, an analysis of issues such as segregation, housing discrimination and access to opportunity, leading to recommendations for regional-level strategies that complement local efforts to advance equal housing opportunity.
6. Create, in collaboration with MTC and UC Berkeley, an "early warning system" to identify neighborhoods in which low-income residents and local businesses are at risk of displacement due to rising rents and new development, and supporting pilot projects that engage residents and businesses to develop and implement community stabilization strategies.

7. Develop a framework for regional economic development trends and strategies in collaboration with MTC. We will coordinate the integration of the job mobility effort under the Regional Prosperity Strategy; goods movement and industrial land projects under MTC, CMAs and ABAG; and business partnerships under the Bay Area Council Economic Institute. We will also develop a place-based strategy that addresses the wide variety of employment centers in the region.
8. Work with MTC to implement the OBAG PCA program, lead development of regional conservation strategies, refine the PCA certification framework and criteria, and consider applications for new PCAs as needed.
9. Through the One Bay Area Grant (OBAG) PCA Grant Pilot Program, ABAG and MTC will assist local jurisdictions and CMAs in implementing a \$10 million program to support projects in PCAs; administer \$5 million directly in North Bay counties and \$5 million through the State Coastal Conservancy for the rest of the Bay Area. Continuing assistance and evaluation of this pilot project will help inform future opportunities for grant-funded conservation projects.
10. Update the PCA Framework. Drawing upon lessons learned from the PCA grant process and the wealth of available data on the region's natural systems and agricultural economy, ABAG in partnership with key open space entities will update the PCA Framework to further define the role of different kinds of PCAs to support habitat, agriculture, recreation, and various ecological functions. This will involve consultation with jurisdictions, open space and recreation districts, the region's scientific community, and farmland organizations.
11. Work with jurisdictions and other stakeholders to evaluate and potentially establish additional PCAs. This may involve refinement of existing PCA guidelines.
12. Refine forecasting and land use analysis tools, support the development of economic strategies, provide analysis to support legislative initiatives and local planning, assess current regional trends in preparation for Plan Bay Area 2017, and provide public access to demographic, housing, economic, and land use information.
13. Develop a State of the Region report focused on employment, income, access to housing and social factors such as education, and address PDA development trends.
14. Work with MTC's modeling group on improvements to the calibration of UrbanSim and extension of its capabilities.
15. Update regional forecasting methodology for use in the Plan Bay Area update.
16. Refine tools for evaluating development feasibility in PDAs.

17. Research to support policy, forecasting, and intraregional modeling work related to migration, household structure and housing demand, income distribution, and economic determinants of residential preferences.
18. Develop a data “library” to make relevant resources readily available within and beyond the regional agencies.
19. Develop a dashboard to track changing development patterns in the Bay Area, areas experiencing increased development pressure, and progress that local governments are making in meeting the housing goals identified in their Housing Elements.
20. Determine the benefits of a transit oriented development location to residents of subsidized housing projects.
21. Update the PDA showcase, which combines mapping and information on projections for each PDA identified in Plan Bay Area.
22. Consolidate access to natural hazard mapping information to a single site.
23. Continue to advance the agency’s role in coordinating regional and subregional planning activities, primarily through the Regional Planning Committee, Regional Airport Planning Commission, and Hazardous Waste Management Facility Allocation Committee; as well as regular contact with local planners in every Bay Area jurisdiction and regional planners in all regional agencies. ABAG will see federal and state regulatory flexibility to allow modernizing its mandated function as clearinghouse for environmental documents related to public capital projects.

Hazardous Waste Allocation/Bay Area Green Business Program

Since 1990, the Hazardous Waste Management Facility Allocation Committee has developed innovative programs that enable ABAG members, their residents and businesses to enhance our Bay Area by preventing pollution, conserving resources and reducing waste

Established in response to state legislation that required counties to plan for facilities to manage hazardous wastes, The Committee directed ABAG to develop a regional “fair-share” allocation process. With periodic revisions to address changing waste streams, ABAG staff use the process to follow hazardous waste trends and inform local and regional pollution prevention activities.

In 1996, in partnership with federal and state agencies, the Committee launched the Bay Area Green Business Program. The nation's first comprehensive environmental certification for small businesses, the Program verifies that applicants meet rigorous performance standards. The recognition allows users to choose environmentally responsible firms. More than 2,400 businesses have been certified in our region, close to 3,000 statewide.

Current initiatives include support for Extended Producer Responsibility to shift the expense for safe management of spent hazardous consumer wastes, such as batteries, fluorescent lights, pharmaceuticals, and computers away from local governments and back to manufacturers.

In fiscal year 2015 the Hazardous Waste Allocation/Bay Area Green business Program will:

1. Increase the number of certified green businesses in the Bay Area to 2,600.
2. Produce case studies on local government sustainable purchasing efforts to speed implementation of such programs throughout the region.
3. Research the potential to site facilities that process spent batteries, used computers, and similar products in the Bay Area.
4. Monitor and advise the Legislation and Governmental Organization Committee on legislative and other efforts to implement Extended Producer Responsibility.

San Francisco Bay Trail and San Francisco Bay Area Water Trail

Creating healthier communities is one of the key goals of Plan Bay Area. ABAG is committed to implementing the San Francisco Bay Trail and the San Francisco Bay Area Water Trail, which both envision healthy, active, and informed communities. The Bay Trail and the Water Trail inspire people from throughout the area to experience the Bay in different ways—along its edges and on its waters. As these two trail systems are expanded, Bay Area residents and visitors will enjoy even more opportunities for recreation, active transportation, and environmental education.

The San Francisco Bay Trail is a visionary plan for a shared-use bicycle and pedestrian path that will one day allow continuous travel around San Francisco Bay. At the end of 2013, 334 miles of trail had been completed. Eventually, the Bay Trail will extend over 500 miles to link the shoreline of nine counties, passing through 47 cities and crossing seven toll bridges. ABAG administers the Bay Trail Project and provides regional leadership for its completion.

The San Francisco Bay Area Water Trail is a network of landing and launch sites around San Francisco Bay for non-motorized small boats. ABAG play a role in implementing this new regional trail in partnership with the Coastal Conservancy, the Bay Conservation and Development Commission, and the California Department of Boating and Waterways. The Coastal Conservancy provides funding for a portion of ABAG's administrative role and for improvements to launch sites that become part of the Water Trail system.

In fiscal year 2015 the San Francisco Bay Trail will:

1. Manage active planning and construction grants and work with the Coastal Conservancy to award grants under a new 2014 funding allocation.
2. Expand partnerships with private corporations and other organizations for specific gap closures.
3. Participate in *the Adopting to Rising Tides* focused working groups and provide input on climate action plans.
4. Complete a revision to the *Bay Trail Design Guidelines*.
5. Meet with state legislators to share Conservancy and Bay Trail grant program accomplishments and cultivate legislative champions.
6. Move forward on completing the regional sign installation plan.
7. Work with local agencies, Ridge Trail and other partners to host events and promote the 25th anniversary of ABAG's adoption of the *Bay Trail Plan*.
8. Create a mobile application for destinations at four sites along the Bay Trail.
9. Work in partnership with the Coastal Conservancy, BCDC, California Division of Boating and Waterways and the Water Trail Advisory Committee to effectively designate and improve Water Trail sites.
10. Expand on ABAG's close working relationship with shoreline jurisdictions to encourage and assist local support for and involvement in the Water Trail network.
11. Promote completion and stewardship of the Water Trail to the boating community and the public as a safe, inclusive and environmentally sensitive form of recreation on San Francisco Bay.
12. Solicit, review, award, and manage grants to local jurisdictions for planning, design, and construction of Water Trail sites.

13. Publish project updates; provide outreach and education; meet regularly with agency staff and Water Trail site owners; and participate in trail dedications and other public events.

San Francisco Estuary Program (SFEP)

The San Francisco Estuary Partnership mandate is to “protect, enhance, and restore the San Francisco Bay-Delta Estuary” through implementation of actions called for in the *Comprehensive Conservation and Management Plan (CCMP)*.

The SFEP and its cooperating agencies and organization both initiated, and continued work on a wide array of projects and activities in support of the Partnership’s mandate.

Highlights during the last year included:

- The successful completion of our work with 66 cities in the region providing them with over \$4 million and 4,000 trash capture devices to help make our streams and bay cleaner and healthier for people, fish and wildlife.
- Continuation of our \$5 million partnership with seven East Bay cities having secured funds to build green stormwater treatment devices to improve water quality and quality of life along San Pablo Avenue.
- Organizing the highly successful San Francisco Estuary Conference, this year partnering with ABAG and the San Francisco Estuary Institute’s Regional Monitoring Program, which was held in Oakland in October with over 800 attending.
- Continued public outreach efforts with the 21st year of publication of our award-winning *Estuary* news magazine.

In fiscal year 2015 the San Francisco Estuary Program and partners will:

1. Initiate GreenPlan Bay Area, a collaborative effort between SFEP, San Francisco Estuary Institute, and Bay Area municipalities to develop spatial tools which will be used to develop plans that identify the optimal combination of Green Infrastructure – Low Impact Development features for achieving desirable outcomes at the watershed scale.
2. Implement Flood Control 2.0. This timely project will develop a set of innovative approaches for bringing environmental benefits and cost-savings to flood protections infrastructure along the San Francisco Bay shoreline. This work will help transform costly trapped sediment in local flood control channels from a problem into a resource.

