

ABAG Administrative Retreat

March 6.& 7, 2014

Summary Information

Location: Lafayette Park Hotel
3287 Mt.Diablo Blvd.
Lafayette CA 94549
925 283-3700
George Washington Room

Check-In Time: 9:00 AM

Luggage may be stored at the front desk until Lunch/Room check in

Meeting Location: George Washington Room

March 6, 2014 : 10:00 AM - 12:00 PM Session

12:00 PM-1:30 Lunch

1:30 PM - 5:00 PM Session

5:30 PM meet in the lobby; Shuttle pick up for dinner in Clayton

March 7, 2014: 7:45 Am Coffee

8:00 AM -8:30 AM Breakfast

8:30 AM -11:30 AM Session

12:00 PM Lunch

Directions :

From San Francisco Oakland Bay Bridge:

- Take I-80 E across Oakland Bay Bridge
- Merge onto Interstate 580 E towards 24/Hayward/Stockton
- Take the exit towards Walnut Creek
- Merge onto CA-24 E Walnut Creek through the tunnel
- Take the Oakhill Rd. exit toward Central Lafayette
- Turn right onto Oak Hill Rd.
- Turn Left onto MT.Diablo Blvd.
- **3287 Mt.Diablo Blvd**

From San Rafael Richmond Bridge:

- Take I 580 E across Richmond Bridge
- Merge I 580 E/ I 80 W
- Take the exit toward the left Hayward/Stockton
- Take exit toward the right Walnut Creek
- Merge onto CA-24 E Walnut Creek through the tunnel
- Take the Oakhill Rd. exit toward Central Lafayette
- Turn right onto Oak Hill Rd.
- Turn Left onto MT.Diablo Blvd.
- Destination will be on your right
- Destination will be on your right
- **3287 Mt.Diablo Blvd**

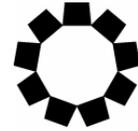
From Napa CA-29 via Benicia Bridge:

- Take CA-29 S/ Hwy 12 E
- Turn left onto CA-12 E/ Jameson Canyon Rd
- Take the ramp onto I-80 E
- Merge onto I-80 E
- Take the exit onto I-680 S toward Benicia
- Take the CA-24 exit towards Lafayette/Oakland
- Merge onto CA-24W
- Take the Pleasant Hill Rd exit toward Mt Diablo Blvd.
- Keep left at the fork, follow signs for Mt. Diablo Blvd/ Pleasant Hill Rd S and merge onto Pleasant Hill Rd.
- Merge onto Pleasant Hill Rd
- Turn right onto Mt Diablo Blvd
- Make a U-turn at Carol
- Destination will be on your right
- **3287 Mt.Diablo Blvd**

From San Jose I 680 N

- Take I 680 N
- Merge onto CA 24 W toward Oakland /Lafayette
- Merge onto CA-24W
- Take the Pleasant Hill Rd exit toward Mt Diablo Blvd.
- Keep left at the fork, follow signs for Mt. Diablo Blvd/ Pleasant Hill Rd S and merge onto Pleasant Hill Rd.
- Merge onto Pleasant Hill Rd

- Turn right onto Mt Diablo Blvd
- Make a U-turn at Carol
- Destination will be on your right
- **3287 Mt.Diablo Blvd**



CALL AND NOTICE

CALL AND NOTICE OF SPECIAL MEETING OF THE ADMINISTRATIVE COMMITTEE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS

As Chair of the Administrative Committee of the Association of Bay Area Governments (ABAG), I am calling a special meeting of the ABAG Administrative Committee as follows:

ADMINISTRATIVE COMMITTEE

Special Meeting – Administrative Committee Retreat

Thursday and Friday March 6.& 7, 2014

Location:

Lafayette Park Hotel

3287 Mt.Diablo Blvd.

Lafayette CA 94549

George Washington Room

The ABAG Administrative Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

For information, contact Wally Charles at (510) 464 7993.

The business to be transacted will include:

1. **Objectives for Retreat and ABAG's Key Challenges for 2014**
2. **PDA Implementation, affordable housing and Infrastructure finance**
3. **Resilience to disaster and climate readiness**
4. **Messaging: Website redesign and delegate meetings**
5. **Economic development research and coordination**
6. **ABAG research unit and MTC modeling unit**
7. **PCA Program update**
8. **Conference with Legal Counsel—Existing Litigation**

- 9. Regional prosperity strategy –HUD Grant**
- 10. ABAG strategies into the future**
 - a. Climate change**
 - b. Inter-agency relation**
- 11. Conference with Legal Counsel—Existing Litigation**

Members of the public shall be provided an opportunity to directly address the ABAG Administrative Committee concerning any item described in this notice before or during consideration of that item.

Agendas and materials will be posted and distributed for this meeting by ABAG staff in the normal course of business.

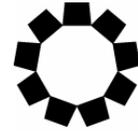


Julie Pierce
Chair, Administrative Committee

Date: February 28, 2014

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

ADMINISTRATIVE COMMITTEE RETREAT

Thursday, March 6, 2014 10:00 AM to 5:00 PM and Friday, March 7, 2014

8:30 AM to 12:00 NOON

Location:

Lafayette Park Hotel

3287 Mt.Diablo Blvd.

Lafayette CA 94549

George Washington Room

The ABAG Administrative Committee may act on any item on this agenda.

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

For additional information , please call: Wally Charles 510.464.7993

THURSDAY MARCH 6, 2014 10:00 AM-12:00 NOON

Call to Order

1. INTRODUCTION :

OBJECTIVES OF RETREAT AND ABAG'S KEY CHALLENGES FOR 2014

Information

Ezra Rapport, ABAG Executive Director

2. PDA IMPLEMENTATION:

AFFORDABLE HOUSING AND INFRASTRUCTURE FINANCE

The production and retention of affordable housing and infrastructure improvements are two major challenges in the implementation of PDAs. How can ABAG strengthen relationship with state agencies and governor? How to prioritize new initiatives? What are the most viable funding strategies?

Information

Brad Paul, ABAG Deputy Executive Director

3. RESILIENCE TO DISASTER AND CLIMATE READINESS

Given the increasing vulnerability of neighborhoods to sea level rise and earthquakes, multiple strategies and investments require specific local implementation through strong regional coordination. How to prioritize this task? How to frame the message to engage local jurisdictions and public at large? What is ABAG's role in coordinating with regional and state agencies and special districts?

Information

Arrietta Chakos, ABAG Policy Advisor

THURSDAY MARCH 6, 2014 1:30PM – 5:00PM

4. MESSAGING:

WEBSITE REDESIGN AND DELEGATE MEETINGS

In response to input from the Executive Board and Plan Bay Area public meetings, staff is redesigning the ABAG website and scheduling county delegate meetings to improve our message and public engagement. What is the essential message and key priorities for the ABAG website? How to make the best use of our delegate meetings? Are there other messaging strategies that should be considered?

Information

Brad Paul, ABAG Deputy Executive Director

5. ECONOMIC DEVELOPMENT RESEARCH AND COORDINATION

Plan Bay Area and changes in the regional economy have created greater demands on economic assessment for appropriate local development strategies. This requires the strengthening of basic tools as well as targeted analysis by PDA, business clusters and corridors. What are the key issues where ABAG can contribute the most? How to strengthen ABAG's role in economic development strategies? How can ABAG facilitate coordination of economic development efforts at JPC, with business organizations, and local jurisdictions?

Information

Cynthia Kroll ABAG Chief Economist

6. ABAG RESEACH UNIT AND MTC MODELING UNIT

ABAG and MTC are optimizing resources and increasing efficiency in our research and modeling efforts. ABAG focuses on forecast, housing, economic and land use analysis. MTC focuses on modeling transportation and land use patterns. How to ensure efficiency and performance at both agencies? How to clarify roles and responsibilities? How to address budget implications?

Information

Miriam Chion, ABAG Planning and Research Director

7. PCA CRITERIA REVISION

In response to the Regional Planning Committee request, staff is drafting new PCA criteria and a new designation process. What are the most important categories to be considered for a PCA? How to define PCAs? Who can propose a PCA?

Information

Miriam Chion, ABAG Planning and Research Director

CLOSED SESSION

8. Conference with Legal Counsel—Existing Litigation

Government Code Section 54956.9(d)(1)

Name of cases:

Building Industry Association Bay Area v Association of Bay Area Governments, *et al.*,

Communities for a Better Environment, *et al.* v Metropolitan Transportation Commission, *et al.*,

Bay Area Citizens v Association of Bay Area Governments, *et al.*, and

The Post Sustainability Institute, *et al.* v Association of Bay Area Governments, *et al.*

ADJOURN TO A TIME CERTAIN

**The Committee adjourns and will reconvene at 8:30AM
in the George Washington Room**

FRIDAY MARCH 7, 2014 8:30AM – 11:30AM

9. REGIONAL PROSPERITY STRATEGY – HUD GRANT

This essential task addresses sustainability and equity in the implementation of Plan Bay Area. How should ABAG make the most efficient use of projects and consortium after completion of this grant? What are the key priorities that should be institutionalized?

Information

Miriam Chion, ABAG Planning and Research Director

10. ABAG STRATEGIES INTO THE FUTURE

A. climate change

B. inter-agency relation

Information

Ezra Rapport, ABAG Executive Director

CLOSED SESSION

11. Conference with Legal Counsel—Existing Litigation

Government Code Section 54956.9(d)(1)

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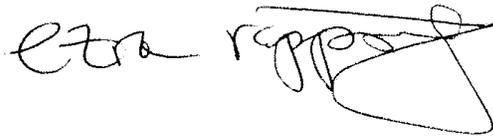
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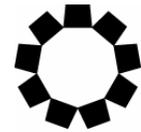
The Post Sustainability Institute, et al. v Association of Bay Area Governments, et al.

Adjournment

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

Ezra Rapport Secretary-Treasurer

Date : February 26, 2014



Date: February 27, 2014
To: ABAG Administrative Committee
From: Miriam Chion, Planning & Research Director

1. Subject: **PDA IMPLEMENTATION:
AFFORDABLE HOUSING AND INFRASTRUCTURE FINANCE**

The Affordable Housing Challenge

The need for affordable housing is one of the most significant challenges to implementing Plan Bay Area's proposed land use pattern and equity goals. Over the past several decades, housing production in the Bay Area has not kept pace with demand, contributing to high housing costs. The recent economic recovery has highlighted the lack of affordable housing options, as housing costs have increased sharply in many of the areas of the region with the greatest access to jobs and amenities, leading to the potential displacement of lower income households.

In the past, the region has struggled to meet its goals for providing housing that is affordable to moderate-, low-, and very-low income households, and this task is likely to be even more challenging in the future. According to Plan Bay Area, the number of people in very low- and low-income households is projected to increase from 40 percent to 43 percent of all households by 2040. ABAG has estimated that the average amount of subsidy needed in the Bay Area to fill the gap between current resources and the additional funds needed to build the housing needed by these households to be \$4.1 billion per year.¹

The difficulty of meeting the need for affordable housing has increased dramatically in recent years with the steady reduction of federal and state subsidies for affordable housing development; the elimination of redevelopment agencies and their requirements for dedicated local housing trust funds and for construction of new and replacement housing; and the legal challenges to the use of local inclusionary housing policies.

ABAG Housing Program

ABAG is working with regional and state agencies, legislators, housing and business advocacy organizations, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet unique local housing needs in each community. The three primary focus areas of the housing work program are to (1) facilitate development of new sources of funding to finance creation and preservation of affordable housing; (2) encourage coordination among agencies that impact housing planning, production and affordability; and (3) promote legislation that supports the Bay Area's housing goals.

¹ *Affordable Housing Funding Gap Analysis, Draft Report, February 19, 2014.*

These areas of emphasis are consistent with the legislative priorities for the 2014 legislative session that were identified by ABAG's Legislation and Governmental Organizations Committee:

1. Supporting measures that reduce the voter threshold for infrastructure taxes and bonds statewide and locally; and
2. Pursuing increased funding as well as policy and legislative changes to support Plan Bay Area implementation, including Housing Element reform and funds for affordable housing .

Increased Funding for Affordable Housing

ABAG staff is engaged in discussions about several legislative initiatives under consideration that have the potential to expand the resources available for affordable housing. Of particular interest are the California Homes and Jobs Act (SB 391) and the Governor's Infrastructure Finance District Trailer Bill.

The California Homes and Jobs Act, SB 391 (DeSaulnier), introduced February 20, 2013, would generate an estimated \$500 million annually for affordable housing programs through a \$75 recordation fee on real estate transactions other than home sales. ABAG is supportive of the bill in concept and has been conveying to the sponsors and supporters of SB 391 the importance of incorporating language to specify that funds will be returned to the place where they were generated. More detail about SB391 is available in *Attachment 1, Assembly Committee on Appropriations Bill Analysis*.

One of the most compelling potential tools to support Plan Bay Area implementation, including production of affordable housing, is the creation of Infrastructure Financing Districts (IFDs). Governor Brown's proposed budget expressed support for expanding the types of projects that can be funded through an IFD to include urban infill, transit priority projects, and affordable housing. ABAG staff is currently reviewing proposed legislative changes to IFDs to ensure that the revisions would adequately support affordable housing production and preservation. More detail about the Governor's proposal for IFDs is available in *Attachment 2, Trailer Bill Language for the Local Economic Development Proposal from the California Department of Finance (DOF)*.

Another potential source of funding for affordable housing is the state's cap and trade auction. Governor Brown's proposed budget included \$100 million for local assistance funding to support regions as they implement their Sustainable Communities Strategies. ABAG staff will contribute to discussions about how these funds are targeted to ensure they support Plan Bay Area.

Given the uncertainty about the potential for adoption of these funding mechanisms at the state level, ABAG staff is also exploring options for how best to ensure that the affordable housing resources available at the regional level—including the Transit-Oriented Affordable Housing Fund (TOAH) and the ABAG Finance Authority's Multifamily Housing Finance Program—are supporting the goals of Plan Bay Area. In particular, staff has emphasized the importance of promoting the acquisition and rehabilitation of existing properties as an affordable housing and anti-displacement strategy. This strategy is described in more detail in *Attachment 3, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*.

At the local level, the ruling in 2009 in *Palmer v. City of Los Angeles* that prohibited the imposition of inclusionary requirements on rental units and the loss of redevelopment agencies has led many jurisdictions to rely on impact fees as a primary source of funds for affordable housing. To implement a housing impact fee or commercial linkage fees, a jurisdiction must first conduct a nexus study to show the relationship between new housing or jobs and the need for affordable housing in the community. ABAG is exploring ways to support local jurisdictions that want to conduct the nexus studies necessary to implement these fees, similar to the approach that is currently being undertaken by 21 Elements in San Mateo County. A synopsis of this approach is presented in *Attachment 4, San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report*.

Policies to Provide Affordable Housing and Prevent Displacement

In addition to trying to identify new sources of funding for affordable housing development and preservation, ABAG staff is also promoting policies that increase housing supply and affordability and prevent displacement. At the state level, ABAG has convened a series of meetings with staff from the California Department of Housing and Community Development (HCD), the California Housing Finance Agency (CalHFA), and DOF to discuss potential changes to state policies and requirements that would support better implementation of the redevelopment agency dissolution process, local Housing Elements, and Plan Bay Area.

At the local level, ABAG is working on several initiatives that will inform local Housing Elements, the Priority Development Area Investment and Growth Strategies prepared by county Congestion Management Agencies (CMAs), and the next Sustainable Communities Strategy. Staff has been working with the Housing Leadership Council of San Mateo County and other housing advocacy organizations to develop a toolkit of best practices for local government staff to consider as they update their Housing Elements for the 2014-2022 period. Through the HUD Sustainable Communities Grant, ABAG staff is currently developing a “Development Dashboard” that will facilitate the collection and reporting of details about housing developments as they move through the entitlement process. The HUD Grant is also supporting ABAG’s work to help research and promote best-practices that local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs.

Discussion Questions

Which of the following examples of housing-related implementation activities use ABAG’s comparative advantages most effectively?