3. Continue Creek Mouth Assessments. Since the earliest days of human habitation in the San Francisco Bay Area, the mouths of the region's many creeks have been valued for their rich ecology and the abundance of plant and animal species. In 2012, SFEP and the San Francisco Estuary Institute undertook a comprehensive regional inventory and assessment of creek mouths around the Bay.
4. Update its understanding as to the health of the estuary. The partnership is beginning a review and update of its major 2011 assessment of the San Francisco Estuary with health indicators and benchmarks that inform the public and policy makers about how we are progressing in our efforts to secure a healthy and vibrant regional environment. A new report is expected to be completed and released at the September 2015 State of the Estuary Conference.
5. Work with the Regional Water Quality Control Boards (RWQCB-San Francisco Bay and North Coast) and other partners, to complete a stream and wetland protections policy for the two regions.
6. Work with partners to implement/develop new low impact development concepts to clean urban storm water; and implement restoration projects in San Francisco and the shoreline and bed of the bay.
7. Provide technical support services to the Santa Clara Valley Water District, Alameda County Flood Control Program, CalTrans, Marin County, SMART, the Sonoma County Water Agency, and the San Francisco Public Utilities Commission.
8. Provide technical assistance to the State Water Board managing environmental projects required in lieu of water quality fines by the San Francisco Regional Water Quality Control Board.
9. Continue to support the Bay Delta Science Program by contracting with experts to assist in the scientific research to support delta restoration efforts.
10. Manage the newly-released *Got Ants* social media campaign to reduce pesticide use in urban creeks and promote Integrated Pest Management practices.
11. Continue to work on another 40+ projects directed at improving the health of the estuary.

ABAG Publicly-Owned Energy Resources (POWER)

ABAG Publicly Owned Energy Resources (ABAG POWER) is a joint powers agency (JPA) formed by ABAG in 1997 to acquire energy on behalf of local governments, as well as provide energy management and telecommunication services. ABAG POWER currently offers natural gas aggregation to 38 local governments and special districts in the Pacific Gas and Electric (PG&E) service territory. ABAG POWER provides a public sector approach to pooled purchasing, and each public agency is guaranteed a voice in program operations and decisions through its representative to the ABAG POWER Board of Directors and Executive Committee. ABAG and ABAG POWER are also working to expand their sustainability and energy management services to local jurisdictions through the implementation of energy efficiency, renewable energy, and general sustainability programs.

The natural gas purchasing pool has now completed its 17th year of operation. ABAG POWER purchases natural gas on behalf of members and arranges for it to be delivered to the PG&E system for distribution. The goal of ABAG POWER's Natural Gas Program is to provide both cost savings and price stability. These goals differ from that of PG&E which is incentivized to provide low cost gas on a near term (monthly) basis. ABAG POWER stabilizes its gas prices by layering in longer term gas purchases, with the alternate objective of diversifying its gas purchase portfolio. The Program uses a continuous three year ahead planning cycle to design its purchasing strategy. Market rates for natural gas have increased modestly during the past year in parallel with the turn-around in the overall economy. Prices are expected to continue edging slowly higher in the near future.

Price volatility remains a significant risk. There are many factors that can cause significant price volatility, including abnormal weather patterns, increased demand from gas powered generators, restrictions in gas transportation capacity and/or imports, the price of oil, regulatory actions, and political instability. In addition, an increased focus on environmental issues may cause regulatory actions that produce increased costs for using petroleum products, including natural gas. ABAG POWER closely monitors these price volatility factors as part of their service and continues to follow regulatory actions that may affect both the natural gas and electrical energy markets.

In 2013, ABAG was a subcontractor to LA County as part of the state and national **Better Buildings Program** coordinated by the Department of Energy (DOE). Four Bay Area agencies (Alameda County, San Francisco, San Jose and Sonoma County) implemented a variety of energy efficiency retrofit projects under this program. The program was completed in May 2013, although some of the individual projects were continued in modified formats as part of the BayREN program.

In 2012, ABAG applied for, and received funding (\$26.5 million) from the California Public Utilities Commission (CPUC) for the creation and implementation of the San Francisco Bay Area Regional Energy Network (BayREN). BayREN is led by ABAG in collaboration with the nine Bay Area Counties, and is intended to implement effective energy savings programs during calendar years 2013-14. The program is expected to save over 11 million kWhs and 6,000 therms.

The four main program elements of BayREN are single-family energy retrofits, multi-family energy retrofits, develop and standardize energy efficiency codes and standards and the provision of financing for energy efficiency projects.

During the past year, ABAG was the lead agency for the EV Corridor grant from the California Energy Commission. This program provided \$1.5 million for the installation of EV charging infrastructure in the San Francisco and Monterey Bay areas.

In addition, ABAG is a principal sponsor of the Bay Area EV Strategic Council which provides coordination with other Bay Area Regional Agencies, as well as regulatory bodies and private industry.

In fiscal year 2015 ABAG POWER will:

1. Continue to provide cost effective natural gas aggregation and delivery services for local governmental agencies. This will include active solicitations among natural gas marketers, and the addition of new gas suppliers, as necessary, to continue receiving the most competitive pricing. The program will pursue longer-term fixed price gas products in order to stabilize program costs.
2. Look for additional ways to improve the customer service aspects of the program, in particular with respect to billing and analysis functions.
3. Continue to encourage additional participants in both the core and non-core programs.
4. Continue oversight of the BAYREN program and seek renewal funding to continue its programs.
5. Continue to seek out other grant opportunities to bring funding to the Bay Area for energy efficiency enhancements, as well as alternative energy alternatives.

Insurance Pool Programs

Organized in 1986, the ABAG Pooled Liability Assurance Network (ABAG PLAN) Corporation provides property, liability and crime coverage to 29 cities and towns in the greater Bay Area under a pooled risk sharing agreement. In addition to PLAN, the SHARP Program (Workers' Compensation Shared Risk Pool) provides affordable Workers' Compensation coverage to its participating members.

ABAG PLAN has approximately \$45.5 million in total assets and has returned over \$22 million in dividends to its members since inception. ABAG PLAN continues to offer members significant premium savings. Through ABAG PLAN members have at their disposal a wide array of resources including grants, training, best practices guidelines, and specialized consultation. These resources help members maintain or improve the health and safety of their citizens and employees. The PLAN program invests over a million dollars annually in its Risk Management Best Practices Program, which focuses on Loss Control and Safety. ABAG PLAN's Risk Management Grant program helps members supplement their fiscal needs in the area of Risk Management and Loss Prevention. Active participation has enabled PLAN members to better manage their limited financial resources.

Members are actively involved in PLAN governance and Risk Management Best Practices. The success of ABAG PLAN is largely attributable to the active participation of its members. ABAG and its members are working together to share resources and best practices that help members meet the broad array of challenges they face. Efforts are orchestrated to directly improve the lives of those who live within their communities. Plan has assisted members in the implementation of key loss control measures to reduce claims in public playgrounds, parks, police operations, and claims related to sidewalks, sewers and trees. By focusing on key areas of municipal exposure to loss and by placing emphasis on safety and the benefits of our Risk Management program(s), ABAG PLAN has assisted members in reducing losses.

In fiscal year 2015 the Insurance Pool Programs will:

1. Continue to work with its members providing Risk Management and Loss Control consulting services, as well as superior Claims Administration services. Our goal is to provide high quality service to PLAN members which will allow them to effectively manage the complex risk they face as municipal enterprises.
2. Continue to provide stable loss funding rates for the Liability Program. Premium stabilization and broadening coverage will be a focus of our Property Program. PLAN will continue to improve claim analytic reports to assist in the analysis of loss performance and aid in the development of appropriate risk management and loss reduction strategies. PLAN's new automated claims reporting platform and deductible billing interface have been fully implemented. .

3. Continue to maximize recovery and subrogation opportunities which effectively reduce “net” loss dollars and preserve a significant amount of claim dollars for our members.
4. Continue to provide a broad range of training focused on the unique needs of our members. We will continue to provide technical training support and training resources to members to enhance their technical skills in Claims and Risk Management. The PLAN grant program will be used to support Risk Management Best Practices and Loss Control programs.

ABAG Financial Services

ABAG Financial Services has been providing conduit financing to various public and private organizations throughout the State of California since 1978. Its programs provide convenient, cost saving, and secure means to meet the capital financing needs of public agencies and their nonprofit partners serving the public interest.

- To date, ABAG Financial Services has provided nearly \$8 billion in low cost capital financing for projects in more than 240 California government jurisdictions.
- The Agency helps its members provide for construction of new hospitals and medical clinics, transit systems, affordable housing, schools, museums, water and wastewater systems, and other member-owned infrastructure.
- The Agency takes special focus on assisting in the construction and preservation of affordable housing, providing financing to date for nearly 12,000 units in nearly one-hundred affordable apartment communities.

In fiscal year 2015 ABAG Financial Services will continue to offer:

1. Economical funding for developers of affordable multi-family housing, independent schools, hospitals, clinics, and other voluntary healthcare providers through the various programs of the ABAG Finance Authority.
2. Tax-Exempt Lease financing through ABAG Credit Pooling and ABAG Leasing programs, providing the lowest available cost source for funding for both major lease secured projects and smaller capital equipment needs.
3. Comprehensive services to meet the land-secured and economic development financing needs of member agencies.
4. Its industry leading pooled financing vehicle for Water and Wastewater Districts. This financing pool provides easy access and low cost funding for the smaller borrowing needs of ABAG members and special districts in their jurisdictions.

ABAG Training Center

The ABAG Training Center has been an ABAG service program since 1979, created to provide economical alternatives for local government employees to obtain professional development training. Today's courses focus on safety training for field workers and first responders required by the Occupational Safety and Health Administration (OSHA) and the U.S. Department of Transportation (DOT). Because of early entry into this training field, this program has developed a strong catalog of courses, a good reputation, and capable student management and course enrollment and delivery systems.

- The development of the Internet allowed us to offer courses not only to employees of Bay Area local governments, but also to students around the world. More than 7,000 students each year receive training through our web-based identity-- www.hazmatschool.com.
- A redesigned website and updated content covering the Globally Harmonized System of Classification and Labeling of Chemicals has positioned the program for the future.

In fiscal year 2015 ABAG Training Center will:

1. Introduce a new course focusing on spill response.
2. Incorporate additional video presentations into courses.
3. Grow revenues to exceed previous years.
4. Maintain personalized service and worthwhile training experience for our members and clients.

Fiscal Management Services

ABAG continues to offer fiscal management services to Bay Area public purpose entities and region-wide grant programs. In addition to ABAG itself, we provide financial services to ABAG PLAN Corporation, ABAG Comp Shared Risk Pool, ABAG Finance Authority, ABAG Publicly Owned Energy Resources, the San Francisco Bay Restoration Authority, the California Public Agencies Self-Directed Tax Advantaged Retirement System and the San Francisco Bay Area Water Emergency Transit Authority. These services include accounting, financial reports, cash management, investments, debt issuance, grants management, and other related financial support services.