Building support for affordable housing

- Provide data, fact sheets and/or talking points that make the case for affordable housing development and displacement mitigation tailored to local needs
- Convene meetings among local elected officials, staff, and other stakeholders to discuss the need to address local affordable housing and displacement issues

Addressing affordable housing funding and displacement mitigation at the local level

- Develop annual progress report on affordable housing development

- Develop annual progress report on local adoption of policies and programs that address displacement
- Provide technical assistance to local jurisdictions to support local adoption of housing and commercial linkage impact fees when invited to do so
- Promote and facilitate local adoption of housing and commercial linkage impact fees as needed

Facilitating sub-regional (e.g., within counties and/or along transportation corridors) communication and cooperation related to housing issues

- Share best practices related to affordable housing and displacement mitigation with jurisdictions and CMAs
- Establish county or corridor working groups to address housing issues

Working with appropriate State agencies (HCD, DOF, Governor's Office of Planning and Research) to explore changes in state regulations that facilitate creation of affordable housing

- Count congregate housing (e.g., senior assisted living facilities) toward Regional Housing Need Allocation goals and make Housing Element provisions related to acquisition/ rehabilitation easier to use
- Expedite DOF procedures for transferring former redevelopment agency land

Attachments:

- *Attachment 1, Assembly Committee on Appropriations Bill Analysis*
- *Attachment 2, Trailer Bill Language for the Local Economic Development Proposal from the California Department of Finance (DOF)*
- *Attachment 3, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*
- *Attachment 4, San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report*

Attachment 1, Assembly Committee on Appropriations Bill Analysis

Date of Hearing: August 30, 2013

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Mike Gatto, Chair

SB 391 (DeSaulnier) – As Amended: August 8, 2013

Policy Committee: Labor and Employment	Vote: 5-2
Housing and Community Development	4-2

Urgency: Yes State Mandated Local Program: Yes Reimbursable: No

SUMMARY

This bill establishes the California Homes and Jobs Act of 2013 (the Act) to provide funding for affordable housing. Specifically, this bill:

- 1) Beginning January 1, 2014, imposes a \$75 fee on every real estate instrument, paper or notice required or permitted by law, excluding documents recorded in connection with a transfer that is subject to a documentary transfer tax.
- 2) Requires the fee, minus any administrative costs of the county recorder for collection, to be transferred quarterly to the Department of Housing and Community Development (HCD) and deposited into the Homes and Jobs Trust Fund.
- 3) Allows money in the Trust Fund, upon appropriation by the Legislature, to be used to support the development, acquisition, rehabilitation and preservation of housing affordable to low- and moderate-income households, as specified.
- 4) Requires HCD, in consultation with the California Housing Finance Agency, the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee to develop a California Homes and Jobs Trust Fund Investment Strategy.
- 5) Requires HCD to submit the first investment strategy to the Legislature as part of the Governor's May Revision of the Budget Act in 2014-15 and every five years after as part of the Budget Act beginning in 2019-20.
- 6) Requires the Bureau of State Audits to conduct periodic audits to ensure that the annual allocation to individual programs is awarded in a timely fashion beginning two years from the bill's effective date.

FISCAL EFFECT

- 1) The fee imposed by this bill would generate unknown revenue ranging from \$300 million to \$720 million per year depending on the volume of recorded documents.
- 2) Estimated annual administrative costs would be approximately \$5.4 million to fund up to 47 positions at HCD, which would be fully covered by the fees.

- 3) Costs would be in the range of \$250,000 to \$350,000 in 2016-17 for BSA to conduct an initial audit, with ongoing periodic audit costs in the range of \$150,000 to \$250,000. All BSA audit costs would be fully covered by the fees.
- 4) The allocation of the funds is to be determined. This bill requires that monies in the Homes and Jobs Trust Fund go for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. Aside from these general parameters, however, this bill does not allocate funds to particular programs or uses and is subject to legislative appropriation.

COMMENTS

- 1) Purpose. According to the author, everyone in California needs a safe and affordable place to call home. The author states affordable rents and mortgages that are within the reach of working families are critical to maintaining California's business competitiveness. According to the author, U.S. military veterans, former foster youth, families with children, people with disabilities, seniors on fixed incomes and other vulnerable Californians, are still in a housing crisis. The author argues millions of Californians are caught in the perfect storm of mortgages remaining out of reach, credit standards tightening and the foreclosure crisis pushing more people into a rental market already suffering from decades of short supply. The author concludes, the most vulnerable who struggled to make rent before the foreclosure crisis, face even more uncertainty in today's rental market and they risk joining the over 130,000 Californians who are homeless on any given night.
- 2) Support. Supporters, including the United Ways of California, argue the California Homes and Jobs Act is an ongoing funding source that helps the state live within its means. It increases California's supply of affordable homes, creates jobs and spurs economic growth without incurring additional debt. The act imposes a \$75 fee on documents related to real estate transactions, excluding home sales. Supporters also note the act will create 29,000 jobs annually, primarily in the beleaguered construction sector, leverage an additional \$2.78 billion in federal, local and private investment and build nearly 10,000 affordable apartments and single-family homes a year for Californians in need, including families, seniors, veterans, people with disabilities, and people experiencing homelessness.

Business groups including the Orange County Business Council and the Silicon Valley Leadership Group say California needs to increase the supply of housing options affordable to workers, so companies can compete for the talent that drives California's economy.

- 3) Opposition. Opponents contend the proposed fee established by this bill has no relation to affordable housing and places additional financial burdens on ordinary Californians. They point out that some recordings or transactions involve more than one document, in which case the per-document fee will add to the already substantial cost of recording. In addition, county recorders will encounter significant increases in staff time to collect fees and address unsatisfied customers.

The California Credit Union League (CCUL) argues that the new tax imposed by this bill would result in their members having to incur additional costs when refinancing their home loans or looking to modify their home loans. CCUL states that during these difficult times,

when credit unions are trying to keep their members in their homes and are recording a variety of different real estate documents in order to do so, it is very important that we do not increase costs on credit union members who want to take advantage of these services.

Finally, the Associated Builders and Contractors of California (ABC) contends this bill essentially mandates the use of a project labor agreement because it exempts projects with a project labor agreement from reimbursing DIR for prevailing wage enforcement costs. ABC contends the use of a project labor agreement usually results in higher construction costs for taxpayers.

- 4) Background. Historically, the state has invested in low- and moderate-income housing primarily by providing funding for construction. Because of the high cost of land and construction and the subsidy needed to keep housing affordable to residents, affordable housing is expensive to build. Developers typically use multiple sources of financing, including voter-approved housing bonds, state and federal low-income housing tax credits, private bank financing, and local matching dollars.

Voter-approved bonds have been an important source of funding to support the construction of affordable housing. Proposition 46 of 2002 and Proposition 1C of 2006 together provided \$4.95 billion for affordable housing. These funds financed the construction, rehabilitation, and preservation of 57,220 affordable apartments, including 2,500 supportive homes for people experiencing homelessness, and over 11,600 shelter spaces. In addition, these funds have helped 57,290 families become or remain homeowners. Nearly all of these funds have been awarded.

Until 2011, the Community Redevelopment Law required redevelopment agencies to set aside 20% of all tax increment revenue to increase, improve, and preserve the community's supply of low- and moderate-income housing. In fiscal year 2009-10, redevelopment agencies collectively deposited \$1.075 billion of property tax increment revenues into their low- and moderate-income housing funds. With the elimination of redevelopment agencies, this source of funding for affordable housing is no longer available.

- 5) Types of documents covered. This bill applies the \$75 fee to the recording of all real estate-related documents, except those recorded in connection with a transfer subject to the imposition of a documentary transfer tax, and those expressly exempted from payment of recording fees, which are documents made in connection with the sale of real property, from the new fee. There are many types of documents that fall under the proposed fee including deeds and grant deeds, notices of default, easements and quitclaim deeds.
- 6) Tax or fee? While SB 391 states that the charge it imposes is a fee, Legislative Counsel keyed earlier version of the measure a tax increase for the purposes of Section III of Article XIII A of the California Constitution. As such, the measure requires the approval of 2/3 of the membership of the Senate and the Assembly to be enacted. Prior to 2010, specified fees could be enacted by majority vote, but this authority was significantly limited by Proposition 26 (2010). The bill also contains an urgency clause and an amendment to a continuous appropriation, both of which require a 2/3 vote.

**Attachment 2, Trailer Bill Language for the Local Economic Development
Proposal from the California Department of Finance (DOF) Infrastructure
Financing Districts**

An act to amend Sections 53395, 53395.1, 53395.3, 53395.4, 53395.5, 53395.10, 53395.14, 53395.23, 53395.24, 53396, and 53397.6 of, and to add Sections 53395.3.4, 53397.12, and 53397.13 to, the Government Code relating to local government.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 53395 of the Government Code is amended to read:

53395. (a) The Legislature finds and declares that the state and federal governments have withdrawn in whole or in part from their former role in financing major, regional, or communitywide infrastructure, including highways and interchanges, sewage treatment and water reclamation works, water supply and treatment works, flood control and drainage works, schools, libraries, parks, parking facilities, open space, and seismic retrofit and rehabilitation of public facilities.

(b) The Legislature further finds and declares that the methods available to local agencies to finance public works often place an undue and unfair burden on buyers of new homes, especially for public works that benefit the broader community.

(c) The Legislature further finds and declares that the absence of practical and equitable methods for financing both regional and local public works leads to a declining standard of public works, a reduced quality of life and decreased safety for affected citizens, increased objection to otherwise desirable development, and excessive costs for homebuyers.

(d) The Legislature further finds and declares that it is equitable and in the public interest to provide alternative procedures for financing public works and services needed to meet the needs of new housing and other development projects.

(e) The Legislature further finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable



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communities plans, construct and rehabilitate affordable housing units, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.

SEC. 2. Section 53395.1 of the Government Code is amended to read:

53395.1. Unless the context otherwise requires, the definitions contained in this article shall govern the construction of this chapter.

(a) "Affected taxing entity" means any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.

(b) "City" means a city, county, or a city and county.

(c) "Debt" means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.

(d) "Designated official" means the city or county engineer or other appropriate official designated pursuant to Section 53395.13.

(e) (1) "District" means an infrastructure financing district.

(2) An infrastructure financing district is a "district" within the meaning of Section 1 of Article XIII A of the California Constitution.

(f) "Infrastructure financing district" means a legally constituted governmental entity separate and distinct from the city that established it pursuant to this chapter for the sole purpose of financing public facilities or other projects as authorized by this



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chapter. An infrastructure financing district shall be a "local agency" for purposes of Chapter 9 (commencing with Section 54950).

(g) "Landowner" or "owner of land" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the legislative body. The legislative body has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.

(h) "Legislative body" means the city council or board of supervisors.

SEC. 3. Section 53395.3 of the Government Code is amended to read:

53395.3. (a) (1) A district may finance ~~(1) the~~ any of the following:

(A) The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies the requirements of subdivision (b), ~~(2) may finance planning~~ (b).

(B) The planning and design work which is directly related to the purchase, construction, expansion, or rehabilitation of that property and ~~(3) the property.~~

(C) The costs described in Sections 53395.5, and 53396.5. ~~A district may only finance the purchase of facilities for which construction has been completed, as determined by the legislative body. The~~



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(2) The facilities need not be physically located within the boundaries of the district. A district may not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind.

(b) The district shall finance only public capital facilities or other specified projects of communitywide significance, which provide significant benefits to ~~an area larger than the area of the district or the surrounding community~~, including, but not limited to, all of the following:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities for the collection and treatment of water for urban uses.

(4) Flood control levees and dams, retention basins, and drainage channels.

(5) Child care facilities.

(6) Libraries.

(7) Parks, recreational facilities, and open space.

(8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.

(9) Brownfields restoration and other environmental mitigation.

(10) The development of projects on a former military base, provided that the projects are consistent with the military base authority reuse plan and are approved by the military base reuse authority, if applicable.

(11) The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851 that occurred on or after the creation of the district.



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(12) The acquisition, construction, or rehabilitation of housing for rental or purchase.

(13) The purchase of land, property, or buildings for the development of facilities to house providers of consumer goods or services, or the provision of funding to assist in the development of those facilities. Facilities developed pursuant to this paragraph that are not located in a transit priority project area shall not exceed a gross internal area of 60,000 square feet. Any facility developed pursuant to this paragraph that exceeds 30,000 square feet in gross internal area shall devote at least 75 percent of its indoor retail space to the sale of grocery items. For purposes of this paragraph, the term “consumer goods” shall not include automobiles.

(14) The acquisition, construction, or repair of industrial structures for private use.

(15) Transit priority projects, as defined in Section 21155 of the Public Resources Code, that are located within a transit priority project area. For purposes of this paragraph, a transit priority project may include a military base reuse plan that meets the definition of a transit priority project area and it may also include a contaminated site within a transit priority project area.

(16) Projects that implement a sustainable communities strategy, when the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7, has accepted a metropolitan planning organization’s determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.



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(17) Infrastructure improvements and other work necessary to expand telecommunications network access to persons residing within the district's boundaries.

(c) Any district ~~which~~ that constructs dwelling units outside the boundaries of a transit priority project area, or outside the parameters of a sustainable communities strategy shall set aside not less than 20 percent of those units to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low- and moderate-income, as defined in Section 50093 of the Health and Safety Code.

(d) A district may utilize any powers under the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code), and finance any action necessary to implement that act.

SEC. 4. Section 53395.3.4 is added to the Government Code, to read:

53395.3.4. (a) A city, county, or city and county that created a redevelopment agency, as that term is defined in Section 33003 of the Health and Safety Code, shall not initiate the creation of a district or participate in the governance or financing of a district, until it receives certification from the Department of Finance that each of the following has occurred:

(1) The successor agency for the former redevelopment agency created by the city, county, or city and county has received a finding of completion, as specified in Section 34179.7 of the Health and Safety Code.



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(2) The state and the successor agency for the former redevelopment agency created by the city, county, or city and county, or if applicable, the applicable designated local authority for the former redevelopment agency, have resolved all litigation related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law.

(3) The state and the entity that created the former redevelopment agency have resolved all litigation, related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law. For purposes of this paragraph, the term “entity that created the former redevelopment agency” shall also include entities as defined in Section 34167.10 of the Health and Safety Code.

(4) The State Controller has completed its review, as specified in Sections 34167.5 and 34167.8 of the Health and Safety Code.

(5) The successor agency and the entity that created the former redevelopment agency have complied with all findings and orders by the State Controller stemming from the reviews as specified in paragraph (4).

(b) A city, county, or city and county shall submit its certification request to the Department of Finance, in the form and manner specified by the department. Within 10 business days of receiving a certification request, the department shall provide the certification, or shall notify the requesting entity of the reason why the certification is being denied. The department shall not deny a certification if the requesting entity and



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successor agency have complied with paragraphs (1) to (5), inclusive, of subdivision (a).

(c) Subdivision (a) shall not be construed to limit a city, county, or city and county that created a district prior to January 1, 2015, from participating in, or governing that preexisting district.

SEC. 5. Section 53395.4 of the Government Code is amended to read:

53395.4. (a) A district may ~~not~~ include any portion of a former redevelopment project area ~~which is or has been~~ that was previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, ~~whether the creation is or was proper or improper. A redevelopment project area may not include any portion of a district created pursuant to this chapter~~ provided that the city, county, or city and county that created the former redevelopment agency has received a certification from the Department of Finance pursuant to Section 53395.3.4.

(b) A district may finance only the facilities ~~or services~~ authorized in this chapter to the extent that the facilities ~~or services~~ are in addition to those provided in the territory of the district before the district was created. The additional facilities ~~or services~~ may not supplant facilities ~~or services~~ already available within that territory when the district was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities ~~and services as needed to serve new developments.~~

(c) A district may include areas which are not contiguous.

SEC. 6. Section 53395.5 of the Government Code is amended to read:

53395.5. It is the intent of the Legislature that the area creation of the districts ~~created be substantially undeveloped, and the establishment of a district should not~~



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ordinarily lead to the removal of existing dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, the legislative body shall do all of the following:

(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable



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housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families and shall be decent, safe, sanitary, and otherwise standard dwellings.

SEC. 7. Section 53395.10 of the Government Code is amended to read:

53395.10. A legislative body of a city or county may designate one or more proposed infrastructure financing districts pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

(a) State that an infrastructure financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district, which may be accomplished by reference to a map on file in the office of the clerk of the city.

(b) State the type of public facilities and development proposed to be financed or assisted by the district. ~~The district may only finance public facilities authorized by district in accordance with~~ Section 53395.3.

(c) State the need for the district and the goals the district proposes to achieve.

(e)

(d) State that incremental property tax revenue from the city or county and some or all affected taxing entities within the district, if approved by resolution pursuant to Section 53395.19, may be used to finance these public facilities activities.

(d)

(e) Fix a time and place for a public hearing on the proposal.



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SEC. 8. Section 53395.14 of the Government Code is amended to read:

53395.14. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53395.13 shall prepare a proposed infrastructure financing plan. The infrastructure financing plan shall be consistent with the general plan of the city or county within which the district is located and shall include all of the following:

(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the public facilities ~~required to serve the development and~~ other forms of development or financial assistance that is proposed in the area of the district including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the ~~public improvements and facilities~~ development and financial assistance.

(c) ~~A~~ If funding from affected taxing entities is incorporated into the financing plan, a finding that the ~~public facilities~~ development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district.

(d) A financing section, which shall contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue.



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The portion need not be the same for all affected taxing entities. The portion may change over time.

(2) A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(3) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.

(4) A limit on the total number of dollars of taxes which may be allocated to the district pursuant to the plan.

(5) (A) A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 30 45 years from the date on which the ordinance forming the district is adopted pursuant to Section 53395.23 issuance of bonds is approved pursuant to subdivision (a) of Section 53397.6, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53397.12.

(B) Notwithstanding any other provision of law, if the issuance of bonds pursuant to subdivision (a) of Section 53397.6, or the issuance of a loan pursuant to Section 53397.12, has not occurred within 25 years of the date that the infrastructure financing plan is approved and adopted pursuant to Section 53397.23, the approval and adoption of the plan shall be rendered null and void, and the plan shall terminate.

(6) An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area



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is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.

(7) An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.

(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.

(e) If any dwelling units occupied by persons or families of ~~low or moderate income~~ are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53395.5.

(f) The goals the district proposes to achieve for each project financed pursuant to Section 53395.3.

SEC. 9. Section 53395.23 of the Government Code is amended to read:

53395.23. After the canvass of returns of any election pursuant to Section 53395.20, the legislative body may, by ordinance, adopt the infrastructure financing plan and create the district with full force and effect of law, if ~~two-thirds~~ fifty-five percent of the votes upon the question of creating the district are in favor of creating the district.

SEC. 10. Section 53395.24 of the Government Code is amended to read:



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53395.24. After the canvass of returns of any election conducted pursuant to Section 53395.20, the legislative body shall take no further action with respect to the proposed infrastructure financing district for one year from the date of the election if the question of creating the district fails to receive approval by ~~two-thirds~~ fifty-five percent of the votes cast upon the question.

SEC. 11. Section 53396 of the Government Code is amended to read:

53396. Any infrastructure financing plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the infrastructure financing district each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted pursuant to Section 53395.23 to create the district, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance adopted pursuant to Section 53395.23 to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city or county and each affected taxing entity which has agreed to participate pursuant to Section 53395.19 in excess of the amount specified in subdivision (a) shall be allocated to, and when collected shall be paid into



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a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district exceeds the total assessed value of the taxable property in the district as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the district shall be paid to the respective affected taxing entities. When the district ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

(c) Notwithstanding subdivisions (a) and (b), where any district boundaries overlap with the boundaries of any former redevelopment project area, any debt or obligation of a district shall be subordinate to any and all enforceable obligations of the former redevelopment agency, as approved by the Oversight Board and the Department of Finance. For the purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(d) The Legislative body of the city forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53395.14.

(e) For the purposes of this section, the term “net available revenue” means periodic distributions to the city from the Redevelopment Property Tax Trust Fund created pursuant to Section 34170.5 of the Health and Safety Code, that are available



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to the city after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. "Net available revenue" shall not include any amounts deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or amounts remaining in the Redevelopment Property Tax Trust Fund prior to the distribution from that fund. "Net available revenues" shall not include any moneys payable to a school district that maintains kindergarten and grades 1 to 12, including, community college district, county offices of education, or to the Education Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.

SEC. 12. Section 53397.6 of the Government Code is amended to read:

53397.6. (a) The bonds may be issued if ~~two-thirds~~ fifty-five percent of the voters voting on the proposition vote in favor of issuing the bonds.

(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:

- (1) The issuance of the bonds in one or more series.
- (2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53397.2.
- (3) The date the bonds will bear.
- (4) The date of maturity of the bonds.
- (5) The denomination of the bonds.
- (6) The form of the bonds.



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- (7) The manner of execution of the bonds.
- (8) The medium of payment in which the bonds are payable.
- (9) The place or manner of payment and any requirements for registration of the bonds.
- (10) The terms of call or redemption, with or without premium.

SEC. 13. Section 53397.12 is added to the Government Code, to read:

53397.12. Upon the approval of its governing board, a city, county, city and county, or special district that contains territory within the boundaries of a district, may loan moneys to the district to fund those activities described in the infrastructure financing plan approved and adopted pursuant to Section 53395.23. Moneys loaned pursuant to this section may be repaid at an interest rate that does not exceed the Local Agency Investment Fund rate that is in effect on the date that the loan is approved by the governing board.

SEC. 14. Section 53397.13 is added to the Government Code, to read:

53397.13. (a) Every two years after the issuance of debt pursuant to Section 53397.6, the district shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

(b) The Department of Finance may conduct financial and performance audits of a district, at the discretion of the Director of Finance. The results of an audit shall be provided to the district, the Controller, and the Joint Legislative Budget Committee.



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LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____

General Subject: Infrastructure financing districts.

(1) Existing law authorizes a legislative body of a city, defined to mean a city or a city and county, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon approval by $\frac{2}{3}$ of the voters. Existing law authorizes an infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and the agreement of affected taxing entities, as defined. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date on which the ordinance forming the district is adopted



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This bill would revise the definition of a city, for purposes of the creation and administration of infrastructure financing districts, to also include a county. This bill would additionally authorize the creation of an infrastructure financing district and the issuance of debt with 55% voter approval. This bill would authorize a city, county, city and county, or special district that contains territory within the boundaries of an infrastructure financing district, upon approval of its governing body, to loan moneys to the infrastructure financing district to fund the activities described in the infrastructure financing plan, as specified. The bill would authorize the creation of an infrastructure financing district for up to 45 years from the date on which the issuance of bonds is approved, as specified. The bill would additionally provide that the adoption of the plan is null and void and the plan terminates that if the issuance of bonds or a loan has not occurred within 25 years of the date that the infrastructure financing plan is approved, as specified. This bill would require an infrastructure financing district to contract for the performance of an independent financial and performance audit every two years, as specified, and would authorize the Department of Finance to conduct a financial and performance audit of an infrastructure financing district at the discretion of the Director of Finance.

(2) Existing law authorizes the legislative body of a city or county to establish an infrastructure financing district, and requires proceedings for the establishment of a district to be instituted by the adoption of a resolution of intention to establish the proposed district that, among other things, states the type of public facilities proposed to be financed by the district.



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This bill would instead require the resolution to state the type of public facilities and development proposed to be financed or assisted by the district, and would additionally require the resolution to state the need for the district and the goals the district proposes to achieve.

(3) Existing law prohibits an infrastructure financing district from including any portion of a former redevelopment project area.

This bill would delete that prohibition and would authorize an infrastructure financing district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area, as specified. The bill would additionally prohibit a city, county, or city and county that created a redevelopment agency from creating a district until it receives certification from the Department of Finance that specified conditions related to the wind down of the former redevelopment agency have been satisfied. The bill would provide that any debt or obligation of an infrastructure financing district is subordinate to an enforceable obligation of a former redevelopment agency. The bill would additionally authorize the legislative body of the city forming an infrastructure financing district to chose to dedicate any portion of its net available revenue, as defined, to the infrastructure financing district through the infrastructure financing plan, as specified.

(4) Existing law authorizes an infrastructure financing district to finance only public capital facilities of communitywide significance, including, among other things, highways, libraries, and parks and other recreational facilities.

This bill would additionally authorize an infrastructure financing district to finance brownfields restoration and other environmental mitigation, the development



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of projects on a former military base, the repayment of the transfer of funds to a military base reuse authority, the acquisition, construction, or rehabilitation of housing for rental or purchase; the purchase of land, property, or buildings for the development of facilities to house providers of consumer goods or services; the acquisition, construction, or repair of industrial structures for private use; transit priority projects, projects to implement a sustainable communities strategy, and infrastructure improvements and other work necessary to expand telecommunications network access. The bill would also authorize a district to utilize any powers under the Polanco Redevelopment Act.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



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Date: February 5, 2014

To: Ezra Rapport, Executive Director

From: Brad Paul, Deputy Executive Director

Subject: **Acquisition/Rehab as a Plan Bay Area Implementation Strategy**

Plan Bay Area, the region's first Sustainable Communities Strategy, was adopted by the ABAG Executive Board and Metropolitan Transportation Commission (MTC) in July 2013. Its purpose is to help manage the Bay Area's long-term growth to reduce greenhouse gas emissions (GHGs), promote economic development, incorporate community equity, protect natural resources, and enhance resiliency to natural disasters.

ABAG is now facilitating the combined efforts of the Bay Area's 109 cities and counties as they implement the pattern of focused growth envisioned in Plan Bay Area. Much of the region's future growth is expected to occur in locally-nominated Priority Development Areas (PDAs). ABAG will continue working with local jurisdictions and other key agencies to help PDAs become "complete communities" that provide existing and future residents with easy access to employment, shopping, and services such as schools, parks, and health care in appealing walkable neighborhoods.

One of the most essential characteristics of a complete community is access to a range of housing choices that can serve people at all income levels. Addressing the need for affordable housing is one of the most significant challenges to implementing the vision articulated in Plan Bay Area. The degree of difficulty of this challenge has increased dramatically in recent years with the steady reduction of federal and state subsidies for affordable housing development and the elimination of redevelopment agencies and their requirements for dedicated local housing trust funds and for construction of new and replacement housing.

ABAG is working with housing advocacy organizations, regional and state agencies, legislators, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet local needs in each community. ABAG is also researching and promoting best-practices local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs.

Acquisition and Rehabilitation of Existing Homes

ABAG is pursuing increased funding and policy changes to promote one of the most promising tools to address these challenges: the acquisition and rehabilitation of existing older apartment buildings to create long-term affordable housing by non-profit housing organizations. This "acq/rehab" strategy increases the supply of

permanently affordable housing, mitigates displacement, and helps revitalize neighborhoods with concentrations of aging rental housing. These outcomes further the goals of Plan Bay Area. Importantly, it is also a flexible tool that can be adapted to meet the housing needs in jurisdictions of all sizes.

Preventing Displacement

Providing affordable housing near transit is critical if the Bay Area is going to meet the GHG reduction target identified for the region in Plan Bay Area. Fourteen percent of workers with income below 200 percent of poverty commuted by public transit compared to nine percent of workers with income above 200 percent of poverty.

According to the Plan's forecast, the number of people in very low- and low-income households is projected to increase from 40 percent to 43 percent of all households by 2040. At the same time, market demand for housing near transit is expected to increase based on forecasted demographic changes in the region. There is the potential that the increased investments in PDAs envisioned in Plan Bay Area will spur additional demand for housing in these areas. Amplifying these pressures, 56 percent of new jobs will be at relatively low wage rates. To respond to these trends, local and regional agencies need additional tools and resources to prevent the displacement of existing very low- and low-income households from areas near transit.

As the economy has improved, some Bay Area jurisdictions have experienced rapid increases in residential rents, which have made it even more difficult for low- and moderate-income households to afford housing. The acquisition and rehabilitation of existing rental homes is a strategy that can help prevent displacement in these areas with overheated real estate markets.

Any money government agencies, foundations or others currently contribute to a city's affordable housing program help that city add to its permanent affordable housing inventory. Typically, each source imposes requirements. Historically, there was a regulatory tension and balance between local sources, especially redevelopment agency funds, that required or encouraged preference for local residents and federal sources that discouraged or disallowed local preference policies as discriminatory. With the elimination of redevelopment agencies, and the near impossibility of building new affordable housing without federal subsidies, federal fair housing policy prevails and any newly constructed housing must hold a lottery to determine who moves in. This approach does little or nothing to help nearby low-income and working poor families avoid displacement as rents escalate beyond their reach. They get no preference in these oversubscribed lotteries.

For example, in San Francisco's South of Market (SOMA) neighborhood, escalating rents are driving out hundreds of working and immigrant families that have lived there for generations. While several new affordable housing developments of 50-80 units have opened recently, SOMA residents have not fared well in those lotteries.

Last year, given the unmet citywide need for affordable housing, almost 2,500 families entered a lottery for 50 very affordable apartments. The odds were 50:1. After intense door-to-door outreach, 150 SOMA families submitted valid applications. This was more than five times the normal volume of applicants from SOMA due to this extraordinary outreach. Statistically, only 3 apartments would be expected to go to SOMA families, and as luck would have it, desperate SOMA families won only 2 of the 50 units. By contrast, in a 50-unit non-profit acquisition/rehabilitation project, also financed using federal funds, federal fair housing laws would **require** that current residents of the building be given first preference for retaining their home after renovation. In those cases where major renovation is not necessary, families would remain in place.

In response to this problem, policy advocates recently convinced the San Francisco Mayor's Office of Housing to use a portion of San Francisco's affordable housing resources to support a new *Small Sites Acquisition/Rehab* program. It will use some of the city's housing funds to purchase existing 4-40 unit buildings that, because they need only minor renovation, prevent displacing low-income tenants. With this approach, **100 percent** of those city housing dollars will benefit existing at-risk SOMA residents compared to 4 percent in the prior new construction example.

Addressing Concerns About Impacts on Neighborhood Quality of Life and Schools

An acquisition and rehabilitation strategy also addresses two major concerns that often drive local opposition to affordable housing in older suburbs and small towns: a fear of outsiders moving into small, tight knit neighborhoods and the impact the newcomers' children might have on struggling local school districts. Acquiring existing buildings that already house low- and moderate-income households is a strategy aimed at preventing the displacement of existing residents who are potential opponents' current neighbors and their children's current friends and classmates. The children living in the houses and apartment buildings that would be acquired through this strategy are already in the local school system and have probably been so for many years. In general, an acquisition/rehab strategy's impact on local school enrollment should be negligible.

A Special Opportunity to Meet the Needs of Bay Area Seniors

Many of the current residents in older rental properties are seniors. Based on the growth forecast in Plan Bay Area, the region's population aged 65 and over will increase from 12 percent of the total population to 22 percent by 2040. Economic displacement due to rent pressure can be particularly problematic for seniors, who often face the loss of the support networks and access to services upon which they rely when forced to relocate. While creating affordable housing through the acquisition/rehab strategy alone cannot stabilize housing for more than a fraction of the number of Bay Area seniors who will face displacement pressures, it will make a transformational difference for the initial occupants and will subsequently provide housing security for several generations over many decades to come.



San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report

December 10, 2013

Overview

Since the loss of redevelopment agencies and the state court prohibition of rental inclusionary zoning, cities have increasingly relied on impact fees to support affordable housing. Generally, impact fees require new construction to pay money into a fund which, in this case is used to support affordable housing. To enact an affordable housing impact fee, cities must first conduct a nexus study that demonstrates the relationship between new housing or jobs and the need for affordable housing in the community.

Additionally, based on recent court cases, cities with inclusionary zoning may want to participate in a nexus study to help support the requirements of their ordinance against potential legal challenges. If the courts decide that inclusionary housing is an exaction, cities will need to conduct a nexus study in order to have the legal basis for their inclusionary requirements. For many years the need for a nexus study seemed unlikely, but based on recent and pending court cases, the need for a nexus study to support local inclusionary requirements has become more critical.

Typically, each city hires a consultant to conduct a nexus study on its own, with the timing of the study based on local priorities and resources. A better alternative is to collaborate with other jurisdictions to save time and money and to make it more likely that good policies will be adopted.

21 Elements is coordinating a nexus study for all 21 jurisdictions in the county. Specifically, the study will document the permissible and recommended fee levels for each jurisdiction for both residential and commercial development. The fees listed in the report will be unique for each city and will be based on local conditions. The recommended fees will be set to not discourage development. After cities receive the study findings they are free to adopt or not adopt the fees as they see fit. The estimated cost of the nexus study is \$16,000 - \$20,000 for each participating jurisdiction, and the deadline to agree to participate is January 10th, 2013. Jurisdictions will be able to participate at a later date, but their costs will be higher.

The total cost for the nexus study is approximately \$185,000. Enterprise Community Partners is contributing \$25,000 and MTC is contributing \$5000, which brings the cost down to \$155,000. Eight jurisdictions have agreed to participate so far, bringing the cost at this point to below \$20,000 for each participating jurisdiction. For every additional jurisdiction that joins, the cost will drop another \$1,000 - \$2,000. By contrast, it would cost an individual jurisdiction \$30,000 - \$60,000 to get the same information on their own, which is a savings of 33-66 percent.

Specifics

In November 2013, we released a request for proposals and received six bids. Based on the proposals we received we intend to sign a contract with Strategic Economics and Vernazza Wolfe Associates.