Over the last year, several grants furthering sustainability have been awarded and required substantial fiscal oversight including grants for the promotion and incentivizing the evaluation of energy efficiency of homes multi-unit dwellings and the installation of enhancements such as insulation, double-paned windows and solar panels, and grants for managing water-quality projects across the region. The complexity in managing the fiscal side of these projects manifested itself in a four Single Audits in fiscal year 2014. In spite of this increased scrutiny, the Federal government granting agencies and our external auditors continue to provide an unmodified (positive) opinion as to our fiscal accountability and have reported no fiscal deficiencies. This continuing clean record places ABAG and its related entities in a preferred position by demonstrating its capacity to manage large grants, thereby facilitating applications to obtain additional funding for ongoing energy transformation, land use sustainability planning, promotion of infrastructure for electric vehicles, and conducting environmental assessments and implementing programs to mitigate identified environmental issues.

In fiscal year 2015 Fiscal Management Services will:

1. Review and update, in collaboration with Information Technology, business continuation and disaster recovery plans for ABAG services. While documenting the plans, staff will identify the necessary resources and implement the plans, including such item as off-site operation sites, enabling staff to work from remote locations, and critical supply caches for special check stock and other items.
2. Continue to provide error-free grants fiscal management services with the incorporation of best practices and additional automation tools to improve the timely and efficient provision of services.
3. Initiate regularly scheduled, monthly meetings with our significant entities to review service levels with the manager of each to discuss service enhancements to better serve them, for example reporting timelines, formatting of reports, and resolving coding issues.

Legislative Activities

During 2013, ABAG's Legislation and Governmental Organization Committee (L&GO) focused on supporting integrated planning and sustainable community implementation. Legislation establishing innovative financing for planning and infrastructure services to assist local government was a priority focus.

More than 37 state bills were reviewed and considered during the 2013 Legislative Session by the L&GO Committee. Nine of the bills tracked and supported by ABAG became law and three were vetoed. The bills passed addressed land use and planning, community development, the San Francisco Bay Restoration Authority, the use of public resources, and restriction on firearms and large capacity magazines.

Environmental bills supported by ABAG that addressed local agencies' hazardous materials clean-up and environmental quality as related to transit oriented infill projects and judicial review streamlining for environmental leadership development projects, also passed and became law. Many important financing mechanism bills that reflected the full range of Committee legislative priorities became inactive or were held in suspense during this first year of the two-year session; from the California Homes and Jobs Act to a wide range of sustainable communities funding strategies.

Committee activities throughout the year included policy briefings, a Legislative Workshop and Reception co-hosted by ABAG, CALCOG and CSAC with MTC support, and face-to-face dialogues with legislators about Bay Area needs and challenges.

In fiscal year 2015 Legislative Activities will:

1. Continue focus on Plan Bay Area Implementation which includes legislative objectives such as affordable housing funding, housing element reform, and better CEQA/entitlement efficiency. These legislative strategic efforts will also involve pursuing permanent funding for COGs, MPO, and local governments to fulfill Plan Bay Area implementation and funding sources that provide resources and incentives for planning, infrastructure, and services to assist local government.
2. Continue to pursue legislation that would lower the 2/3 supermajority vote threshold for infrastructure taxes and bonds state-wide and locally.

Communications

The Communications Department focused on regional outreach and community engagement strategies in collaboration with our Bay Area cities, towns, and counties to develop and implement Plan Bay Area. Regional conferences, workshops, publications, media, and web outreach helped provide a platform for discussion about Plan Bay Area, sustainable growth, economic resilience, and complete communities.

ABAG's Spring General Assembly, "Planning for People and Places offered an interactive forum on jobs and housing trends, neighborhood design and place-making, and sustainable community development, featuring Robert Reich, former US Secretary of Labor and current UC Berkeley Chancellor's Professor of Public Policy. The Fall Local Government Health and Wellness Forum—Creating Healthy Communities explored how local governments can create healthy communities and enable healthy living through wellness programs, and community partnerships to enable "Healthy Eating, Active Living."

Engagement strategies included coordinating ABAG's Seventh Annual Growing Smarter Together Awards to recognize the leadership and best practices of Bay Area local governments and agencies. The award winners were showcased at ABAG's Spring General Assembly in five categories. The best practice efforts of the Growing Smarter Together awardees were documented by the Communication Department in a special DVD, currently on view at www.abag.ca.gov/smarter.html, with video highlights of past recipients. Their achievements in planning, community revitalization, and community partnerships and preservation and protections of the environment are featured.

A range of visibility strategies, developed and implemented by the Communications Group, included media outreach on Plan Bay Area Workshops, the Bay Trail Project achievements (Bay Trail Trekker and New Bay Trail maps), and the Estuary Partnership and their 11 Biennial Conference *20/20 Vision—Past Reflections, Future Directions*. Meeting coordination, marketing, outreach, project management and administration for energy programs (*Energy Upgrade Marketing and Outreach* and support for Bay REN), and Legislative Roundtable and Receptions were facilitated. Multi-agency coordinating team support was also provided for development of *One Bay Area* website and Plan Bay Area outreach materials.

Updates on ABAG initiatives, programs and services, especially the development of Plan Bay Area and regional research, were consistently provided through print and online publications such as *Service Matters* and *Risk Matters*, with the ABAG website news section featuring the latest agency trends and events. Media coverage included articles and TV and radio interviews on regional perspectives on jobs-housing-economy, earthquake/hazard mitigation, and regional resiliency, with op-eds on Plan Bay Area developed and placed in the Mercury News, Contra Costa Times, Fairfield Daily Republic, Marin Independent Journal, Livermore Independent, and articles in San Francisco Chronicle and Business Times. Outreach support via press releases and media interviews (radio and television) on SCS, Plan Bay Area, risk management, Bay Trail trekking and Water Trail was provided to local communities, elected officials and business leaders. Time communications were disseminated through extensive online news alerts providing links to conference proceedings, best practice case studies and briefings, and presentation audio archives.

In fiscal year 2015 Communications will:

1. Implement Plan Bay Area outreach and public engagement strategies to move forward local government land use priorities like Priority Development Areas.
2. Further outreach to ABAG delegates, including fellow local government officials and staff, to facilitate better use of ABAG programs and services and collaborate with communities to implement land use and transportation priorities.
3. Facilitate increased access to ABAG programs, projects, initiatives and resources, through comprehensive update of website and use of social media.

San Francisco Bay Restoration Authority

The San Francisco Bay Restorations Authority (Restoration Authority) is a regional agency with a Governing Board made up of local elected officials and the Executive Officer of the California State Coastal Conservancy. Its purpose is to raise and allocate local resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in San Francisco Bay and along its shoreline. The Restoration Authority was created by the California Legislature in 2008 to find solutions to the need for new, local funding.

The Legislature has given the Restoration Authority the unique capacity to raise funds from local sources throughout the Bay Area and the oversight capacity to ensure transparency and prevent waste. Its purpose is restoration, not regulation. It is designed to deliver essential local funding to restoration projects developed by others.

During FY 2014, the Restoration was able to obtain a major grant from the ABAG Finance Authority to develop a preferred methodology for obtaining voter support for a secure funding base, to gauge the feasibility of a ballot measure and to continue public outreach to better inform the public of the needs of the Bay and Delta, the restoration and preservation efforts needed and the role of the Restoration Authority in meeting those needs.

In fiscal year 2015 the Authority will:

1. Continue to seek grant and other funding to advance restoration and preservation of the Bay.
2. Continue to update a strategic prioritization of preservation and restoration projects.
3. Continue public outreach to better inform the public the needs of the Bay and Delta, the restoration and preservation efforts needed and the role of the San Francisco Bay Restoration Authority in meeting those needs.
4. Evaluate support for a November 2016 regional parcel tax measure.

CONTACTING THE ASSOCIATION'S FINANCIAL MANAGEMENT

This financial report is intended to provide citizens, taxpayers, creditors, and stakeholders with a general overview of the Association's finances. Questions about this report may be directed to the ABAG Finance Department, at 101 Eighth Street, Oakland, California 94607.

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ASSOCIATION OF BAY AREA GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Association of Bay Area Governments	ABAG Finance Corporation	BALANCE Foundation	Total	SF Bay Restoration Authority
ASSETS					
Current Assets					
Cash and Investments (Note 2):					
Cash and Cash Equivalents	\$7,249,025	\$31,910	\$351,411	\$7,632,346	\$55,006
Receivables:					
Federal, State and Local Grants	4,873,774	496	12,114	4,886,384	50
Interest	1,250		157	1,407	
Prepaid Expenses and Other	193,675	2,153		195,828	
Total Current Assets	12,317,724	34,559	363,682	12,715,965	55,056
Noncurrent Assets					
Capital Assets, Net of Accumulated Depreciation (Note 3)					
	492,289			492,289	
Total Assets	12,810,013	34,559	363,682	13,208,254	55,056
LIABILITIES					
Current Liabilities					
Accounts Payable	2,750,132		6,616	2,756,748	45,465
Compensated Absences (Note 1E)	396,463			396,463	
Other Accrued Liabilities	152,938			152,938	
Current Portion of Long-Term Obligations (Note 4)	68,976			68,976	
Unearned Revenue	5,395,155			5,395,155	
Total Current Liabilities	8,763,664		6,616	8,770,280	45,465
Noncurrent Liabilities					
Compensated Absences, Noncurrent (Note 1E)	192,003			192,003	
Net OPEB Obligation (Note 9)	599,976			599,976	
Long-Term Obligations, Net of Current Portion (Note 4)	366,978			366,978	
Total Noncurrent Liabilities	1,158,957			1,158,957	
Total Liabilities	9,922,621		6,616	9,929,237	45,465
NET POSITION (Note 7)					
Net Investment in Capital Assets	56,335			56,335	
Restricted			201,419	201,419	9,591
Unrestricted	2,831,057	34,559	155,647	3,021,263	
Total Net Position	\$2,887,392	\$34,559	\$357,066	\$3,279,017	\$9,591