The consultant would produce the following:

- Maximum fees permitted on new residential development (nexus study)
- Recommended fees for new residential development (feasibility study)
- Inclusionary zoning levels permitted (nexus study)
- Maximum fees permitted on new commercial development (nexus study)
- Recommended fees for new commercial development (feasibility study)
- Supporting material such as fee levels in other cities and the potential benefits of the fees

The nexus and feasibility study for each jurisdiction will be based on the conditions in that jurisdiction.

Participating Jurisdictions

Participating jurisdictions include: Burlingame, Foster City, Menlo Park, Redwood City, San Bruno, San Mateo (City), San Mateo County, South San Francisco. Millbrae intends to participate but is not listed because they cannot contribute until next fiscal year.

Foster City is acting as the fiscal agent and will collect the checks from participating jurisdictions and pay the consultants.

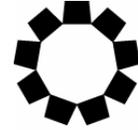
Deadlines

Jurisdictions that are interested should be in touch as soon as possible. The deadline to decide to participate is January 10th, 2013 and the deadline to contribute is January 30th, 2013. After this point, the cost to join will increase 10-20 percent.

Please contact Joshua Abrams, 510.761.6001, abrams@bdplanning.com for more information.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: February 27, 2014

To: Administrative Committee

From: Arrietta Chakos,
ABAG Policy Advisor

Subject: **Overview on ABAG's Resilience Planning Efforts**

ABAG has diverse planning, research and public services with great potential to improve the Bay Area's climate- and disaster-resilience. Given these resources, there are current opportunities to engage more directly in the policy development on community resilience and to more effectively partner with public and private stakeholders. The Earthquake and Hazards Program has evolved in the last two years into a sophisticated planning program with strengthened professional expertise and more regional visibility and presence. It's opportune to build on what has been done, and to take a more strategic approach with this accomplishment to support the resilience portfolio. The initiative's current projects include:

- Regional Housing Vulnerability Project examines how long-range community plans must address the hazards faced by existing and future housing. Project findings will help regional decision makers meet smart growth, resilience, sustainability, prosperity, and equity goals. By developing strategies to strengthen existing and future housing, Bay Area communities will have planning criteria to seamlessly incorporate resilience policy and application into building codes, zoning regulations and land use decisions.
- The Airport and Infrastructure Resilience Project is a comprehensive review of the role Bay Area airports play in long-term social, economic, and physical recovery from a disaster, given existing vulnerabilities, interdependencies on regional infrastructure, and capacity for functioning following a disaster. The study includes a preliminary assessment of regional utilities' disaster resilience & interdependence.
- The Resilient Shorelines Program is a program of collaborative projects undertaken by ABAG, BCDC and the Coastal Conservancy to develop strategies that address flood and seismic risks in the Bay Area to protect

existing and planned shoreline development, infrastructure and natural resources. The Resilient Shorelines team focuses on working with regional to integrate individual projects under common goals for effective adaptive application in communities.

Staff is successfully working with federal, national and regional philanthropic funders to cultivate stronger relationships and potential program funding. As well, ABAG is integrating with complementary regional and national resilience efforts: the Resilient Shorelines project, the JPC Climate Policy effort, The Rockefeller Foundation's Bay Area efforts; and the National Association of Counties and National Academies resilience initiatives. In the next month, staff will meet with the State Seismic Safety Commission, the California Earthquake Authority, along with the regional FEMA and HUD offices to strengthen its partnership network.

This year's work program includes plans to update the policy recommendations and implementation activities stemming from the from the 2013 Phase I Resilience Initiative (funded by the Department of Homeland Security) to mainstream resilience planning through existing avenues such as local General Plans, Housing and Safety Element updates, and through climate action plans. Staff is assembling more additions for ABAG's Local Government Toolkit through an upcoming project funded by the U.S. Geological Survey.

The 25th anniversary of the Loma Prieta Earthquake in October will be an opportunity to focus public attention on the regional resilience that has been improved since 1989. ABAG staff is coordinating planning for a series of public commemorative events with many partner agencies and institutions. Staff anticipates this will offer a productive examination among the Bay Area cities, counties and regional agencies on protecting the region's communities and to forecast how to continue this resilience action through common planning and legislative agendas.

We hope the Committee will review these efforts and provide guidance on how to best implement policy improvements and program support for the next year. The region faces three major challenges: (1) development of useable knowledge on flood and earthquake hazards' risks; (2) institutional coordination across fragmented local, regional and state organizations for long term recovery; and, (3) development of understandable messages to engage local jurisdictions and the public-at-large to act on resilience-building.

Questions that have emerged in recent policy planning include:

- How can the region coordinate and prioritize sea level change and earthquake risks? How should ABAG engage with BCDC, MTC and the Coastal Conservancy to leverage mutual planning and resources?
- How should ABAG integrate water supply and issues of water uncertainty, energy assurance and resiliency to Plan Bay Area? What is ABAG's role in relation to other state and regional agencies? How to coordinate with JPC?

As staff works with the Committee's response to these questions, we will develop updates for ABAG's stakeholders and decision makers on policy application and program implementation in the coming year.

Attachment 1, Earthquake and Hazards Program

Attachment 2, Resilience Program 2014-2015 Grants Planning

Earthquake and Hazards Program: 2014 Projects' Overview with deliverables

Regional Resilience Initiative (September 2011 – ongoing)

The Phase I Resilience Initiative process included stakeholder workshops, a survey, and interviews with key regional resilience stakeholders and elected officials. The initiative culminated in mid-2013 with four targeted policy papers and an Action Agenda to guide future work in the region to build disaster- and climate resilience.

The Phase II Resilience Initiative is currently in its implementation phase. This phase is ongoing.

- Development of resilience policy, legislative and funding strategies
- Quarterly initiative status reports on 2014 implementation action items from the March 2013 committee agenda
- Participation in regional, state and federal resilience, hazards and disaster recovery policy initiatives
- Coordination of regional resilience planning with the Rockefeller 100RC Program

Existing Products:

- [Regional Resilience Initiative: Policy Agenda for Recovery \(2013\)](#)
- [Fall 2012 General Assembly Local Government Toolkit](#)

Housing and Community Risk (June 2013 – August 2014)

To increase regional resilience, long-range community plans must not only consider and plan for the hazards faced by existing housing, but future housing as well. The goal of this project is to help the region meet smart growth, resilience, sustainability, prosperity, and equity goals by developing strategies to strengthen existing housing and communities and plan smartly for future housing.

This project will be completed late summer in 2014.

- Vulnerability analysis incorporating housing and community vulnerability indicators developed in conjunction with our Advisory Committee
- Community vulnerability profiles for 3-5 Bay Area partner communities
- Three regional stakeholder charrettes
- Policy report and Action Plan for prioritizing housing resilience strategies for existing housing incorporating resilience strategies into the development of new housing
- Guidance documents for local jurisdictions for implementing resilience strategies, including potential funding sources

Partners: BCDC

Airport and Infrastructure Resilience (June 2012 – June 2014)

The Airport and Infrastructure Resilience Project seeks to gain a comprehensive understanding of the role Bay Area airports play in long-term social, economic, and physical recovery from a disaster, given their vulnerabilities, interdependencies on regional infrastructure, and capacity for functioning following a disaster.

This project will be completed in early summer 2014.

- Regional Infrastructure Vulnerability and Interdependencies study
- Focused case study of the Oakland Airport on specific infrastructure vulnerabilities and interdependencies due to seismic events and climate hazards
- Final project report integrating project findings

Existing Products:

- [Airport Liquefaction Susceptibility Analysis Report \(2013\)](#)
- [Role of Airports in Regional Disaster Response and Recovery \(2013\)](#)

Partners: BCDC

Oakland Soft-Story Building Safety Program, Phase II (October 2013—September 2014)

In 2008 Oakland surveyed multi-family buildings with five or more units; and, in 2009 the City Council passed an ordinance that required the owners of these buildings to complete a safety evaluation of ground floors in identified at-risk structures. Current efforts in place include project support for the City to develop safety program guidelines; legislative measures for implementation, and financing mechanisms to pilot retrofit in sample buildings.

- Support development of funding program for volunteer building owners to tap to provide incentive for building upgrades in up to ten Oakland sites
- Coordinate financing implementation with Prudential Financial, the potential funding conduit for up to \$1m in bond loan monies

Existing Product:

- [Soft-Story Housing Improvement Plan for the City of Oakland: Building Screening Phase \(2013\)](#)

Regional Hazard Mitigation Plan (ongoing)

The Federal Disaster Mitigation Act of 2000 (DMA 2000) outlines a process which cities, counties, and special districts can follow to develop a Local Hazard Mitigation Plan. Development of this plan is a requirement for certain benefits from State Office of Emergency Services and FEMA. ABAG worked with local governments to develop a Regional Hazard Mitigation Plan in 2012.

- Preliminary project scoping for next RHMP update
- Coordinate efforts with the FEMA IX program officers
- Link planning with the 2014 UASI Resilience & Recovery Project

Local Government Resilience Toolkit (2014—2015)

This toolkit is intended to establish an inventory of tools and best practices that can be implemented by local governments both before and after an earthquake to build local resilience. The tools are largely sample ordinances, many of which came from local jurisdictions around the Bay Area.

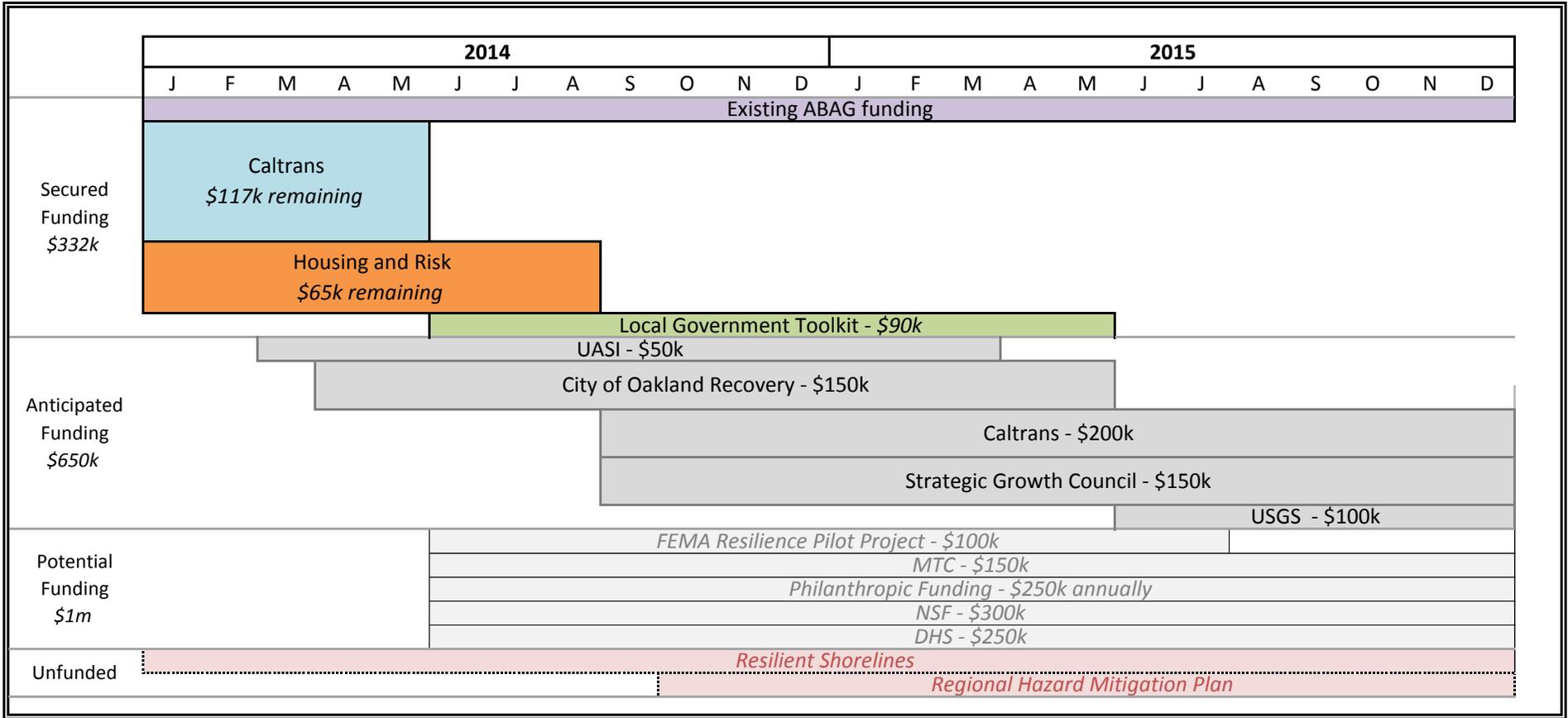
The outcome of the project is an ordinance package accompanied by fact sheets that include information about the purpose of the ordinance, why it is needed, guidelines for implementation, and case studies highlighting the success or challenges cities have had implementing specific ordinances. ABAG will work with internal legal counsel to generalize ordinance language to make it easily accessible to any jurisdiction. This toolkit is intended to provide a specific number of very concrete actions local governments can take to enhance their resilience.

This project will be completed in summer of 2015.

- Survey and interview questions and data collection tool to assess baseline of ordinance adoption across cities
- Draft outline of regional ordinances, case studies, and lessons learned
- Draft list of additional needed ordinances

	Climate Resilience	Infrastructure Resilience	Housing Resilience	Community Resilience
Research + Analysis	<ul style="list-style-type: none"> Housing and Community Risk 	<ul style="list-style-type: none"> Resilience Initiative Airport and Infrastructure Resilience Regional Hazard Mitigation Plan 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Regional Hazard Mitigation Plan 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Airport and Infrastructure Resilience Regional Hazard Mitigation Plan
Policy	<ul style="list-style-type: none"> Housing and Community Risk Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Airport and Infrastructure Resilience Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Airport and Infrastructure Resilience Local Government Resilience Toolkit
Guidance Documents	<ul style="list-style-type: none"> Housing and Community Risk Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Local Government Resilience Toolkit
Public Education			<ul style="list-style-type: none"> Oakland Soft-Story Building Safety Program 	<ul style="list-style-type: none"> Oakland Soft-Story Building Safety Program
Local Government Assistance	<ul style="list-style-type: none"> Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Regional Hazard Mitigation Plan Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Oakland Soft-Story Building Safety Program Regional Hazard Mitigation Plan Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Oakland Soft-Story Building Safety Program Regional Hazard Mitigation Plan Local Government Resilience Toolkit
Information Clearinghouse	<ul style="list-style-type: none"> Housing and Community Risk Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Airport and Infrastructure Resilience Regional Hazard Mitigation Plan Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Oakland Soft-Story Building Safety Program Regional Hazard Mitigation Plan Local Government Resilience Toolkit 	<ul style="list-style-type: none"> Resilience Initiative Housing and Community Risk Airport and Infrastructure Resilience Oakland Soft-Story Building Safety Program Regional Hazard Mitigation Plan Local Government Resilience Toolkit

Resilience Program 2014-2015 Grants Planning





Date: February 26, 2014

To: ABAG Administrative Committee

From: Brad Paul, ABAG Deputy Executive Director

Subject: Website Redesign and Update on ABAG General Assembly Delegate Meetings

At last year's Administrative Committee retreat, staff was asked to find new ways to engage our ABAG General Assembly delegates. Following adoption of Plan Bay Area in July, we began planning meetings that would allow senior staff and Executive Board members to talk with delegates from each county in depth about their biggest concerns and how ABAG could be more helpful. Meetings for ABAG delegates in Santa Clara County, San Mateo County, and Alameda County were conducted in November, January, and February. In March, ABAG will meet with Solano County delegates on Friday, March 14, and with Sonoma County delegates on Friday, March 28th. Meetings are now being scheduled for the remaining four counties.

At each of these meetings, the main topic for discussion has been the evolving role of delegates, Plan Bay Area implementation, PDA and PCA implementation challenges and

issues, a description of other ABAG Programs and Services of interest to each of the counties/cities, as well as a discussion of how ABAG can support each of the cities and counties in their efforts regarding the growth and development of Priority Development Areas.

A summary of delegate meetings and attendees follows:

**Santa Clara County, January 9th, Santa Clara County Building,
San Jose**

Attendees

County of Santa Clara Supervisor Cindy Chavez, ABAG
Executive Board Host
City of Santa Clara Mayor Jamie L. Matthews
City of Los Altos Mayor Jarrett Fishpaw
City of Sunnyvale Councilmember Jim Davis
City of Saratoga Councilmember Chuck Page
City of Morgan Hill Councilmember Gordon Siebert
City of Palo Alto Councilmember Greg Schmid
City of Gilroy Councilmember Peter Arellano
Town of Los Altos Hills Councilmember Gary Waldeck
City of Mountain View Councilmember Ronit Bryant
City of Milpitas Councilmember Carmen Montano
Felix Reliford, Principal Housing Planner, City of Milpitas
Brad Paul, ABAG Deputy Executive Director
Leah Zippert, ABAG Communications Officer

**San Mateo County, November 5th, San Mateo County Government
Center, Redwood City**

Attendees:

San Mateo County Supervisor David Pine, ABAG Executive
Board Host

San Mateo County Supervisor Warren Slocum

City of South San Francisco Mayor Pedro Gonzalez

Redwood City Mayor Barbara Pierce

Town of Atherton Mayor Elizabeth Lewis

Town of Hillsborough Councilmember Shawn Christianson

Brisbane Councilmember Cliff Lentz

Brad Paul, ABAG Deputy Executive Director

Gillian Adams, ABAG Regional Planner

Halimah Anderson, ABAG Communications Officer

**Alameda County, February 20th, Alameda County
Administration Building, Oakland**

Attendees:

Alameda County Supervisor Scott Haggerty, ABAG Executive
Board Host

City of Pleasanton Councilmember Jerry Pentin

City of Alameda Vice Mayor Marilyn Ezzy Ashcraft

City of Berkeley Councilmember Susan Wengraf

Brad Paul, Deputy Executive Director

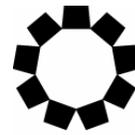
Mark Shorett, ABAG Regional Planner

Kathleen Cha, ABAG Senior Communications Officer

A summary of some of common themes and key comments
from these delegate meetings will be presented at the
Administrative Committee Retreat.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

March 6, 2014

To: ABAB Administrative Committee
From: Cynthia Kroll, Chief Economist
Subject: ABAG's emerging role in framing regional economic development efforts

Our region is currently a national growth leader, however, the Bay Area's experience in two recessions in the 2000s decade and the unevenness of the recovery since 2010 has highlighted the links between economy and urbanization patterns, social equity concerns, and environmental consequences of growth. We began to work on some of these issues in Plan Bay Area. ABAG is further addressing these concerns in collaboration with MTC and JPC. Among regional agencies, ABAG has had the central responsibility and expertise for economic reports and forecast. ABAG is equipped to address the increasing challenges of this work in light of the current demands for economic strategies at the local and regional level.

At the Administrative Committee retreat, I will present the different ways that ABAG may be involved in economic development at a regional level and current projects that address related concerns and opportunities.

In general, we expect ABAG work in this area going forward to include:

- Follow-up to the work on housing affordability and economic prosperity, providing a structure for evaluating current pilot projects and extending successful projects to other parts of the region.
- Developing data sources and indicators to track regional prosperity and trends and provide resources for economic development planning efforts at the regional, subregional and local levels.
- A regionwide perspective on the relationship between land use policy, freight movement, and employment and output growth.
- Background analysis to support job development efforts and cooperative ventures of workforce agencies and employers throughout the region.
- Developing an Agency role as a framing, coordination, and communications center for the multiple economic development efforts in the region, including continued close cooperation with the business and labor communities

Questions

The following questions are proposed to start the discussion:

- What are the key economic development and strategies where ABAG can contribute the most?
- How can ABAG support local economic development efforts?

- What are the most strategic collaborations to support regional economic health?
-

Four attached documents are included as general background to inform the discussion at the retreat:

- Attachment 1, *The Economic Development Regional Policy Background Paper* (July 2013).
- Attachment 2, A memo to the JPC describing recent economic development work concerning the regional agencies and a framework for coordinating those and future efforts. (January 2014)
- Attachment 3, A presentation to the Regional Planning Committee on regional economic trends, opportunities and concerns (February 2014)
- Attachment 4, A memo for the Executive Board January 2014 meeting describing the first phase of the Bay Area Corridors PDA Implementation effort.

1. Introduction

2. Regional Employment Assessment

3. Regional Economic Issues and Challenges

4. Economic Development Priorities and Strategies

This paper is part of a series of ongoing policy background papers to inform the initial Plan Bay Area process. The papers are working documents providing information, analysis and ideas for discussion and should be seen as material for consideration rather than a reflection of regional policy.

1. Introduction

The San Francisco Bay Area is nearing adoption of Plan Bay Area, an integrated land use and transportation plan required per California law, Senate Bill 375. With Plan Bay Area, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) are for the first time closely linking long-term land use planning, transportation investments, and housing production to achieve a set of common sustainability goals. In addition to reducing Greenhouse Gas Emissions and providing housing for the region's projected population, a central goal of the Plan is to create jobs to maintain and expand a prosperous and equitable regional economy.

The Bay Area has historically experienced robust economic growth and opportunity linked to its leadership in high technology and innovation, connections to international networks, world-class higher education and research institutions, and a highly skilled labor force. The region is experiencing a stronger economic recovery than the nation, capturing an increasing share of total growth and capitalizing on the Bay Area's unique knowledge economy. Many neighborhoods and households, however, have not shared in the recovery. The recession disrupted livelihoods and communities, altering the landscape of challenges and opportunity in our region.

While employment growth in the region is contingent on a successful future national and global economy, the Bay Area can expect healthy but slower employment growth than in the past several decades. Despite our competitive advantages, a clear strategy for expanding economic opportunities across strategic sectors and for all portions of the population is necessary in order to ensure a healthy economy and prosperous future for the region.

This policy background report expands upon the employment forecast included in Plan Bay Area to:

- Provide an assessment of the trends shaping the type and location of future job growth;
- Identify challenges faced by the Bay Area economy; and
- Propose place-based strategies for regional economic vitality.

The paper focuses on the spatial dimensions of prosperity, reflecting ABAG's role in regional economic development. The place-based strategies introduced in the paper will work in concert with the investments and policies identified by related regional economic development efforts, including the Bay Area Prosperity Plan¹ and strategies being developed by business groups.

¹ The Bay Area Regional Prosperity Plan is a three-year regional initiative made possible by a \$5 million grant from the U.S. Department of Housing and Urban Development (HUD). The Prosperity Plan includes two key, interconnected areas of work: an Economic Prosperity Strategy that will define a regional approach for expanding economic opportunities for low- and moderate-income workers in the region; and the Housing the Workforce Initiative that will provide tools and resources to improve housing affordability near transit for a range of income groups while stabilizing low income neighborhoods as new investments raise property values. Link: <http://onebayarea.org/regional-initiatives/Bay-Area-Prosperity-Plan.html#.UQATLyf7LTc>

2. Long Range Regional Employment Assessment

Employment Growth Expected to Outpace the Nation

By 2040, the Bay Area is projected to have approximately 4.5 million jobs and 3.4 million housing units, or an additional 1.1 million jobs and 660,000 housing units from 2010. The forecast is built upon the relative strength of different sectors of the regional economy and the spatial pattern of growth in these sectors, based on several critical themes. It is important to note that the overall level of employment growth is constrained by projected housing production. While the projected level of housing production is ambitious, it still results in slightly lower employment growth than the region could potentially capture based upon its competitive advantage in high-growth industries.²

The region is forecast to grow slightly faster than the nation. Over half of the 1.1 million job growth is expected to occur between 2010 and 2020, which includes the recovery of close to 300,000 jobs lost since 2007. Many of these jobs will be filled by currently unemployed or underemployed individuals. From 2020 to 2040, the rate of job growth is forecast to slow down as retiring Baby Boomers exit the labor force.³

Table 1: Regional Totals, 2010 and 2040

	2010	2040	Growth
Population	7,151,000	9,299,000	2,148,000
Households	2,608,000	3,308,000	700,000
Housing Units	2,786,000	3,446,000	660,000
Jobs	3,385,000	4,505,000	1,120,000

Innovation and diversity lead economic growth

The Bay Area exhibits strength in certain key economic sectors, particularly those directly involved in knowledge production, which provide the region with a competitive advantage over other regions. Other large employment sectors, such as Health and Education and Leisure and Hospitality, also have exhibited steady growth, while some sectors, such as Manufacturing, have shrunk in employment but continue to play an important role in income, output, and linkages to growing employment sectors.

By 2040, the leading sectors of the regional economy are expected to remain in knowledge production. This includes Professional Services, Information, Finance, and portions of the Health and Education sectors. Many companies in these sectors will continue to specialize on the design and development of new products and information, outsourcing routine manufacturing and a portion of general professional services. This knowledge production is supported by a highly educated labor pool and provides many high wage jobs. These leading sectors have represented and will continue to represent a high share of the total regional growth, accounting for over one third of total new jobs. Although the knowledge-based sectors define the overall pace of growth for the region, their success is supported by and advanced by a very diverse regional economy.

² CCSCE/Stephen Levy. *Bay Area Job Growth to 2040: Projections and Analysis*. February 2012. A more detailed description of the forecast and distribution methodology is available in the Forecast of Jobs, Population & Housing supplemental report to Plan Bay Area.

³ Ibid.

The Health and Education and Leisure and Hospitality sectors are expected to continue growing steadily, spurred by aging baby boomers and the echo boomers, or “millennials.” Construction is expected to experience significant employment gains, particularly through the recovery period.

Manufacturing and Finance are not expected to contribute many jobs, but will remain stable sectors in the regional economy. The decline of manufacturing and finance employment has resulted in a loss of some middle-income jobs for the region. This is compounded by the expected continuation of polarized incomes between the highly specialized knowledge-based jobs and service jobs. Despite limited job growth, manufacturing is a key venue for the innovation that drives many of the other aspects of the knowledge sector. Finance is also a key to fueling innovation by providing the capital necessary to support new and growing ventures.

The agricultural sector—where food production is combined with high value tourism, organic markets, and farmers markets—has incorporated a wide range of services and exchange networks with a resulting higher productivity for many businesses, but the number of jobs in this sector is expected to remain the same or decline. Agriculture supports a much wider range of growing activities, such as leisure and hospitality, while also enhancing the region’s quality of life and increasing long-term food security.

Table 2: Total Employment & Growth by Sector, 2010 and 2040

	Total		Growth
	2010	2040	2010-2040
Professional	596,700	973,600	376,900
Health and Education	447,700	698,600	250,900
Leisure and Hospitality	472,900	660,600	187,600
Government	499,000	565,400	66,400
Information	121,100	157,300	36,300
Transportation and Utilities	98,700	127,400	28,600
Financial	186,100	233,800	47,700
Construction	142,300	225,300	82,900
Retail	335,900	384,400	48,500
Agriculture and Natural Resources	24,600	22,700	-1,900
Manufacturing and Wholesale	460,200	456,100	-4,100
All Jobs	3,385,300	4,505,200	1,119,900

Source: Stephen Levy, ABAG

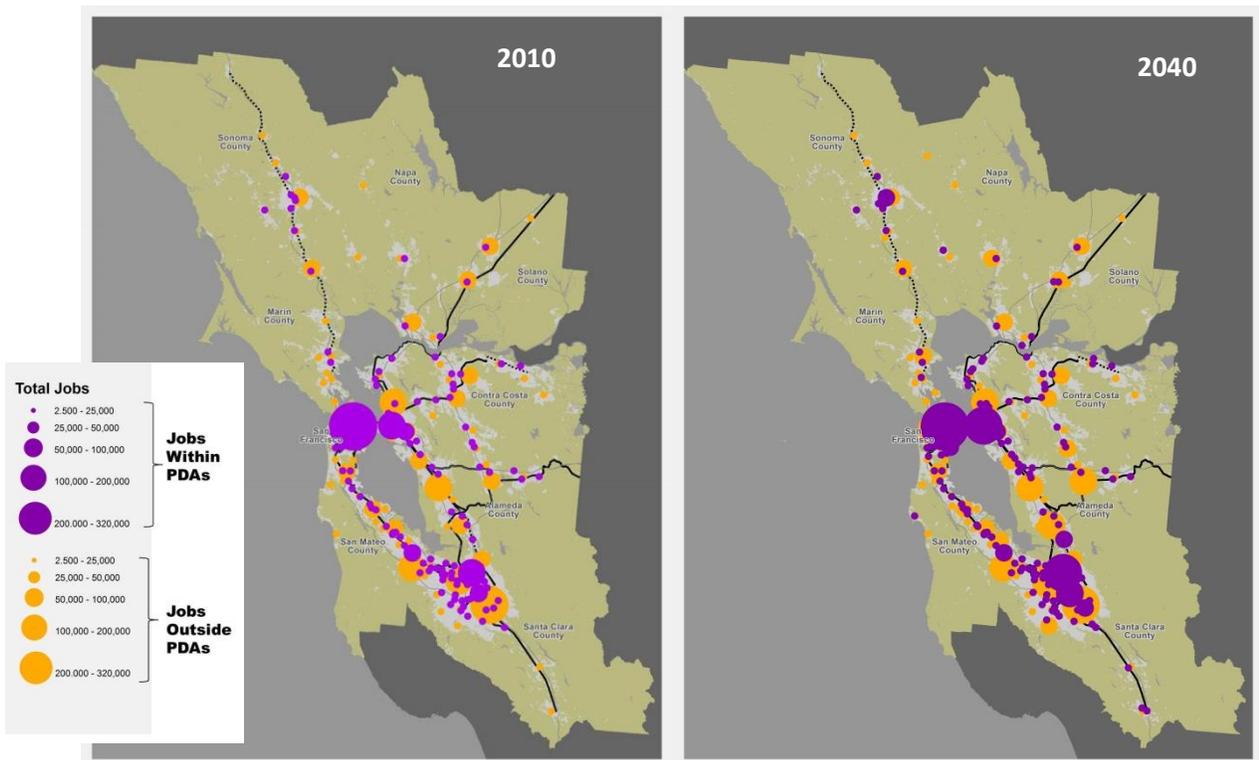
Job Growth Concentrates in Priority Development Areas

The employment growth forecast and industry sector distribution takes into account the Priority Development Area (PDA) framework for growth established by local jurisdictions and the regional agencies. The types of jobs forecast in Plan Bay Area correspond to and complement planned areas of employment growth in the PDAs, which are expected to capture nearly two-thirds of overall employment growth.

The spatial distribution of employment growth reflects three major trends, taking into account existing sector characteristics, spatial concentration trends, and recent location trends:

- Clustering of knowledge based sectors based on current spatial concentration, sector specialization, and past growth in particular areas of the region, as well as transit access and level of service.
- Growth of local service sector employment around new housing. Plan Bay Area anticipates that the ten percent job growth in the Retail, Health & Education, and Construction sectors follows the proposed pattern of housing growth, which is expected to become more concentrated within the PDAs.
- Limited job growth in other sectors—Manufacturing and Wholesale, Agriculture, and Government—that follows existing patterns of employment in these sectors, both in terms of location and spatial concentration.

Figure 1: Job Location, 2010 & 2040



3. Regional Economic Issues and Challenges

The Bay Area faces numerous threats to long-term prosperity. Many of these can be addressed in near-term strategies and in the medium- to long-term coordination of regional economic development between the regional agencies, the business community, and other stakeholders. This includes both spatially-oriented issues related to the implementation of the Plan Bay Area job growth pattern, and issues linked to, but not directly addressed, in the Plan and in this paper.

Housing production and affordability

To achieve the level of economic growth projected over the next 30 years, the region must produce an adequate supply of workforce housing. The ABAG Housing Policy Background Report projects that without further policy intervention, the region could produce **close to 280,000** fewer very low, low and moderate income units than necessary to provide affordable housing for our projected future workforce. This could significantly constrain the number of new jobs in the Bay Area over this period, while also reducing the spending power of low and moderate income households. A recent report by the Bay Area Council Economic Institute⁴ found that insufficient affordable housing is a competitive disadvantage to attracting businesses and growing jobs in the Bay Area—a finding echoed in this report and numerous other analyses.

Education and workforce development

The region is expected to produce a high percentage of both knowledge-based jobs and middle-skill jobs in industries such as health care with career ladder opportunities. Access to a highly trained workforce is among the region's greatest economic strengths, but the Bay Area lacks qualified workers for the full range of jobs in these industries, especially middle skill occupations. Some of this is related to a shortage of affordable housing, but our K-12, university, and workforce training systems also play an important role. As federal and state efforts focus on improving K-12 performance, the Bay Area Prosperity Plan is identifying industries of opportunity to help coordinate investment and technical training. Implementation will involve regional partnerships among jurisdictions, Workforce Investment Boards, economic development organizations, unions, major employers, community colleges, and state and federal agencies.

Low wage workers and low-income households

The national and regional long-term trend toward economic inequality is projected to continue into the future. Nearly one-third of Bay Area workers are projected to be employed in jobs with current annual incomes of less than \$25,000.⁵ This has significant implications for housing, social services, community cohesion, and the local economies of distressed downtowns and neighborhoods—which are increasingly located at the edges of the region and supported by a consumer base with limited spending power. As strategies are developed to improve access to middle wage jobs, meeting the basic needs of a growing low-income population and addressing community disinvestment is critical to the health of the regional economy.