See accompanying notes to basic financial statements

ASSOCIATION OF BAY AREA GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Association of Bay Area Governments	ABAG Finance Corporation	BALANCE Foundation	Total	SF Bay Restoration Authority
PROGRAM REVENUES					
Operating Grants and Contributions:					
Grants	\$21,529,386			\$21,529,386	\$90,000
Subtotal	21,529,386			21,529,386	90,000
Charges for Services					
Reimbursements	5,549,477	\$496	\$29,170	5,579,143	
Other	31,080			31,080	
Subtotal	5,580,557	496	29,170	5,610,223	
Total Program Revenues	27,109,943	496	29,170	27,139,609	90,000
PROGRAM EXPENSES					
Salaries and Related Benefits	12,023,915			12,023,915	
Consultant Services	14,587,693	5,824	79,896	14,673,413	80,465
Equipment, Maintenance and Supplies	112,746			112,746	
Outside Printing Costs	58,893			58,893	
Conference and Meeting Costs	205,227		300	205,527	
Depreciation (Note 3)	162,817			162,817	
Building Maintenance	236,207			236,207	
Postage	25,004			25,004	
Insurance	160,661			160,661	
Telephone	72,108			72,108	
Utilities	140,641			140,641	
Committee	70,125			70,125	
Other	506,918		26,922	533,840	
Interest Expense	67,939			67,939	
Total Program Expenses	28,430,894	5,824	107,118	28,543,836	80,465
Net Program Income (Loss)	(1,320,951)	(5,328)	(77,948)	(1,404,227)	9,535
GENERAL REVENUES					
Membership Dues	1,763,805			1,763,805	
Donations - Unrestricted	185,138		49,325	234,463	50
Interest Income	11,304	29	927	12,260	6
Total General Revenues	1,960,247	29	50,252	2,010,528	56
Change in Net Position	639,296	(5,299)	(27,696)	606,301	9,591
Net Position-Beginning	2,248,096	39,858	384,762	2,672,716	
Net Position-Ending	\$2,887,392	\$34,559	\$357,066	\$3,279,017	\$9,591

See accompanying notes to basic financial statements

ASSOCIATION OF BAY AREA GOVERNMENTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Association of Bay Area Governments	ABAG Finance Corporation	BALANCE Foundation	Total	SF Bay Restoration Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Grant receipts	\$22,682,729		\$3,652	\$22,686,381	\$90,000
Receipts from customers and members	7,498,420		78,495	7,576,915	
Payments to contractors and members	(15,762,889)		(106,507)	(15,869,396)	(35,000)
Payments to employees	(12,056,425)			(12,056,425)	
Payments to committees	(70,125)			(70,125)	
Other receipts (payments)	31,080			31,080	
Net cash flows from operating activities	<u>2,322,790</u>		<u>(24,360)</u>	<u>2,298,430</u>	<u>55,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Repayment of long-term obligations	(110,431)			(110,431)	
Interest paid	(67,939)			(67,939)	
Net cash flows from capital and related financing activities	<u>(178,370)</u>			<u>(178,370)</u>	
CASH FLOWS FROM INVESTING AND RELATED FINANCING ACTIVITIES					
Interest received	11,792	\$29	955	12,776	6
Net cash flows	2,156,212	29	(23,405)	2,132,836	55,006
Cash and cash equivalents at beginning of year	5,092,813	31,881	374,816	5,499,510	
Cash and cash equivalents at end of year	<u>\$7,249,025</u>	<u>\$31,910</u>	<u>\$351,411</u>	<u>\$7,632,346</u>	<u>\$55,006</u>
Reconciliation of operating income to net cash provided by operating activities:					
Net Program Income (Loss)	(\$1,320,951)	(\$5,328)	(\$77,948)	(\$1,404,227)	\$9,535
Adjustments to reconcile income (loss) to cash flows from operating activities:					
Depreciation	162,817			162,817	
Membership dues	1,763,805			1,763,805	
Donations - unrestricted	185,138		49,325	234,463	50
Interest	67,939			67,939	
Change in assets and liabilities:					
Receivables	646,270	(496)	3,652	649,426	(50)
Prepaid expenses and other assets	(85,158)	5,824		(79,334)	
Accounts payable	434,319		611	434,930	45,465
Compensated absences	34,234			34,234	
Other accrued liabilities	(5,952)			(5,952)	
Unearned revenue	507,073			507,073	
Net OPEB obligation	(66,744)			(66,744)	
Net cash flows from operating activities	<u>\$2,322,790</u>		<u>(24,360)</u>	<u>\$2,298,430</u>	<u>\$55,000</u>

See accompanying notes to basic financial statements

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association of Bay Area Governments (the Association) was established in 1961 by agreement among its members—counties and cities of the San Francisco Bay Area pursuant to the Joint Exercise of Powers Act, California Government Code Section 6500, et sq. The Association is a separate entity from its members and its purpose is to serve as a permanent forum to discuss and study matters of mutual interest and concern to member jurisdictions, develop policies and action plans, and provide services and undertake actions addressing such matters.

The Association is governed by a General Assembly comprised of elected officials from member cities and counties. The General Assembly appoints an Executive Board to carry out policy decisions, approve the annual budget, appoint an Executive Director, and report to the General Assembly.

A. Reporting Entity

The Association is a membership organization that provides a variety of planning and other service programs for its members.

The accompanying basic financial statements present the operations of the Association, which is the primary activity, along with the financial activities of its component units, which are entities for which the Association is financially accountable. Although they are separate legal entities, they are presented in the basic financial statements as either a blended component unit or discretely presented component unit.

Blended Component Units

Blended component units are in substance part of the Association's operations and are reported as an integral part of the Association's financial statements. The following component units are blended and are described below:

- ABAG Finance Corporation (Corporation) is a non-profit public benefit corporation created on June 24, 1985 that aids members in obtaining financing by acting as a conduit in the sponsorship of credit pooling arrangements. Participating members issue debt, leases or certificates of participation (COPs) that are pooled as a single issue by the Corporation. Members' payments are pooled to repay the debt and the assets leased become the property of the member when it has paid off its debt obligation.

The Corporation is governed by a sub-committee of the Association's Executive Board, which establishes financing policies and approves each credit pooling arrangement.

- BALANCE Foundation (BALANCE) is a non-profit, tax-exempt corporation created on September 22, 1987, established to assist Bay Area governments in obtaining funds to study, analyze and resolve regional issues. BALANCE is governed by a Board of Directors whose appointment is controlled by the Association.

ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit

A component unit is a legally separate organization for which elected officials of the primary entity are financially accountable. It can also be an organization whose relationship with the primary entity is such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. The Association has one discretely presented component unit, San Francisco Bay Restoration Authority.

- The San Francisco Bay Restoration Authority (Restoration Authority) was created by a State legislation on September 30, 2008 to raise and allocate resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in the San Francisco Bay and along its shoreline. The Restoration Authority is governed by a board that is appointed by the Association, yet is composed of members that are different from the Association's board.

Additional financial information for each component unit can be obtained at the entity's administrative offices, 101 Eighth Street, Oakland, CA 94607-4707.

Other Affiliated Entities

Over the past two decades, the Association created a number of public purpose entities to offer various service programs. The financial activities of the entities are not included in these financial statements because these entities are not controlled by the Executive Board and the composition of their membership may be different than that of the Association. However, the Association has agreements with each of these entities to provide management, administrative and other support services. These entities and the service programs offered are described below:

- ABAG Pooled Liability Assurance Network (PLAN) Corporation provides risk management, liability coverage, claims management and loss prevention services for participating members of PLAN. The Association acts as PLAN's trustee, providing promotional, administrative, and management support. PLAN paid the Association \$2,469,657 for these services and \$190,399 for contract services in the fiscal year ended June 30, 2014.
- ABAG Finance Authority for Non-profit Corporations (FAN) assists non-profit corporations in obtaining financing. The Association assists FAN in issuing tax-exempt debt. It also provides administrative and management support. FAN paid the Association \$1,042,330 for these services and \$155,946 for contract services in the fiscal year ended June 30, 2014.
- ABAG Comp Shared Risk Pool (SHARP) provides workers compensation coverage and claims management for participating members. The Association provides risk management, administrative, and management support. SHARP paid the Association \$122,401 for these services and \$31,096 for contract services in the fiscal year ended June 30, 2014.
- ABAG Publicly Owned Energy Resources (POWER) provides gas energy aggregation services to participating members. The Association acts as POWER'S trustee, providing promotional, administrative and management support. POWER paid the Association \$370,093 for these services and \$11,025 for contract services in the fiscal year ended June 30, 2014.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The Association's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary reporting entity (the Association). These statements include the financial activities of the overall Association. Eliminations have been made to minimize the double counting of internal activities. These statements display the *business-type activities* of the Association. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Association's business-type activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenses equal to ten percent of their fund-type total and five percent of the grand total. The Association's major funds are presented separately in the fund financial statements.

The Association reported all its enterprise funds as major funds in the accompanying financial statements:

Association Fund – this fund accounts for revenues and expenses of the Association.

ABAG Finance Corporation Fund – this fund accounts for revenues and expenses of the ABAG Finance Corporation.

BALANCE Foundation Fund – this fund accounts for revenues and expenses of the Bay Area Leaders Addressing the Challenge of the Economy and Environment Foundation.

ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Non-exchange transactions, in which the Association gives or receives value without directly, receiving or giving equal value in exchange, include grants, entitlements, and donations. On the accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Expenditures in excess of reimbursement are recorded as receivables if allowable under the grant, while excess reimbursements are recorded as unearned revenues.

The Association offers a number of service programs that are funded under cost-reimbursement or fee-for-service basis. Discretionary funds, comprised primarily of membership dues, amount to about 6.1% of total revenues. Discretionary funds are used to cover certain management and administrative expenses and may occasionally be allocated to meet local match requirements as stipulated in certain grant contracts. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Association's policy is to first apply restricted grant resources to such programs, followed by unrestricted revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

E. Compensated Absences

Compensated absences comprise vacations and are recorded as an expense when earned. The accrued liability for unused compensated absences is computed using current employee pay rates. Sick pay does not vest and is not accrued.