⁴ Bay Area Council Economic Institute, 2012, *The Bay Area: A Regional Economic Assessment*
Link: <http://www.bayareaeconomy.org/media/files/pdf/BAEconAssessment.pdf>

⁵ In 2010 dollars.

Spatial needs of emerging economic sectors

The spatial requirements of knowledge industry businesses and artisanal retail and industrial businesses are often different than the businesses for which current zoning codes and design guidelines were written. The more open, flexible spaces sought by start-ups and tech companies, the low intensity manufacturing activities of small local food producers, and farms looking to expand value-added activities are among the trends that can be addressed by adjustments to local standards. Strategies to accommodate these businesses in centers, corridors, and on industrial and farm land are critical to the long-term success of PDAs and the region's economy. Furthermore, the newest expanding businesses are not always the most stable in terms of either employment or as tenants. Indeed, the commercial leasing business is rethinking leasing strategies to address the needs of firms whose space needs grow and shrink dramatically in the near term. Adjustment to a different market base may require new institutional frameworks for financing and leasing this space.

Transit accessibility of job locations

Focusing jobs around transit makes the Bay Area a more attractive place to live while also increasing access for low-income households and putting the region on track to implementing our greenhouse gas reduction target. Sustaining growth in PDAs over the next three decades will require adequate transit capacity. The region has made significant investments in transit facilities in Regional Centers over the next 30 years, but ensuring a vibrant competitive economy will require monitoring over time to maintain this capacity. At the same time, as new jobs cluster around transit, many existing Bay Area workplaces will remain beyond walking distance of transit. In these locations, creative approaches and place-based solutions such as those discussed in the next section are critical to leveraging our transit infrastructure and enhancing access for low-income workers.

Involvement of leading knowledge sector businesses in regional and local issues

Many of the region's leading companies are equally or more connected to discussions regarding national and international issues than to discussions about regional and local issues. While this reflects their prominence in the global economy, stronger engagement on issues such as housing, labor force training, and placemaking can benefit both the region and our leading companies. To reinforce this increased communication, regional agencies and local jurisdictions can expand outreach to knowledge sector businesses to ensure that their perspective is included in planning processes. A first step toward this is the current involvement of a regional business coalition in the Bay Area Prosperity Plan as well as in efforts by the Joint Policy Committee to explore a comprehensive approach to regional economic development.

A balance among sectors

As new sectors expand (most recently multimedia and social networking, for example), other employers in traditional stable or declining industries or in support services to businesses and residents may find their operations further stressed by competition for space and rising wage levels. This may have consequences not only for the individual proprietors and employees but also for the communities in which they have been housed. As Plan Bay Area is implemented, transition support may be needed for businesses, employees and places that are not part of the newest wave of growth, including programs to find affordable space for businesses feeling the impact of tight leasing markets and rising rents.

4. Regional Economic Development Priorities and Strategies

The economic development strategies introduced for discussion in this paper focus on the places that make up the region's economic network—the centers, corridors and neighborhoods in which jobs are located, new technologies are cultivated, and people are educated and live. This approach reflects the emphasis on land use and transportation in Plan Bay Area and the role of ABAG and the regional agencies in coordinating land use planning to support a sustainable growth pattern. The priorities and strategies draw upon the feedback received during the Plan Bay Area process and recent efforts from across the region—including city and county economic development plans, analyses of regional competitiveness, and strategies developed by non-profit and business organizations.

Moving forward, successful regional economic development planning will require close coordination between the efforts of regional agencies and local jurisdictions to implement Plan Bay Area and parallel efforts in the region led by the business community and others. Through Plan Bay Area and the HUD-funded Bay Area Prosperity Plan, the region has brought together a broad spectrum of private, public, and non-profit stakeholders, setting the stage for integration of region-wide actions focusing on housing, infrastructure, workforce, business engagement and resiliency issues with the place-based priorities and strategies proposed in this section.

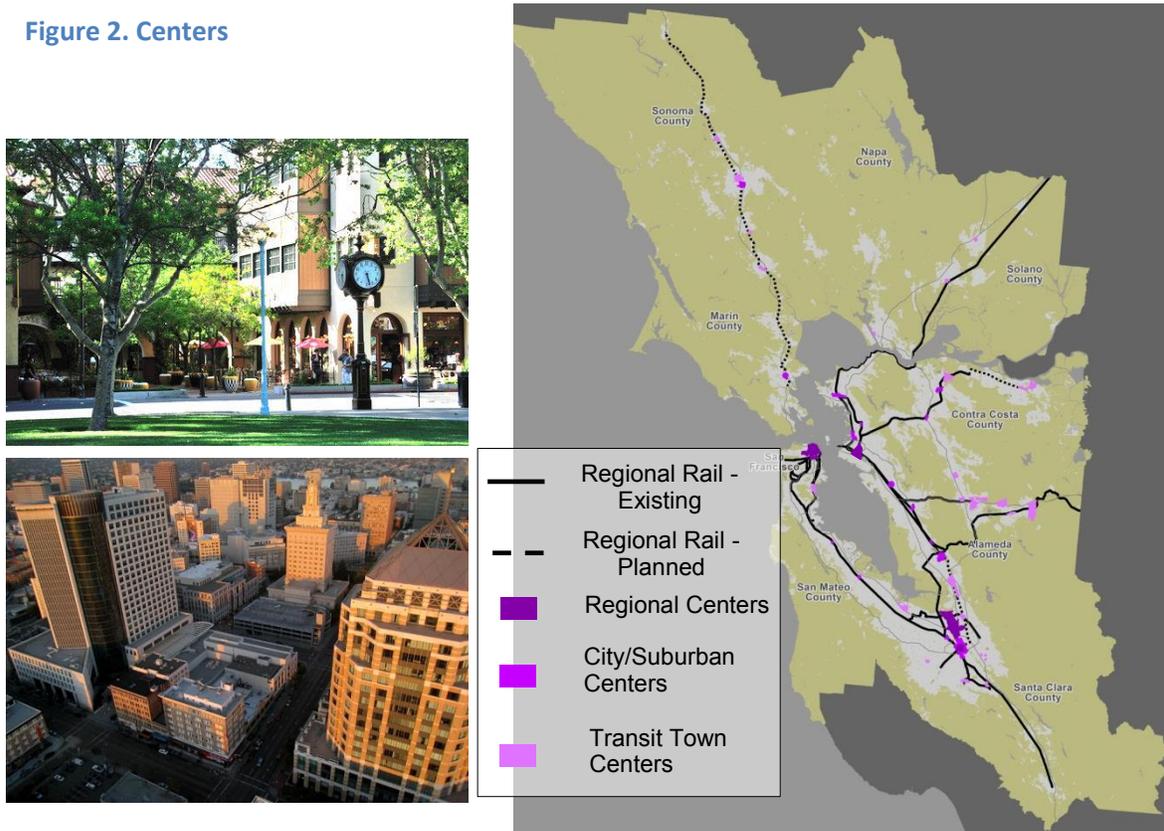
Place-Based Priorities

The Bay Area increasingly operates as an interconnected economy linked by cultural, financial and infrastructure networks. Each part of the network has a unique role 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 overwhelming majority of the region's job growth results from new businesses created inside the region and the expansion of these companies within the Bay Area. The vitality of our economic ecosystem depends upon the quality and integration of the places in which learning, information exchange, research and product development, retail sales, and other parts of daily life take place.

At a general level, the areas of the region in which economic activity take place can be characterized by several broad categories. These include Regional Centers; City, Suburban and Transit Town Centers; Corridors; Neighborhoods; Office Parks; Industrial Land; and Farmland. The groups of places within each category contain incredible diversity, reflecting internal and external factors. Within this framework, centers are critical to sustaining the region's strength in knowledge-based industries, and on increasing the flow of information critical to innovation. Increased employment density has been linked to productivity and innovation in places with concentrations of skilled employees such as the Bay Area's centers.⁶ Regional Centers and City, Suburban, and Transit Town Centers are related to adopted PDA Place Types, but are not the only nodes for employment concentration. The vast majority of office parks are not identified as PDAs (due in part to a lack of transit access), but will continue to have an important role in the regional economy.

⁶ Abel, J., Dey, I., and Gabe, T. "Productivity and the density of human capital," *Journal of Regional Science* 52:4 (562-586), October 2012

Figure 2. Centers



Regional Centers

Regional Centers are the economic and cultural hubs of the Bay Area: the downtowns of San Francisco, Oakland, and San Jose. In addition to anchoring the Bay Area economy, they are linked to the national and international economies. They are served by highest levels of transit, and are the focus of a host of future investments—including the Transbay Terminal in San Francisco, capacity improvements to East Bay BART and AC Transit service, and enhancements to Diridon Station that will accommodate high speed rail and the extension of BART service to San Jose. Federal, state and local government offices are also focused in the regional centers.

Regional centers are anticipated to expand their roles as dense clusters of office jobs, particularly activities in the knowledge sectors—reflecting a growing preference among workers and employers for urban amenities, transit access and dense networks of knowledge exchange.

Regional centers are also projected to accommodate a significant amount of new housing. This will increase the hours of activity and help make local businesses providing both basic services and niche industries more viable. Evidence of this diversification is already evident in the boom in new apartment construction in areas such as San Francisco’s South of Market and the growth of clusters for cultural activity such as Oakland’s Uptown. The presence of specialized local food, retail, and entertainment establishments plays an important role not only in attracting new residents, but also in attracting office

tenants from the tech and creative sectors. Combined with transit and a commitment to sustainability, proximity to restaurants and bars has been cited by businesses leasing office space in Downtown Oakland.⁷ In addition to accommodating new office tenants, meeting the spatial needs of local entrepreneurs to experiment and expand is an important part of creating vibrant centers.

Potential Priorities for Regional Centers include:

- **Meet the spatial needs of growing knowledge-sector firms** attracted to regional centers, in particular tech companies. This may involve adjusting zoning and design guidelines; refining review processes and fees; and ensuring that adequate land exists to facilitate future expansion.
- **Support and expand “social infrastructure”** such as cafes, restaurants, and places that facilitate collaboration and have been shown to contribute to innovation and clustering. This may involve refining regulations, or drawing upon successful efforts in other parts of a center or another part of the region.
- **Provide space for incubating start-ups focused on culture, food, and other specialized activities** by leveraging publicly owned buildings or public spaces, or by partnering with private companies and non-profits (for example, Macy’s provided free workspace to an SF Fashion Incubator supported by the SF Center for Economic Development).
- **Address the needs of existing businesses facing new challenges:** A series of resources, programs and actions may be needed to address the needs of businesses at risk as regional centers transform. Some may benefit from programs that support modernization and facilitate linkages with growing sectors. Others may need resources of job training or business relocation services to identify new pools of affordable employees or alternative locations for operation.

City, Suburban, and Transit Town Centers

City, Suburban, and Transit Town Centers are current and projected centers of economic activity for medium-sized cities and clusters of smaller cities designated by local jurisdictions. These centers are within walking distance of convenient fixed route transit, including BART, CalTrain, Sonoma Marin Area Transit (SMART), Capitol Corridor, and light rail or express bus service. Some of the centers, particularly those in Silicon Valley, are home to the headquarters of a handful of companies that are integrated into the international economy. Other centers provide support services for companies with headquarters elsewhere in the Bay Area or outside of the region. Many of the centers are historic downtowns with local services, government headquarters and cultural activities, while others only contain commercial office buildings but are planned for a greater diversity of land uses.

Like Regional Centers, this group of centers is increasingly attractive to knowledge-sector companies because of their access to the transit, amenities, and opportunities for face to face collaboration. In addition to employment growth, the centers are anticipated to accommodate more than a quarter of the region’s new homes in a variety of housing types ranging from mid-rise apartment buildings to rowhouses and small lot single family houses. This growing residential population is expected to support commensurate increases in civic, cultural, and retail services—in many cases helping make centers more complete.

⁷ Fast Company, 5/1/12, “Why Startups Hella Love Oakland.”
Link: <http://www.fastcompany.com/1836098/why-startups-hella-love-oakland>

Potential Priorities for City, Suburban and Town Centers include:

- **Focus public buildings and investments in centers**, in particular immediately around transit, to help create critical mass and support local businesses. This can be accomplished by enhancing coordination among city, county, school and special districts, or through the adoption of policies.
- **Expand opportunities for local businesses to develop, market, and sell products** within centers. This can involve increased use of public spaces for farmer’s markets and temporary vending, as well as coordinating the use of public or private buildings by “pop up” businesses for a designated period of time, and outreach to local residents in multiple languages. These approaches can be linked to community development efforts that provide financial and other assistance to local businesses. Successful businesses looking to expand operations should be connected to building owners and others with vacant building space along retail streets in the center that is for lease on a long term basis.
- **Revise zoning and design guidelines as needed to meet spatial requirements** of tech and other growing industries while maintaining options for a mix of economic uses, including retail, office and services.

Office Parks

Office Parks are single-use districts of commercial office buildings, typically with low densities and convenient highway access. Occupants vary widely across the region, from dentist and doctors’ offices to campuses for major companies such as Google and Oracle.

Several office parks with excellent regional transit access, such as Hacienda Business Park adjacent to the Dublin/Pleasanton BART station, were designated future City and Suburban Centers by local jurisdictions. A number of office parks with local transit access were designated Employment Investment Areas –which are anticipated to remain predominantly single-use, but to integrate new daytime services such as restaurants, gyms, and pharmacies, as well as improved pedestrian facilities.

While office parks are not targeted for intensive growth, they will remain a primary land use in some parts of the region. Office parks experiencing high levels of vacancy are being converted to residential use in some places, and can help accommodate the growth of companies that need industrial space not suitable for centers, such as logistics and light manufacturing. Diversifying the land use mix and level of pedestrian, bicycle, and transit access to workplaces in office parks is an important part of achieving the region’s GHG emissions reduction targets.

Potential Priorities for Office Parks include:

- **Diversify land use mix** through planning and infill development that adds services that support daytime population.
- **“Last mile solutions”** to increase access to workplaces from transit stations beyond walking distance of office parks (e.g. shuttle service, bike and electric vehicle sharing), and improvements to pedestrian environment within office parks.
- **Increase flexibility of vacant and underutilized office space** to accommodate uses that are not transit supportive but support growing sectors of the region’s economy—such as light

manufacturing—as well as older established businesses that can no longer afford space in regional and town centers.

- **Targeted land banking for long-term reuse.** This could include light and heavy industrial activities in places with limited transit access and medium to high density mixed-use development in places with strong transit access.
- **Campuses for emerging giants.** Work with large, rapidly growing employers in expanding sectors to identify the potential role of office parks to meet needs of campus settings.

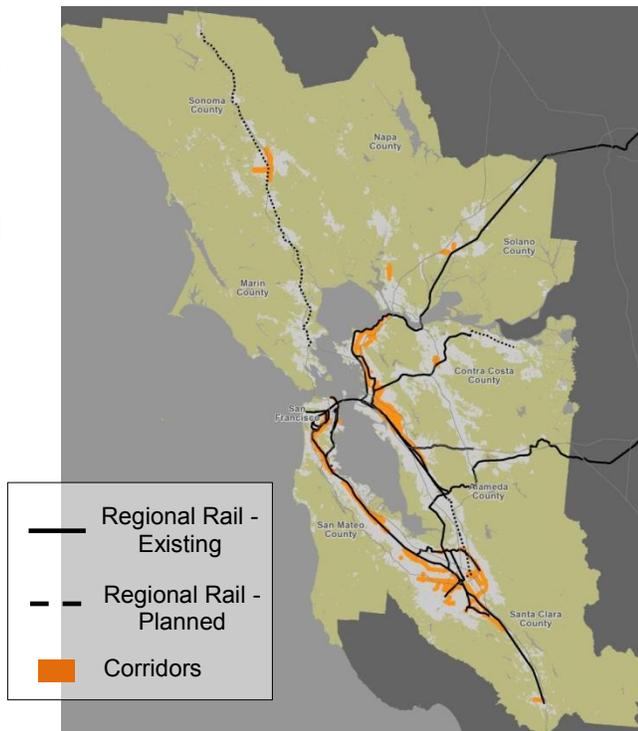
Corridors

Corridors are linear districts along major arterials such as El Camino Real/Mission Street, San Pablo Boulevard, and Stevens Creek Boulevard. Corridors provide retail and professional services for surrounding neighborhoods, but in some cases also include clusters of specialty food, cultural and retail uses. Some corridors are already served by rail or rapid bus; frequent service in dedicated rights of way is planned for most of the others. Jurisdictions are working collaboratively to transform the auto-oriented portions of corridors into mixed-use environments with complete streets that balance the needs of pedestrians, bicycles, transit vehicles with smooth traffic flow. In recent years, the Grand Boulevard Initiative has brought together the public and private sectors of communities along El Camino Real in San Mateo and Santa Clara County to establish a common vision. The participation of these parties helped create a model for collaboration that can be extended to other corridors in the Bay Area.