The changes in the compensated absences were as follows:

Balance June 30, 2013	\$554,232
Additions	(245,215)
Payments	279,449
Balance June 30, 2014	\$588,466
Due within one year	\$396,463

F. Estimates

The Association's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 2 - CASH AND INVESTMENTS

A. Carrying Amount and Fair Value

Cash and investments comprised the following at June 30, 2014:

	Association and other blended component units	SF Bay Restoration Authority	Total
<i>Local Agency Investment Fund</i>	\$2,462,472		\$2,462,472
<i>Cash:</i>			
Cash in banks	5,169,554	\$55,006	5,224,560
Cash on hand	320		320
 Total Cash and Investments	 <u>\$7,632,346</u>	 <u>\$55,006</u>	 <u>\$7,687,352</u>

The Association pools cash from all sources and all funds so that it can be invested at the maximum yield, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time. Investments are carried at fair value.

B. Investments Authorized by the Association

The Association's Investment Policy and the California Government Code allow the Association to invest in the following, within the stated guidelines:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	1 year	N/A	None	None
U.S. Agency Securities	1 year	N/A	None	None
Bankers' Acceptances	180 days	N/A	40%	30%
Commercial Paper	180 days	A1/P1	10%	10%
Investment Agreements	On Demand	N/A	None	None
Repurchase Agreements	15 days	N/A	10%	None
Certificates of Deposit	1 year	N/A	10%	None
Negotiable Certificates of Deposit	1 year	N/A	30%	None
Money Market Mutual Funds	On Demand	Top rating category	20%	10%
California Local Agency Investment Fund	On Demand	N/A	\$50 million/acct	\$50 million/acct
Investment Trust of California (CalTRUST)	On Demand	N/A	None	None

**ASSOCIATION OF BAY AREA GOVERNMENTS
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2014**

NOTE 2 - CASH AND INVESTMENTS (Continued)

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of the Association’s investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. The sensitivity of the fair values of the Association’s investments to market interest rate fluctuations is presented by the following maturity schedule of the Association’s cash and investments:

	12 Months or less
Local Agency Investment Fund	\$2,462,472
Cash in banks	5,224,560
Cash on hand	320
Total Cash and Investments	\$7,687,352

As of year-end, the weighted average maturity of the investments in the LAIF investment pool is approximately 232 days.

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Association may not be able to recover its deposits or collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its agent having a fair value of 110% to 150% of the Association’s cash on deposit. All of the Association’s deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the Association’s name.

E. Local Agency Investment Fund

The Association is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Association reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Under California Government Code, LAIF is allowed greater investment flexibility than the Association is permitted. As such, LAIF’s investment portfolio may contain investments not otherwise permitted for the Association. For funds invested in LAIF, LAIF’s investment policy overrides the Association’s investment policy.

ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid investments, including restricted investments but excluding cash with fiscal agents, with a maturity of three months or less when purchased to be cash equivalents.

NOTE 3 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Association's policy is to capitalize all assets with costs exceeding \$5,000.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation expense is calculated on the straight-line method over the estimated useful lives of assets, which are as follows:

Facilities and improvements	5 to 30 years
Furniture and equipment	3 to 10 years
Vehicles	5 years
Capitalized software	3 to 6 years

Capital asset balances and transactions as of June 30 are summarized below:

	June 30, 2013	Additions	Retirements	June 30, 2014
Capital assets being depreciated:				
Facilities and improvements	\$3,604,147			\$3,604,147
Furniture and equipment	1,059,926		\$2,688	1,057,238
Vehicles	57,652			57,652
Capitalized software	690,704			690,704
Total capital assets being depreciated	5,412,429		2,688	5,409,741
Less accumulated depreciation for:				
Facilities and improvements	(3,386,718)	(\$44,351)		(3,431,069)
Furniture and equipment	(630,517)	(110,199)	(2,688)	(738,028)
Vehicles	(57,652)			(57,652)
Capitalized software	(682,436)	(8,267)		(690,703)
Accumulated depreciation	(4,757,323)	(162,817)	(2,688)	(4,917,452)
Total	\$655,106	(\$162,817)		\$492,289

**ASSOCIATION OF BAY AREA GOVERNMENTS
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2014**

NOTE 4 - LONG TERM OBLIGATION

A. Additions and Retirements

The Association's obligation issues and transactions are summarized below and discussed in detail thereafter:

	<u>Balance June 30, 2013</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
BUSINESS-TYPE ACTIVITY				
Seismic Retrofit Project				
0% Interest rate, due 6/30/2014	\$45,462	(\$45,462)		
Office Improvement Project				
Variable rate + 1%, due 1/1/2020	<u>500,923</u>	<u>(64,969)</u>	<u>\$435,954</u>	<u>\$68,976</u>
Total	<u>\$546,385</u>	<u>(\$110,431)</u>	<u>\$435,954</u>	<u>\$68,976</u>

B. Line of Credit

In July 2009, the Association signed a \$2 million line of credit arrangement with a bank. In fiscal year 2014, the Association renewed the line of credit to mature on February 28, 2016. Interest is at a variable rate that shall not be less than 4.00% annually and is to be paid monthly. Pursuant to its agreement with the bank the Association assigned its future rents and revenues and pledged its interest in the building as collateral. No borrowings were made on the line of credit during fiscal year 2014.

C. Seismic Retrofit Project

In fiscal year 2007, the Association entered into an agreement with the Regional Administrative Facility Corporation (RAFC) with an original balance of \$283,400 to make repayments on the seismic retrofit project, which began in fiscal year 2008. The project was completed in July 2008. In fiscal year 2011, RAFC granted the Association approval to pay the balance of the agreement by June 30, 2014. The balance was paid off during fiscal year 2014.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 4 - LONG TERM OBLIGATION (Continued)

D. Installment Sales Agreement

In January 2010, the Association entered into an installment sale agreement with ABAG Finance Authority for Non-profit Corporations (Authority) in the amount of \$700,000, whereas, the Authority financed various office improvement projects to the Association. Principal and interest payments are paid monthly beginning February 1, 2010 until January 1, 2020. The agreement bears a variable interest at the average annual Local Agency Investment Fund's (LAIF) rate plus one percent (1.244% as of June 30, 2014). As of June 30, 2014, the installment agreement obligations, based on the June 30, 2014 interest rate, were as follows:

For the Year Ending June 30	Principal	Interest	Total
2015	\$68,976	\$5,354	\$74,330
2016	73,231	4,506	77,737
2017	77,747	3,607	81,354
2018	82,543	2,652	85,195
2019	87,634	1,639	89,273
2020	45,823	563	46,386
Total	<u>\$435,954</u>	<u>\$18,321</u>	<u>\$454,275</u>

NOTE 5 - WINDEMERE RANCH ASSESSMENT DISTRICT SPECIAL ASSESSMENT DEBT

On behalf of Contra Costa County, the Association formed the Windemere Ranch Assessment District (District) in an unincorporated area of that County. The District issued special assessment debt to fund infrastructure improvements as part of the development of residential housing in the District.

These debt issues are repayable out of special assessments on the parcels in the District, and are secured by liens on each parcel. The Association has no obligation for the repayment of the District's assessment debt, and accordingly, does not record this debt in its financial statements.

The outstanding balance of each of the District's debt issues has been refunded by new debt issued on June 26, 2007 by the ABAG Financing Authority for Nonprofit Corporation. The Association has no obligation for the repayment of these new revenue bonds, therefore has not recorded this debt in its financial statements.

In July 2014, the outstanding balance of each of the District's debt issues from June 2007 was authorized by the Association's Board to be refinanced in fiscal year 2014-15 to provide for savings of over \$2 million. The new debt is to be issued by the ABAG Financing Authority for Nonprofit Corporation. The Association has no obligation for the repayment of these new revenue bonds, therefore it will not record this debt in its financial statements when issued.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 6 - CONDUIT FINANCING PROGRAMS FOR MEMBERS

The Association assists members and other borrowers in obtaining financing through the issuance of revenue bonds, special assessment debt, certificates of participation in lease revenues and in straight leasing arrangements.

The underlying liability for the repayment of each of these issues rests with the borrower participating in that issue, and not with the Association, which acts only as a conduit in pooling each issue. For that reason, the Association has not recorded a liability for these issues. The Association sponsored the following outstanding conduit debt balances that were payable by their respective borrowers at June 30:

Type of Financing	Unpaid balance - June 30	
	2014	2013
Revenue Bonds	\$164,930,000	\$170,390,000
Certificates of Participation	14,920,000	16,485,000
Total	<u>\$179,850,000</u>	<u>\$186,875,000</u>

NOTE 7 – NET POSITION

Net Position is the excess of all the Association’s assets over all its liabilities, regardless of fund. The Association’s Net Position is divided into the three captions described below:

Net Investment in Capital Assets is the current net book value of the Association’s capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of donations received by the Association. As of June 30, 2014, the entire amount in Restricted Net Position is restricted for the support of the Tranter-Leong Internship Program.

Unrestricted describes the portion of the Net Position which may be used for any Association purpose.

ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 8 - PENSION PLAN

All Association employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS), a cost-sharing, multiple-employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Association's employees participate in the Miscellaneous Employee Plan. Benefit provisions under the Plan are established by State statute and Association resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CALPERS. The Plan's provisions and benefits in effect at June 30, 2014, are summarized as follows:

Hire Date	Miscellaneous	Miscellaneous New Tier
	Prior to January 1, 2013	After January 1, 2013
Benefits vesting schedule	5 years service	5 years service
Benefits payments	Monthly for life	Monthly for life
Retirement age	50	62
Monthly benefits, as a % of annual salary	2 % - 2.5%	2%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	23.429%	6.25%

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Association's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the Association must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The Association does not have a net pension obligation since it pays these actuarially required contributions monthly.

CALPERS uses a market related value method of valuing the Plan's assets. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 8 - PENSION PLAN (Continued)

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$1,980,202	100%	\$0
6/30/2013	1,980,989	100%	0
6/30/2014	1,920,771	100%	0

As required by State law, effective July 1, 2005, the Association's Miscellaneous Plan was terminated, and the employees in the plan were required by CALPERS to join a new State-wide pool. One of the conditions of entry to the pool was that the Association true-up any unfunded liabilities in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The Association satisfied its Miscellaneous Plan's unfunded liability of \$4,683,356 agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 6 years.

The State-wide pool's actuarial value and funding progress over the past three years are set forth below at the actuarial valuation date of June 30:

Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	Unfunded Liability as % of Payroll
2010	\$1,972,910,641	\$1,603,482,152	\$369,428,489	81.3%	\$352,638,380	104.8%
2011	2,135,350,204	1,724,200,585	411,149,619	80.7%	350,121,750	117.4%
2012	2,254,622,362	1,837,489,422	417,132,940	81.5%	339,228,272	123.0%

The Association's Miscellaneous Plan represents approximately 2.0% of the State-wide pool for the years ended June 30, 2012, 2011, and 2010, respectively, based on covered payroll for \$6,929,295, \$6,669,679, and \$6,714,245.

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA, 94229-2709.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 9 – POST EMPLOYMENT HEALTH CARE BENEFITS

During fiscal year 2009, the Association implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB).

By Board resolution and through agreements with its labor unit, the Association provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. A summary of these benefits is shown below:

Benefit Summary:

Eligibility	Service or disability retirement Age 50 & 5 years service Disability retire directly from ABAG under CalPERS	
Benefit: Tier 1 Hired < 7/1/2009	Retired < 9/1/94- 100% of Kaiser single basic premium Retired ≥ 9/1/94 -100% of Kaiser 2-party basic premium Same cap pre- & post-65 PEMHCA administration fee paid by ABAG	
Tier 2 Hired ≥ 7/1/2009	PEMHCA minimum PEMHCA administration fee paid by ABAG	
Medical After Retirement (MARA)	Tier 1 One time only option to enroll Must opt out of defined benefit medical plan ABAG contributes PEMHCA minimum if opt in MARA	Tier 2 Must enroll in MARA ABAG contributes \$100/month to an individual MARA account for each active employee MARA not included in the OPEB evaluation
Medicare B Reimbursement ¹	Retired < 9/1/94 - 100% for retiree Retired ≥ 9/1/94 -100% for retiree and spouse	None
Surviving Spouse of Retiree	Same benefit continues to surviving spouse if retiree elects CalPERS survivor annuity	

¹ Tier 1 reflects plan amendment. Pre-amendment benefit does not include Medicare B Reimbursement.

As of June 30, 2014, approximately 26 participants were eligible to receive benefits.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 9 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.61% investment rate of return, (b) 3.25% projected annual salary increase, include inflation and (c) 5.0 – 8.9% health inflation increase. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The Association's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 24 year closed amortization period.

In accordance with the Association's budget, the annual required contribution (ARC) is to be funded throughout the year as a percentage of payroll. Concurrent with implementing Statement No. 45, the Association's Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of Association Board. This Trust is not considered a component unit by the Association and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 9 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Funding Progress and Funded Status

Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the Association contributed \$893,739 which represented 13.37% of the \$6,684,000 of covered payroll. As a result, the Association has recorded the Net OPEB Obligation, the difference between the ARC and actual contributions, as presented below:

Net OPEB Obligation June 30, 2013	<u>\$666,720</u>
Annual required contribution (ARC)	869,000
Interest on net OPEB obligation	49,000
Adjustment to annual required contribution	<u>(91,005)</u>
Annual OPEB cost	<u>826,995</u>
Contributions made:	
Contributions to CERBT	666,720
Association's portion of current year premiums paid	<u>227,019</u>
Total contributions	<u>893,739</u>
Change in net OPEB Liability	<u>(66,744)</u>
 Net OPEB Obligation June 30, 2014	<u><u>\$599,976</u></u>

The Net OPEB Obligation is included in the other accrued liabilities balance in the Statement of Net Position.

The Plan's annual required contributions and actual contributions for the year ended June 30, 2014 are set forth below:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of OPEB Contributed	Net OPEB Obligation
6/30/2012	\$779,640	\$789,924	101%	\$609,561
6/30/2013	857,554	800,395	93%	666,720
6/30/2014	826,995	893,739	108%	599,976

**ASSOCIATION OF BAY AREA GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

NOTE 9 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the past actuarial studies are presented below:

Valuation Date	Actuarial		Unfunded Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (overfunded) Actual Liability as % of Covered Payroll
	Value of Assets	Accrued Liability				
1/1/2007	\$0	\$4,128,000	(\$4,128,000)	0.00%	\$6,306,000	65.5%
6/30/2009	0	4,346,000	(4,346,000)	0.00%	6,828,000	63.6%
6/30/2011	1,226,000	6,684,000	(5,458,000)	18.34%	6,684,000	81.7%

NOTE 10 – RELOCATION OF HEADQUARTERS

The Association together with the Metropolitan Transportation Commission (MTC) will be relocated to San Francisco in late 2015 or early 2016. The colocation will enhance planning and research activity collaboration between the two agencies.

In February 2013, the Association entered into a Memorandum of Understanding (MOU) with the Bay Area Headquarters Authority (BAHA), the owner of the property in San Francisco. The key component of the MOU is the real estate exchange between the Association and BAHA wherein the Association grants to BAHA its entire condominium interest in the Joseph P. Bort MetroCenter, 101 8th Street Oakland (MetroCenter Condo) and BAHA grants to the Association a condominium interest to be created at 375 Beale Street, San Francisco (ABAG Condo). The MOU also spells out physical elements of the ABAG Condo, exchange requirements, ABAG's relocation expenses, use and occupancy of the ABAG Condo, a cap on ABAG's Common Expenses for the ABAG Condo, limitations on disposition of ABAG Condo, and handling of casualty events.

As part of the exchange requirements, the Association shall provide \$4.2 million to BAHA for tenant improvements to the ABAG Condominium, solely from funds provided by MTC to the Association in accordance with the funding framework approved by MTC in June 2014. Under the funding framework, the Association acts as a conduit for the transfer of funds from MTC to BAHA. The transfers occur between FY 2013-14 to 2020-21. The fund transfer for FY 2013-14 in the amount of \$400 thousand was made in July 2014.

NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES

The Association participates in Federal and State grant programs. These programs have been audited by the Association's independent accountants through the fiscal year ended June 30, 2014, in accordance with the provisions of the Federal Single Audit Act Amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Association expects such amounts, if any, to be immaterial.

ASSOCIATION OF BAY AREA GOVERNMENTS
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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ASSOCIATION OF BAY AREA GOVERNMENTS

SINGLE AUDIT REPORT
For The Year Ended June 30, 2014

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ASSOCIATION OF BAY AREA GOVERNMENTS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2014**

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None
Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None
Reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X Yes No

Identification of major programs:

<u>CFDA#(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>15.616</u>	<u>Clean Vessel Act Program</u>
<u>20.205</u>	<u>Highway Planning and Construction Grant</u>
<u>66.456</u>	<u>National Estuary Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated November 9, 2014 which is an integral part of our audits and should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit disclosed the following findings and questioned costs required to be reported in accordance with section 510(a) of OMB Circular A-133.

Finding SA 2014-01: Timely Submittal of Required Reports

CFDA Number: 20.205, 66.456
CFDA Title: Highway Planning and Construction
National Estuary Program
Name of Federal Agency: U.S. Department of Transportation
U.S. Environmental Protection Agency
Name of pass-through Entity: Metropolitan Transportation Commission

Criteria: Section 7.0 “Reports and Products Deliverable” of the Interagency Agreement between the Metropolitan Transportation Commission and the Association of Bay Area Governments (Association) for fiscal year 2013-2014 states progress reports are to be submitted no later than 15 days after the end of each quarter. The “Programmatic Conditions” of the Environmental Protection Agency (EPA) agreement state biannual progress reports are to be submitted on the 30th day of October and April during the lifetime of the project. Evidence of timely submission of progress reports should be retained by the Association.

Condition: During our testing of progress reports, we noted the following:

- In regards to the Highway Planning and Construction grant, no audit evidence existed of the progress reports for the quarters ended December 31, 2013 being submitted within the required 15 days after the end of each quarter. Furthermore, the report for the quarter ended March 31, 2014 was not submitted until May 6, 2014, which is 20 days after the required submittal date.
- For the National Estuary Program Grant, there was no audit evidence of the required biannual reports for fiscal year 2013-2014 being submitted on October 30, 2013 and April 30, 2014, as required by the grant agreement. Association staff and the EPA Project Manager were unable to find documentation to show when the reports were submitted. Progress reports for fiscal year 2013-2014 were resubmitted to EPA on July 25, 2014.

Effect: The Association is not in compliance with the grant agreements. Lack of compliance with the agreement could have a potential impact on future funding sources.

Cause: Per inquiry with staff, the Association and the Metropolitan Transportation Commission were continuously revising the due dates for the progress reports through meetings and other communications, resulting in a delay in submitting the requisite reports. Also, the Association was unable to provide any documentation illustrating when the reports for the National Estuary Program were submitted.

Recommendation: The Association should develop procedures to comply with all the reporting requirements of the federal grant and maintain evidence of submission accordingly.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding SA 2014-01: Timely Submittal of Required Reports (Continued)

View of Responsible Officials and Planned Corrective Actions:

- **Name of Contact Person:** Susan Hsieh, Assistant Finance Director, Duane Bay, Assistant Planning Director, and Paula Trigueros, Contract Manager.
- **Corrective Action Plan:**

Highway Planning and Construction Grant: The Association will ensure progress reports are submitted to the Metropolitan Transportation Commission (MTC) in a timely manner going forward. The Planning Department has implemented a new reporting process that personnel involved in preparing the progress reports will coordinate accordingly to meet the reporting deadline. In addition, transmittal messages will be properly filed. MTC confirmed receipt of the December 31, 2013 progress report although the transmittal message was not kept by the Planning Department. The Association will be in compliance with the reporting requirements with the implementation of these new procedures.