Potential Priorities for Corridors Include:

- **Coordination between cities, business communities, transit agencies, and the California Department of Transportation (CalTrans)** to align planning and design efforts along corridors

Figure 3. Corridors



that cross jurisdictional boundaries, building upon the Grand Boulevards Initiative. Regional agencies can help facilitate resolution of implementation challenges related to CalTrans standards.

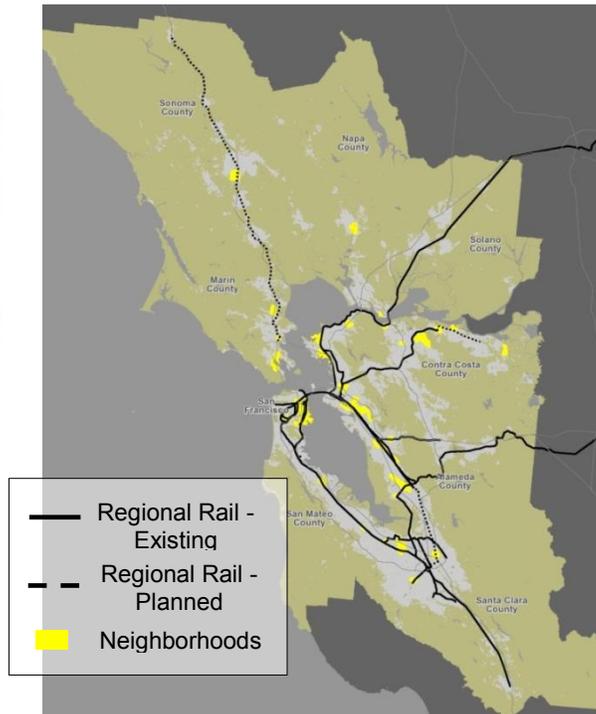
- **Identify and implement creative approaches to redeveloping strip malls and underutilized commercial buildings** with deep setbacks from the public right-of-way. This can draw upon successful regulatory practices in cities such as Emeryville. This should be coupled with efforts to retain small businesses serving the unique cultural needs of surrounding communities.
- **Support development and expansion of small businesses**, and facilitate the use of underutilized public and private buildings for “pop ups”. This can involve outreach to cultural and social networks in communities surrounding corridors.

Neighborhoods

Limited change is expected in the vast majority of Bay Area neighborhoods. Some jurisdictions have adopted residential areas within walking distance of transit for new housing and supportive services as PDAs. These supportive services are expected to provide opportunities for new small businesses—the scale and variety of which varies between Urban Neighborhoods around regional centers to Transit Neighborhoods in places with frequent transit service but a less urban character.

Home-based businesses, which are sprinkled throughout neighborhoods, have an important role in the regional economy; inventions in garages and kitchens have gone on to create thousands of jobs and reshape entire industries. In Urban and Transit neighborhoods, home-based and existing local businesses are expected to be complemented by a wider array of services, including public facilities to meet the needs of a growing population.

Figure 4. Neighborhoods



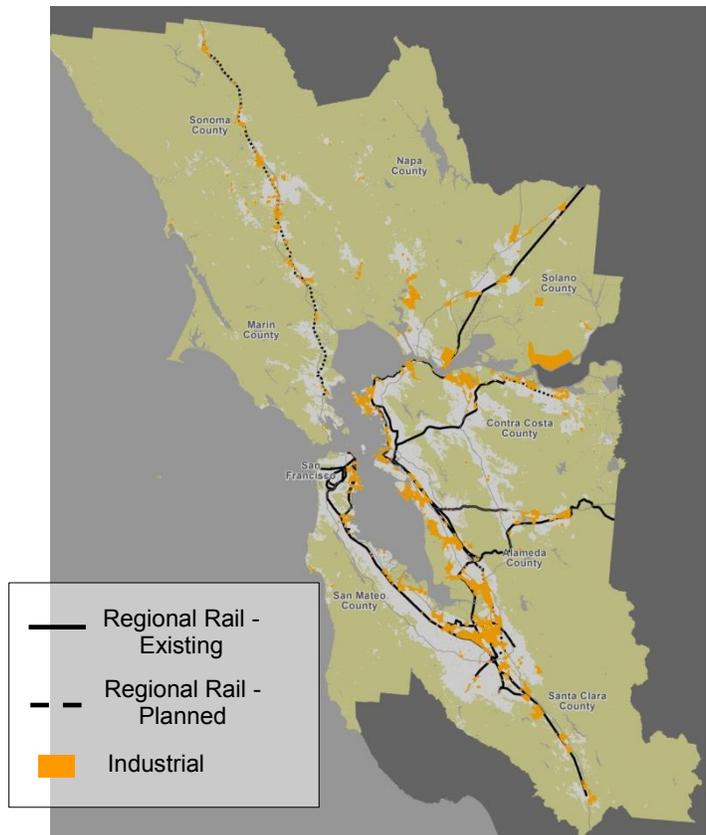
Potential Priorities for Neighborhoods include:

- **Support retention of small businesses that reflect the unique culture and lifestyle** of communities within a neighborhood.
- **Expand local businesses** such as grocery stores in underserved neighborhoods
- **Increase installation of solar panels, graywater systems, electric vehicle charging capacity and other green technologies** by reviewing city standards and coordinating with providers. This should target homes as well as publicly owned facilities. This approach can reduce household costs while also supporting green industries located in the region's centers, corridors and industrial area.
- **Outreach to home-based businesses** seeking space to introduce products and expand operations in surrounding communities. Connect these businesses to public and private parties offering space on a temporary or permanent basis.

Industrial Land

Industrial land is distributed throughout the Bay Area, typically in close proximity to highways, rail corridors, and ports. The range of activities taking place on industrial land continues to diversify, with small scale operations such as coffee roasteries joining more research and development and logistics, as well as traditional manufacturing and warehousing. Industrial land provides space for the food production, catering operations, and transit vehicle storage needed for successful centers, corridors and neighborhoods. Industries expected to provide additional career ladder job opportunities and support the

Figure 5. Industrial Land



green economy, such as electric vehicles and renewable energy, also often require industrial space to develop products and scale up operations.

Priorities for industrial land vary across the Bay Area, reflecting access to transportation networks, land values, economic clustering, and labor markets. For example, industrial land in much of Sonoma County supports the agricultural sector, while vacant and underutilized land in parts of Solano County, such as Mare Island, is being converted to a growing cluster of green manufacturing activities including electric vehicles and energy-efficient prefabricated homes. These locations are attractive because they are less expensive, accessible by shipping channels, and still within driving distance of Silicon Valley. In the South Bay and parts of San Francisco, in contrast, close proximity to research and development lead to a greater emphasis on high-tech and bioscience activities. In other parts of the region, such as Emeryville and South of Market in San Francisco, smaller scale artisan manufacturing and cultural activities occupy a significant amount of industrial land.

Potential Priorities for Industrial Land include:

- **Identify and protect strategically important industrial land**, drawing upon best practices from within and outside the region.
- **Identify the spatial needs of growing businesses and adjust land use standards** to address these needs.
- **Increase the ability of growing Bay Area companies**—particularly those in the Clean Technology sector—to **rapidly identify and acquire space** for scaling up operations.
- **Develop strategies for preserving land for activities necessary to the functioning of centers**, such as vehicle storage and food distribution, that may face difficulties paying increasing rents in places proximate to centers.
- **Address employee access to workplaces without transit**—in particular for industries of opportunity identified as part of the Bay Area Prosperity Plan.

Farmland

The Bay Area's farmlands result in over \$1.8 billion of crop production value annually and generate nearly 25,000 jobs—including 8.2% of jobs in Napa County and 3.7% in Sonoma County.⁸ The region's agricultural industry creates a Bay Area "foodshed" that includes access to fresh produce, greater security as climate change effects the stability of production worldwide, and a strong rural economy. Farmlands offer additional economic benefits through the activities that accompany agriculture, such as food processing, specialized food and wine products, and food-related tourism. Farmland also contributes to the unique character of the Bay Area that continues to attract new residents and is a contributing factor to the selection of the region by company founders. Agricultural land is an integral part of the region's infrastructure network, dependent on road and rail access to markets within the Bay Area's urban areas and outside of the region. Farmland also supports the region's watershed by allowing water infiltration into the groundwater storage system, contribute to flood control, and absorb greenhouse gas emissions. As the industry evolves, many farms will benefit from streamlining the process for adding commercial kitchens and other facilities that support value-added activities.

⁸ Crop Reports, Bay Area Counties, 2010 and 2011; US Census 2010

Potential Priorities for Farmland include:

- Renew and strengthen policy protections for agricultural land
- Update land use standards for farmlands to permit (where appropriate) value-added activities and facilitate successful continued operation
- Invest in strategic “farm to market” projects that improve the ability of farmers to efficiently transport produce to processing facilities and directly to customers
- Create a regional farmland protection plan. This concept was addressed in greater detail in the *Conservation and Open Space Policy Background Paper*.

Implementation Strategies

The strategies introduced below can be coordinated by ABAG to achieve the economic growth pattern envisioned in Plan Bay Area and enhance the capacity of the region’s jurisdictions to expand the opportunities available to their residents. The strategies respond to the challenges discussed in this paper and the unique role of ABAG in empowering Bay Area cities and towns to overcome these challenges, as well as ABAG’s role as a convener of public, private and non-profit stakeholders.

Strategy One: Model Land Use Guidelines for the Future Economy

Many of the Bay Area’s emerging industries and promising small businesses want to locate in PDAs and expand operations within the region, but need different kinds of workspaces and business environments than the companies for whom existing zoning and other standards were written. With the continued reduction in the amount of space required by professional services and other traditional office tenants and the growing demands of innovation-driven companies, meeting these needs is critical to creating vibrant PDAs and supporting the overall regional economy. Meeting changing spatial needs is equally important for accommodating local entrepreneurs seeking to sell unique foods and services, supporting successful small farms, and retaining industrial activity as it evolves. At the same time, the region’s jurisdictions must ensure that these emerging industries enhance the communities and public realms in which they are located.

To meet this challenge, ABAG can coordinate an effort to create model land use guidelines for attracting and successfully integrating growing economic activities into PDAs and other areas targeted for job growth. Model guidelines are based upon successful examples throughout the region and nation, and allow jurisdictions to adjust their zoning ordinances, design guidelines, or other regulations at lower cost and greater probability of success. The guidelines would address a variety of emerging activities—such as tech company offices, temporary retail space, research and development, vending districts, value-added agricultural activity and green manufacturing—and would be tailored to the levels of density in different kinds of PDAs and business districts. The guidelines would also take into account multiple hazards (earthquakes and sea level rise) to enhance the resilience of businesses to natural disasters and the impacts of climate change. Because one-third of the 1.1 million new jobs over the next three decades are expected to be accommodated within existing building space, the codes will consider both retrofits and new construction. The process of guideline development would involve consultation with jurisdictions, industry, and stakeholders to balance the needs of businesses with community priorities.

This strategy would involve:

- Analyzing the needs of different kinds of growing industries, focusing first on those seeking to locate in PDAs. Companies, small business organizations, industry groups, and jurisdictions would be surveyed to gain and confirm information. This would include outreach in appropriate languages to business communities for whom English is a second language. Following the analysis, ABAG would produce a report illustrating the spatial needs of different kinds of activities, including the way in which these activities can be successfully integrated into different contexts and at different densities (density levels could be linked to the PDA Place Types).
- Identifying successful efforts by cities in the Bay Area, state, and beyond to accommodate these activities in a way that benefits the communities in which the activities are located, including places at a variety of scales and densities. This would involve compiling zoning ordinances and other guidelines and identifying success factors. Because change (in growth rates, products, location preferences) is one of the defining characteristics of the new economy, this process should include identifying examples incorporating flexibility of use and design into ordinances.
- Developing and distributing model zoning and design guidelines, as well as incentives and other regulatory mechanisms if appropriate. The codes would be distributed to jurisdictions in a report categorized by economic activity (e.g. temporary retail) and place type (e.g. city center), as well as in a set of electronic files with model text, tables and graphics to incorporate into local standards. This would involve multiple rounds of revision based upon stakeholder and jurisdiction feedback.
- Providing assistance to jurisdictions in interpreting and implementing the model guidelines.

Strategy Two: PDA Start-Up to Scale-Up Initiative

This strategy would build upon Strategy One to help ensure that a diverse array of start-ups (ranging from software companies to “smart grid” developers to food and clothing makers) locate and expand operations within the network of transit-connected PDAs. This involves updating local zoning and other standards to integrate these activities into PDAs (addressed in Strategy One); improving coordination between start-ups, property owners, and jurisdictions about the needs of emerging businesses and their potential contribution to PDAs; and increasing the flow of information about demand for and supply of space—both public and privately owned—in PDAs. The final issue is particularly critical for small businesses that are prepared to begin selling at farmer’s markets or move into an office space, but have limited information about the range of available options and the potential benefits of selecting different locations. For jurisdictions with underutilized property inside PDAs, increasing the flow of information can help attract vendors to weekly fairs, or help find temporary tenants for vacant storefronts along main streets, helping create the critical mass necessary for successful retail district.

This strategy would help bridge the existing information gap while also enhancing collaboration between start-ups, jurisdictions, and property owners to help create more vibrant business environments in PDAs. It would draw upon the region’s wealth of information systems expertise and entrepreneurial spirit. Jurisdictions would opt-in to the initiative by agreeing to provide updated data about their Priority Development Areas and helping coordinate outreach efforts. It would not replicate existing resources

advertising commercial floorspace, but would improve the scope of information available to a broader range of businesses and consolidate existing information.

The initiative would be two-fold, including an ongoing research and outreach component and an online component. This would involve:

- Performing research into the economic, physical, and infrastructure conditions of the region's PDAs, including:
 - o Existing economic landscape of the region's PDAs: Concentrations of different activities, characteristics of different business types, clustering of emerging industries, vacancy levels, characteristics of market area, and levels of projected growth. This would draw upon the wealth of data collected during the Plan Bay Area planning process.
 - o Amenities: Transit access, local services (e.g. restaurants, grocery stores, cafes, etc.), public facilities (e.g. schools and libraries), and parks and open space
 - o Plans and regulations: Permitted development; entitlement streamlining, incentives and information about one-stop service centers for permits, licensing and other requirements
 - o Opportunities to acquire space: farmer's markets; "pop ups" and other temporary retail spaces, offices, exhibits, galleries, and studios; street fairs; incubators (research and development as well as pooled office space); and vacancies advertised on the private market

- Complementing this research by identifying and tracking:
 - o Commercial floorspace absorption and demand, with a focus on PDAs and subregions
 - o Employer expansion by sector and sub-region, and availability of space to meet the needs created by this expansion

- Conducting outreach to build awareness of the initiative, gather information, and develop partnerships. This would target:
 - o Property owners, local businesses and community organizations (in multiple languages)—to build awareness of program and opportunities within PDAs. This could be driven by local economic development groups. Computers could be provided in government offices, libraries or elsewhere to expand online presence.
 - o Jurisdictions—to connect to businesses seeking additional space on a temporary basis, or to manage implementation of code changes
 - o Start-ups and growing businesses representing emerging technology, food, cultural, and services sectors—to identify opportunities and obstacles to locating and succeeding in PDAs. This could take the form of an annual focus group.
 - o Local economic development organizations—to link the overall effort to business assistance, funding sources, outreach, and communications resources available in different parts of the regions.

- Creating and operating an online platform. This would involve:
 - o Identifying a team to design and operate a permanent website focused on business development in PDAs. This could tentatively be called "Start-Up Scale-Up Bay Area," and could be a public/non-profit/private partnership supported by a combination of

- jurisdictions, workforce investment boards, research institutes, web design groups, and labor and business groups.
- Centralizing the information gathered through the research and outreach effort, as well as information from other workforce development and county and local business development websites.
 - Establishing a data sharing agreement with participating jurisdictions, service providers, and other key data sources (including sources for gathering data from building owners). This would allow the data on the website to be frequently updated and remain current.
 - Operating a website that allows users to:
 - Search for space by type (e.g. farmer’s market, retail shop, lab), location, price, amenities, market area, walk score, etc.;
 - In map view, users could see the range of amenities nearby a location being offered (e.g. restaurants), planned improvements (e.g. street trees/better sidewalks), permitted development, and other location-specific data.
 - Link to sites offering financial assistance and other incentives for starting or expanding a business.
 - Add listings free of charge (listings will be included on the site in text and map form, and the locational information regarding amenities and other factors will be associated with the listing)
 - Contribute to and create forums that can develop organically
 - Link to social media tools such as Twitter, Facebook, etc.