National Estuary Program Grant: Offices of the San Francisco Estuary Partnership are located at the San Francisco Bay Regional Water Quality Control Board, our second implementing partner together with the Association. The Water Board has a new email policy that began about one year ago wherein emails are only held for 90 days and then are erased. However, all reports have been submitted and approved by our EPA Project Manager who also sits on our Implementation Committee (IC) and is updated on our progress at quarterly IC meetings and in frequent meetings.

In the future we will keep PDF copies of our email transmittals of progress reports due April 30 and October 30 so that we have documentation of when the reports were submitted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding SA2014-02 – Certification of Non-Suspension/Debarment

CFDA number: 20.205, 15.616
CFDA Title: Highway Planning and Construction
Clean Vessel Act
Name of Federal Agency: U.S. Department of Transportation
U.S. Department of the Interior
Name of Pass-Through Entity: Metropolitan Transportation Commission
California Department of Boating and Waterways

Criteria: When a non-federal entity enters into a covered transaction with a vendor, the non-federal entity must verify the vendor is not suspended or debarred or otherwise excluded. Furthermore, in regards to the Highway Planning Construction grant, Appendix D of the Interagency Agreement between the Metropolitan Transportation Commission and the Association of Bay Area Governments (Association) states that prior to executing a contract, the Association must obtain a certification from contractors to ensure the entity is not suspended or debarred or otherwise excluded.

Condition: During the audit, the Association was unable to provide documentation demonstrating it obtained certifications from vendors prior to entering into contracts with them, ensuring they were not debarred or suspended from any Federal department or agency. It also was unable to produce evidence the Association verified a vendor was not debarred and/or suspended, apart from obtaining certifications, prior to signing a contract with the party.

Effect: The Association is at risk of noncompliance due to the increased risk the vendors could be debarred or suspended. The Association is also not in compliance with the Interagency Agreement.

Cause: The Association did not retain documentation to illustrate it verified the vendors were not debarred or suspended prior to the award of a contract.

Recommendation: We recommend the Association ensure all current and future vendors funded by Federal grants are not debarred or suspended from participating in Federal grants. It must also maintain documentation illustrating such verification occurred prior to signing contracts with vendor.

View of Responsible Officials and Planned Corrective Actions

- **Name of contact person:** Susan Hsieh, Assistant Finance Director, Duane Bay, Assistant Planning Director, and Karen McDowell, Environmental Planner.
- **Corrective Action Plan:**

It has been our practice to verify, prior to contract award, that vendors funded by federal grants have not been suspended or debarred. In the future, we will keep copies of verification reports generated from the System for Award Management website (www.sam.gov). The Association performed searches on SAM for the selected contractors and confirmed that those contractors were not suspended or debarred. Verification reports were provided to the auditors during the final audit. In addition, the Planning Department will update their contract checklist to ensure all required certifications will be included as part of a contract.

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –
Prepared by Management**

Financial Statement Prior Year Findings

There were no prior year Financial Statement Findings reported.

Federal Award Prior Year Findings and Questioned Costs

There were no prior year Federal Award Findings and Questioned Costs reported.

ASSOCIATION OF BAY AREA GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
Department of Interior Direct Programs:			
Earthquake Hazards Reduction Program			
Sub-Regional Hazards	15.807	G12AP20105	\$27,815
Bay Area Housing and Population Earthquake Risk	15.807	G13AP00034	59,845
Local Government Resilience Toolkit	15.807	G14AP00066	<u>2,308</u>
Total Department of Interior Direct Programs			<u>89,968</u>
Department of Transportation Pass - Through Programs:			
Pass - Through the Metropolitan Transportation Commission			
Highway Planning and Construction Programs:			
Information Analysis and Planning Services	20.205	Not Available	2,060,000
Station Area Planning Project	20.205	Not Available	<u>268,186</u>
Pass-through Subtotal			2,328,186
Pass - Through the California Department of Transportation			
Highway Planning and Construction Programs:			
Caltrans Permitting	20.205	04A3521	<u>14,646</u>
Program Subtotal			<u>2,342,832</u>
Pass - Through the Metropolitan Transportation Commission			
Metropolitan Transportation Planning			
Information Analysis and Planning Services	20.505	Not Available	<u>230,916</u>
Total Department of Transportation Pass - Through Programs Subtotal:			<u>2,573,748</u>
U.S. Environmental Protection Agency Direct Programs			
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			
EPA Estuary 2100	66.436	00T04701	<u>267,760</u>
Targeted Watersheds Grants			
EPA Green Infill / Clean SW	66.439	96932601	<u>53,106</u>
National Estuary Program			
EPA FY 12-13 Estuary	66.456	00T47801	294,521
EPA FY 13-14 Estuary	66.456	00T47801	<u>260,183</u>
Program Subtotal			<u>554,704</u>
Congressionally Mandated Projects			
Estuary 2100 Phase II	66.202	00T34101	<u>954,112</u>
The San Francisco Bay Water Quality Improvement Fund			
San Pablo Ave. Green SW Spine	66.126	00T68901	87,448
Flood 2.0 - Rebuilding Habitat & Shoreline Resilience	66.126	00T92401	316,466
Greener Pesticides for Cleaner Waterways	66.126	00T97901	51,779
EPA Mercury CPR	66.126	99T03401	<u>13,315</u>
Program Subtotal			<u>469,008</u>
Regional Wetland Program Development Grant			
EPA Stream III	66.461	96925701	<u>19,419</u>
Subtotal U.S. Environmental Protection Agency Direct Programs			<u>2,318,109</u>

ASSOCIATION OF BAY AREA GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency Pass - Through Programs:			
Pass - Through the Aquatic Science Center			
Regional Wetland Program Development Grant			
Stream & Wetland Policy-4	66.461	951	11,662
Aquatic Science Center Contract II	66.461	1034	<u>35,447</u>
Program Subtotal			<u>66,528</u>
Pass - Through the State Water Resources Control Board			
Nonpoint Source Implementation Grants			
Hicks Flat Mercury Remediation	66.460	09-670-552	<u>123,343</u>
Pass - Through the California Department of Transportation			
Surveys, Studies, Investigations, Demonstrations, and Training Grants and			
Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			
Caltrans Permitting II	66.436	01A1109	<u>50,296</u>
Subtotal U.S. Environmental Protection Agency Pass - Through Programs:			<u>220,748</u>
Total U.S. Environmental Protection Agency Programs:			<u>2,538,857</u>
Department of Housing and Urban Development Pass - Through Programs:			
Pass - Through the Metropolitan Transportation Commission			
Sustainable Communities Regional Planning Grant Program			
HUD Grant	14.703	Not Available	<u>54,579</u>
Department of the Interior Pass - Through Programs:			
Pass - Through the California Department of Boating and Waterways			
Clean Vessel Act Program			
Clean Vessel Act	15.616	00-107-744	<u>142,287</u>
			<u>\$5,399,439</u>
Total Expenditures of Federal Awards			

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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ASSOCIATION OF BAY AREA GOVERNMENTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2014

NOTE 1-REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Association of Bay Area Governments, California and its component units as disclosed in the notes to the Basic Financial Statements.

NOTE 2-BASIS OF ACCOUNTING

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

OMB Circular A-133 requires that certain adjustments be made to expenditures recognized when incurred. The adjustments applicable to the Association are summarized below:

Expenditure of Long-Term Debt Proceeds – In this fiscal year, the Association received proceeds from long-term debt funded by the federal government. In accordance with OMB Circular A-133, section .205(d) the Association, included current year expenditures of such proceeds on the Schedule of Expenditures of Federal Awards.

NOTE 3-DIRECT AND INDIRECT (PASS-THROUGH) FEDERAL AWARDS

Federal awards may be granted directly to the Association by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Association. The Schedule includes both of these types of Federal award programs when they occur.

NOTE 4 - SUBRECEIPIENTS

Of the federal expenditures presented in the Schedule, the Association provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
66.126	The San Francisco Bay Water Quality Improvement Fund	\$287,700
66.202	Congressionally Mandated Projects Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements -	870,598
66.436	Section 104(b)(3) of the Clean Water Act	182,423
66.439	Targeted Watersheds Grants	20,000
66.460	Nonpoint Source Implementation Grants	117,633

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the Executive Board of the
Association of Bay Area Governments, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Association of Bay Area Governments (Association), California, as of and for the year ended June 30, 2014, and have issued our report thereon dated November 9, 2014. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 9, 2014 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mage & Associates

Pleasant Hill, California
November 9, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Honorable Members of the Executive Board of the Association of Bay Area Governments, California

Report on Compliance for Each Major Federal Program

We have audited the Association of Bay Area Government's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2014. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-01 and 2014-02. Our opinion on each major federal program is not modified with respect to these matters.

City's Response to Findings

The Association's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses and significant deficiencies may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the basic financial statements of the Association as of and for the year ended June 30, 2014, and have issued our report thereon dated November 9, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Maye & Associates

Pleasant Hill, California
November 9, 2014

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**ASSOCIATION OF BAY AREA GOVERNMENTS
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED
JUNE 30, 2014**

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**ASSOCIATION OF BAY AREA GOVERNMENTS
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2014

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MEMORANDUM ON INTERNAL CONTROL

To the Executive Board of the
Association of Bay Area Governments
Oakland, California

In planning and performing our audit of the basic financial statements of the Association of Bay Area Governments (Association) for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definition that we believe to be of potential benefit to the Association.

This communication is intended solely for the information and use of management, the Board, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads 'Maze + Associates'.

Pleasant Hill, California
November 9, 2014

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ASSOCIATION OF BAY AREA GOVERNMENTS
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We have cited them here to keep you abreast of developments:

EFFECTIVE FISCAL YEAR 2015:

2014-01: GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)

This Statement will have material impact on the Association's financial statements. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.
- Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end).

**ASSOCIATION OF BAY AREA GOVERNMENTS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

- The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

2014-02: GASB 69 – Government Combinations and Disposals of Government Operations

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

2014-03: GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

ASSOCIATION OF BAY AREA GOVERNMENTS
MEMORANDUM ON INTERNAL CONTROL

CURRENT STATUS OF PRIOR YEAR OTHER MATTERS

2013 – 1: Bank reconciliation – prepare and review process

Criteria: Bank statements should be reconciled in a timely manner denoting who the preparer was, when the bank reconciliation was prepared, who the reviewer was, and when the review was performed.

Condition: During our testing of the Association’s March, 2013 bank reconciliations, we noted that although reconciliations are being performed, there were no physical indications of by whom and when the preparation and review process took place.

Effect: Without proper audit trail of said processes, timely reconciliation is questionable and no accountability is denoted.

Cause: Lack of audit trail processes was an oversight by staff.

Recommendation: We noted that the Association corrected this internal control error when the June, 2013 bank reconciliations were tested, however we recommend the Association continue to implement said process.

Management Response: Bank reconciliations were prepared by the accountants that are responsible for the entities. Reviewers were required to review and sign off on the bank reconciliations in the past. The practice was consistent and reviewed by the auditors as part of the annual audit. The new recommendation will enhance internal control, and we will continue to implement the process.

Current Status: Recommendation was implemented in FY 2013-14.

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REQUIRED COMMUNICATIONS

To the Executive Board of the
Association of Bay Area Governments
Oakland, California

We have audited the basic financial statements of the Association of Bay Area Governments (Association) for the year ended June 30, 2014. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association of Bay Area Governments are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows. The pronouncements become effective, but did not have a material effect on the financial statements.

GASB 65 - *Items Previously Reported as Assets and Liabilities*

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB 67 – *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*

This statement is applicable to the Association’s PERS pension plans and we understand they intend to implement the Statement in the fall of 2015 in order to have the applicable information available for the Association to implement the provisions of Statement 68 in fiscal year 2015.

This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees

Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Association's financial statements is unbilled receivables. The Association has recorded unbilled receivables approximating \$2.67 million. Actual billings and the ultimate collections may vary from this estimate.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all/certain such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 9, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

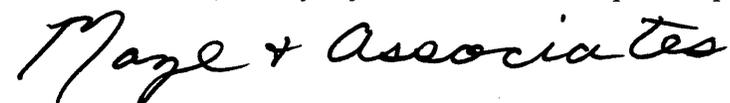
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters:

Other Information Accompanying the Financial Statements

With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This information is intended solely for the use of the Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Pleasant Hill, California
November 9, 2014

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PRESIDENT	Councilmember Julie Pierce, City of Clayton
VICE PRESIDENT	Supervisor David Rabbitt, County of Sonoma
IMMEDIATE PAST PRESIDENT	Supervisor Mark Luce, County of Napa
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 John Gioia
CONTRA COSTA	* Supervisor Candace Andersen	Supervisor Mary Piepho
MARIN	** Supervisor Katie Rice	Supervisor Susan L. Adams
NAPA	** Supervisor Mark Luce	Supervisor Bill Dodd
SAN FRANCISCO	** Supervisor Eric Mar	To Be Appointed
SAN FRANCISCO	** Supervisor Jane Kim	To Be Appointed
SAN FRANCISCO	** To Be Appointed	To Be Appointed
SAN MATEO	* Supervisor Warren Slocum	To Be Appointed
SAN MATEO	* Supervisor Dave Pine	To Be Appointed
SANTA CLARA	** Supervisor Cindy Chavez	Supervisor Mike Wasserman
SANTA CLARA	** Supervisor David Cortese	Supervisor Joe Simitian
SOLANO	* Supervisor Linda Seifert	Supervisor Erin Hannigan
SONOMA	* Supervisor David Rabbitt	Supervisor Susan Gorin

Cities in the County of	Representative	Alternate
ALAMEDA	* Mayor Bill Harrison (Fremont)	Mayor Barbara Halliday (Hayward)
ALAMEDA	* Mayor Jerry Thorne (Pleasanton)	Mayor Marie Gilmore (Alameda)
CONTRA COSTA	** Councilmember Julie Pierce (Clayton)	Councilmember Brandt Andersson (Lafayette)
CONTRA COSTA	** Vice Mayor Dave Hudson (San Ramon)	Mayor Greg Lyman (El Cerrito)
MARIN	* Councilmember Pat Eklund (Novato)	Councilmember Jessica Jackson (Mill Valley)
NAPA	* Mayor Leon Garcia (American Canyon)	Mayor Ann Nevero (St. Helena)
CITY OF SAN FRANCISCO	* Mayor Edwin Lee	Jeff Buckley, Senior Advisor
CITY OF SAN FRANCISCO	* Jason Elliott, Dir, Legislative/Government Affairs	Tamsen Drew, Dep Dir, Legislative/Gov Affairs
SAN MATEO	** Councilmember Pradeep Gupta (S San Francisco)	Mayor Wayne Lee (Millbrae)
SAN MATEO	** Mayor Mary Ann Nihart (Pacifica)	Vice Mayor David Canepa (Daly City)
SANTA CLARA	* Mayor Greg Scharff (Palo Alto)	Mayor Chris Clark (Mountain View)
SANTA CLARA	* Councilmember Ronit Bryant (Mountain View)	Vice Mayor Jim Davis (Sunnyvale)
SOLANO	** Mayor Jack Batchelor (Dixon)	Mayor Pete Sanchez (Suisun City)
SONOMA	** Councilmember Jake Mackenzie (Rohnert Park)	To Be Appointed
CITY OF OAKLAND	* Mayor Jean Quan	Councilmember Lynnette Gibson McElhaney
CITY OF OAKLAND	* Councilmember Dan Kalb	Councilmember Patricia Kernighan
CITY OF OAKLAND	* Councilmember Desley Brooks	To Be Appointed
CITY OF SAN JOSE	* Councilmember Sam Liccardo	Councilmember Rose Herrera
CITY OF SAN JOSE	* Councilmember Kansan Chu	Councilmember Donald Rocha
CITY OF SAN JOSE	* Councilmember Ash Kalra	Mayor Chuck Reed

Advisory Members	Representative	Alternate
RWQCB	William Kissinger	Terry Young

* Term of Appointment: July 1, 2014 - June 30, 2016

** Term of Appointment: July 1, 2013 - June 30, 2015

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Meeting Schedule 2014

Approved by the Executive Board, December 5, 2013

General Assembly

Date: Thursday, April 17, 2014

Time: 8:00 AM to 2:00 PM

Location: Oakland Marriott City Center
1001 Broadway
Oakland, California

Contact: Brad Paul, Deputy Executive Director, (510) 464 7955,
bradp@abag.ca.gov

Executive Board

Dates: Thursday, January 16, 2014

Thursday, March 20, 2014

Thursday, May 15, 2014

Thursday, July 17, 2014

Thursday, September 18, 2014

Thursday, December 4, 2014—*First Thursday in December*

Time: 7:00 PM to 10:00 PM

Location: Joseph P. Bort MetroCenter, 101 8th Street, Auditorium, Oakland
Across from the Lake Merritt BART Station

Contacts: Brad Paul, Deputy Executive Director, (510) 464 7933,
bradp@abag.ca.gov

Fred Castro, Clerk of the Board, (510) 464 7913, fredc@abag.ca.gov

Meeting Schedule 2014

Administrative Committee

Dates: *Meetings Scheduled as Needed*

Contact: Brad Paul, Deputy Executive Director, (510) 464 7933,
bradp@abag.ca.gov

Legislation and Governmental Organization Committee

Dates: *See Executive Board Schedule*

Time: 3:30 PM to 5:00 PM

Location: ABAG Conference Room B

Contact: Kathleen Cha, Senior Communications Officer, (510) 464 7922,
kathleenc@abag.ca.gov

Finance and Personnel Committee

Dates: *See Executive Board Schedule*

Time: 5:00 PM to 6:00 PM

Location: ABAG Conference Room B

Contact: Herbert Pike, Finance Director, (510) 464 7902, herbertp@abag.ca.gov

Regional Planning Committee

Dates: Wednesday, February 5, 2014

Wednesday, April 2, 2014

Wednesday, June 4, 2014

Wednesday, August 6, 2014

Wednesday, October 1, 2014

Wednesday, December 3, 2014

Time: 1:00 PM to 3:00 PM

Location: Joseph P. Bort MetroCenter, 101 8th Street, Auditorium, Oakland
Across from the Lake Merritt BART Station

Contact: Miriam Chion, Planning and Research Director, (510) 464 7919,
miriamc@abag.ca.gov

ABAG CALENDAR (NOVEMBER & DECEMBER 2014)

ASSOCIATION OF BAY AREA GOVERNMENTS [ABAG]

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

ABAG: 510/464-7900 FAX: 510/464-798 E-mail: info@abag.ca.gov URL: <http://www.abag.ca.gov>

NOVEMBER

[Bay Area Regional Prosperity Plan Steering Committee](#)

11/14 @ 12 pm, MetroCenter, Auditorium

[ABAG / BAAQMD / MTC Joint Policy Committee](#)

11/21 @ 10:00 am, MetroCenter, Auditorium

[SFEP Implementation Committee](#)

11/26 @ 9:30 am, Elihu M. Harris State Building, Room 10

DECEMBER

[JPC Agency Directors Meeting](#)

12/1 @ 3:00 pm, MetroCenter, MTC Offices

[Regional Planning Committee \(RPC\)](#)

12/3 @ 12:00 pm, MetroCenter, Auditorium

[Legislation & Governmental Organization](#)

12/4 @ 3:30 pm, MetroCenter, ABAG Conference Room B

[Finance & Personnel Committee](#)

12/4 @ 5:00 pm, MetroCenter, ABAG Conference Room B

[EXECUTIVE BOARD](#)

12/4 @ 7:00 pm, MetroCenter, Auditorium

[ABAG Power Executive Board Meeting](#)

12/10 @ 12 Noon, MetroCenter, ABAG Conference Room B

[San Francisco Bay Restoration Authority Governing Board](#)

12/10 @ 1:00 pm, State Coastal Conservancy, 1330 Franklin Street, 11th Floor

[Bay Trail Steering Committee](#)

12/11 @ 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.

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