Strategy Three: Annual RPC Economic Development Forum

A key objective of Plan Bay Area and the Bay Area Prosperity Plan is to better integrate economic development into regional planning activities. These efforts have brought together a diverse set of stakeholders to focus on economic issues of regional importance. Regional bodies have an important role in maintaining this momentum by continuing to convene action-oriented forums that include a cross-section of the Bay Area’s population and are accessible to the public.

With representation from the region’s elected officials and members of the business, environmental, equity, and labor communities, the RPC could host discussions on regional economic development priorities in the context of comprehensive land use planning and development of complete communities. This strategy proposes the creation of an annual forum on a place-based economic development priority that would lead to concrete actions implemented by jurisdictions, regional agencies, and partners.

The strategy would involve:

- Devoting one RPC meeting per year to a workshop on an Economic Development Priority. Based on the Bay Area Prosperity Plan and the potential priorities proposed in section 4.1 of this paper, ABAG staff will work with the RPC to identify an annual Economic Development Priority topic (e.g. expanding social infrastructure in Centers, or diversifying land use mix in Office Parks). The priority topic would vary from year to year to help address the unique challenges of parts of the region with different levels of density, land use mixes, and levels of transit access.

- Identifying potential actions: the anticipated outcome of the workshop would be a set of recommended regional actions that would be compiled into a report and presented to the ABAG Executive Board for adoption. In advance of the workshop, ABAG staff would produce an in-depth paper on the priority issue and provide a menu of potential actions that jurisdictions and the regional agencies can take to address the issue. During the workshop, RPC members could rank potential actions, introduce others, and help identify partnerships for implementing the actions.
- Producing a report with recommended actions based upon the RPC workshop for adoption by the Executive Board. Following executive board adoption, the report would be distributed more broadly as an agenda for regional action.

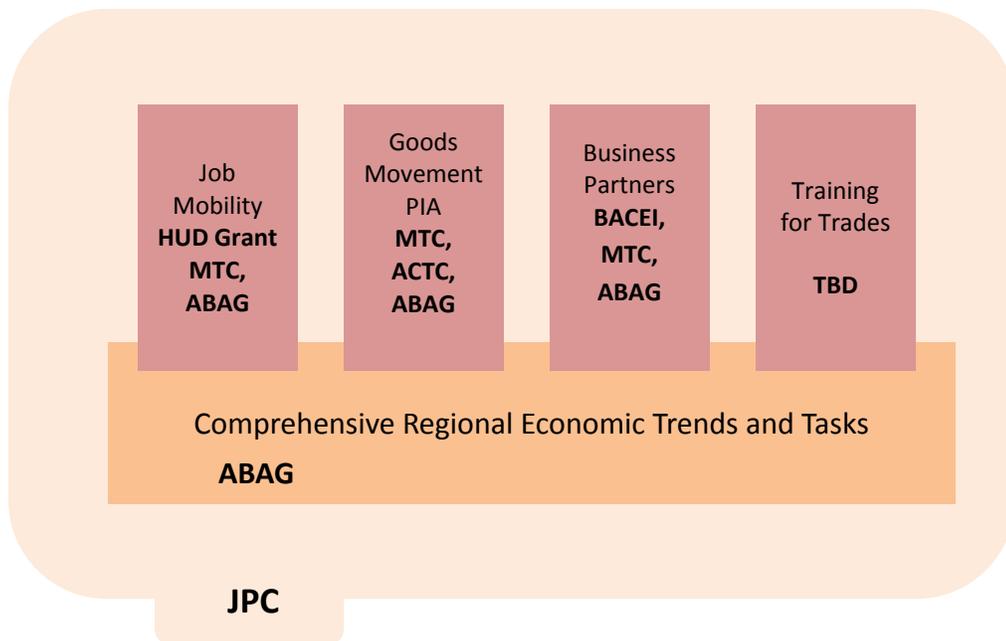
Looking Forward

One lesson of decades of economic development programs is that those efforts are most successful that build from local resources and talent but recognize the regional and global context. A regional role in local economic development could provide information on flows beyond the local context, facilitate communications among jurisdictions within the region, offer resources that are applicable to multiple jurisdictions, and provide context and support for the region's brand as perceived statewide, nationally and globally. The Bay Area Prosperity Plan, in preparation and scheduled for completion in early 2015, provides an initial vehicle for developing a regional, coordinated approach to expanding economic opportunities in the region. More specifically, the Prosperity Plan will identify the types of potential partnerships and collaborations that can support expanded economic opportunities for low- and moderate-income workers, and provide a strategy framework and action plan to inform local and regional economic development activities, workforce training and job placement programs, small business development initiatives, as well as regional transportation infrastructure investments to support access to economic opportunities for Bay Area residents. The Prosperity Plan will also identify and fund pilot local and regional economic development projects integral to the implementation of Plan Bay Area. While the Prosperity Plan focuses on low- and moderate-income workers, the strategies proposed in this policy paper would address a broader set of needs over a wide range of industries and a wide variety of place types.

Framework for Coordination of Regional Economic Projects
ABAG Staff, January 2014

The economic health of the SF Bay Area is an identified priority of the Joint Policy Committee (JPC). Given the recent economic recovery and the implementation of *Plan Bay Area*, an understanding of economic strengths, challenges and strategies is an essential element of regional policy. In addition to background material prepared for *Plan Bay Area* several projects are being developed at the regional scale which are closely related to our regional agencies. Because economic analytic capability and land use planning functions related to economic activity are housed at ABAG, we propose that ABAG develop a comprehensive framework to provide context and coordinate current and future economic development projects. Cynthia Kroll, ABAG’s chief economist, would lead this effort. This framework will help us maximize our resources, understand the specific complementary roles of each project and facilitate collaboration across projects and across agencies. This memo provides a preliminary framework for organizing our various regional economic development projects.

The JPC is involved in four projects related to economic development, shown in the diagram below, in order of their current stage of progress. Each effort has distinct purposes, is at a different stage of development, and engages different players, as described in the chart following the diagram. These varied qualities provide a rich platform of economic assessment and together can facilitate solid strategies to support employment growth, regional and local economic vitality, and quality job opportunities for the future work force.



Under the HUD Grant, the Economic Prosperity Working Group has focused its efforts on identifying means of supporting middle income jobs and of providing career ladders from low wage entry level employment into occupations with better earning potential. The Goods Movement study directed by

MTC but also involving the Alameda County Transportation Commission and ABAG, addresses the role of goods movement in the employment base (both directly and in support of key economic functions), in the ease of transportation and congestion issues (both within and beyond the borders of the region), and in its interaction with land use functions. The BACEI economic strategy will recognize the role of private business as the foundation of employment in the region and develop a process for engaging strategic thinking business and community leaders in developing strategies for overcoming barriers and enhancing business and employment growth. A fourth initiative at early stages of discussion would address the shortfall in skilled trades workers in the region and identify means of developing opportunities in the trades as one path to middle-wage employment and industry retention.

The following sections describe each project in more detail. This note ends with a brief overview of the role ABAG could play in framing the projects within this related area of work.

	Job Mobility	Goods Movement, PIA	Business Partnerships	Training for Trades
Home	HUD Grant	MTC, ACTC, ABAG	BACEI	TBD
Engagement	Cities, worker and business organizations, schools	Transportation agencies, cities, businesses	Businesses leaders and key players	Workforce boards, schools
Status	Preliminary reports completed	Convening participants	Scoping and coordination with JPC	Defining goals
Schedule	Fall 2014	2015	2014	TBD
Purpose	Retain and expand access to middle income jobs	Meet increasing demands for goods movement, address environmental and community impacts	Identify key opportunities and actions for healthy business climate and job growth	Strengthen the match between business needs and school programs for essential trades

Job Mobility – ECONOMIC PROSPERITY STRATEGY

Under the HUD Prosperity Grant the Economic Prosperity Working Group (EPWG) is charged with the development of a targeted Regional Economic Prosperity Strategy aimed at expanding economic opportunities for low- and moderate-income residents in the San Francisco Bay Area, to be achieved by collaborating with local and regional stakeholders, underserved communities and program partners, as well as the HUD project’s Housing Working Group and the Equity Collaborative. The prosperity strategy identifies “industries of opportunity” and “places of opportunity” that can provide quality jobs to target populations. Industries of opportunity have significant projected job growth accessible to low-income communities and include middle-wage occupations on clearly defined career pathways for low- and moderate-income workers. Places of opportunity are neighborhoods or districts that are well-positioned to benefit from the location of new businesses, support for existing businesses, and expanded job opportunities for low and moderate income residents.

Key objectives include a *coordinated regional approach* to expanding economic opportunities for low- and moderate-income residents in both transit-served job centers and in communities with high concentrations of unemployment and poverty; *engage* local and regional partners, public and private sector stakeholders, low- and moderate-income communities, and the three project working groups in the process; a *strategy framework and action plan* to inform local and regional economic development activities, workforce training and job placement programs, small business development initiatives, as well as regional transportation infrastructure investments; underlying *quantitative and qualitative research and analysis*; identify *potential partnerships and collaborations* that can support expanded economic opportunities for low- and moderate-income residents; identify and prioritize the types of *potential pilot projects*; identify opportunities to *integrate Plan Bay Area in the regional strategy*; and develop recommendations for *implementation beyond spring 2015*. The project is entering its third year with the selection of pilot projects.

Goods Movement

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 goods movement within the regional agencies involve updating the *regional and subregional 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 subregional 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.

Business Partnerships – DEVELOPING A BAY AREA ECONOMIC STRATEGY ENGAGEMENT PROCESS

The Bay Area Council Economic Institute (BACEI) has requested funding for a "Process of Engagement to Action." This would follow on the earlier 2012 BACEI detailed economic assessment of the region, carried out in collaboration with the JPC regulatory agency members (MTC, ABAG, BAAQMD and BCDC). *The Bay Area Regional Economic Assessment* comprehensively assesses what is driving the regional economy from the perspective of competitiveness, growth, and jobs, identifies impediments to stronger growth and job creation, and makes suggestions for establishing and addressing regional economic priorities. The assessment provides a shared foundation of facts and analysis on which both government and business can build a closer strategic partnership.

BACEI now proposes to initiate the development of a Bay Area Regional Economic Strategy engagement process as a true public-private partnership. The process would be conducted by the BACEI professional staff in cooperation with the business leadership organization of the Bay Area Council. The first stage involves 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. Representatives of social equity, labor and environmental organizations will also be consulted in the research and outreach process. These initial subregional consultations will be a first step in engaging key partners and stakeholders and recognizing their priorities and shared interests.

The next stage of the process involves 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, frame an overall strategy, and define concrete actions. Participants will be strategic, open-minded thinkers. As the process identifies specific areas for action, the steering committee will create action teams that include diverse participants from additional perspectives and areas of expertise to develop concrete actions.

Training for Trades

This initiative, in the early conceptual discussion stage, would link training programs at a variety of education levels to the demand for skilled trades. The topic area overlaps each of the other initiatives under discussion. For example, training for trades could provide one avenue to move high school students directly into occupations with middle wage career paths or to transition lower wage workers into middle wage jobs or up the career ladder within middle income jobs. On the business side, labor availability in the trades may be a crucial element for some sectors, while training in skills required for transportation and distribution occupations could become one strategy among many for successful goods movement.

ABAG Coordination of Regional Economic Development Efforts

Each of these efforts is of importance to the region on its own, but each is also relevant to the other projects described here as well as to additional responsibilities of each of the regional agencies and beyond the regional agencies. Framing and coordination of these various economic development related activities by ABAG can enhance the value of the economic analysis, planning, strategies and programs that emerge from each project for each of the regional agencies and for the region as a whole.

ABAG is well positioned to provide this oversight. An overview of regional economic strategic efforts is a natural outgrowth of ABAG's forecasting and analytic responsibilities regarding the region's economy, population and income. ABAG has worked closely with the BACEI on economic analysis for Plan Bay Area, and ABAG's Chief Economist has long been on the BACEI economic advisory board.

Going forward, it will be important to integrate the results of these efforts into ABAG's State of the Region report in 2015 and economic analysis for the 2017 Sustainable Communities Strategy. This oversight function could add value to the JPC sponsored work in several ways:

- **Coordination:** Process or output of one project can inform the work in other projects. Goals of projects may overlap and if coordinated can enable both projects to reach more successful outcomes.

- Communication: An organization with an understanding of local and regional economic conditions and objectives can play a role in facilitating communication among projects and in establishing communications between stakeholders in different settings (for example, communicating the existence of policies related to business requirements to local PDA planners) and with complementary interests (for example, community organizations and trade organizations)
- Vision: As a disinterested organization representing elected officials, ABAG can communicate a regionwide vision of economic development goals that cross different stakeholder groups, as developed in partnership with stakeholders, other regional agencies, and other public agencies.
- Moving between scales of activity: As an organization that works at the regional and local levels, ABAG can assist with translating local concerns to projects taking on a regional overview and the implications of the regional overview back to the implementation level for local jurisdictions or individual businesses or households
- Analysis: ABAG has staff experienced in regional analysis to provide oversight of methodology, conceptual approaches, and interpretation of results for individual projects as well as insight into the applications of the project results.

This will be a framework for incorporating future work as well as the current projects.

Bay Area Economic Update

Cynthia Kroll
 Chief Economist, ABAG
 Regional Planning Committee Meeting
 February 5, 2014

A Few "Snapshots" of Key Issues

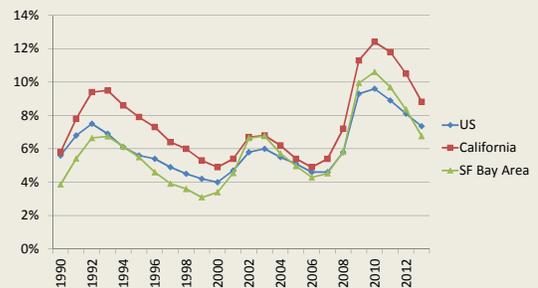
- Recovery or expansion—what does it look like in the Bay Area?
- Consequences for income and poverty
- Housing affordability in recession and growth periods

Bay Area, California and US Employment Growth



Source: ABAG from Bureau of Labor Statistics data, January 2014

Unemployment Rates US, California, Bay Area, 1990-2013P

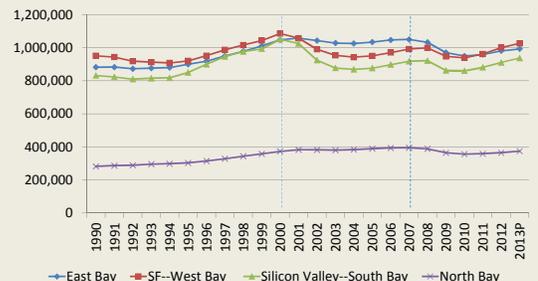


Source: ABAG from Bureau of Labor Statistics data, January 2014

SFBA Sub-Region Informal Definitions for Employment Data



Bay Area Metro Area Employment Cycles, 1990 to 2013



Source: ABAG from California Employment Development Department data.

Job Recovery from What Point?

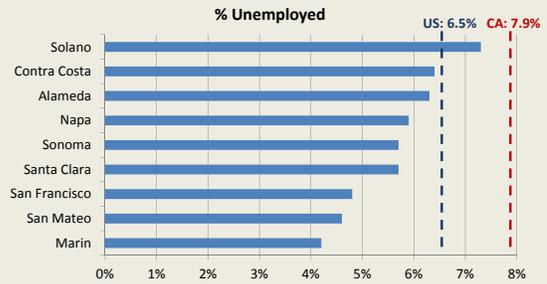
	2000	2007	2013P	Index 2013 to base Year	
				2013/2007	2013/2000
East Bay	1,047,600	1,049,600	992,392	0.95	0.95
SF MSA	1,085,800	991,800	1,026,808	1.04	0.95
SJ MSA*	1,051,300	917,800	937,408	1.02	0.89
North Bay	373,100	395,000	374,367	0.95	1.00

- Getting Better
- Close to full Recovery from 2007

From 2007?
From 2000?

Source: ABAG from California Employment Development Department data;
*San Jose MSA includes San Benito County, not part of the San Francisco Bay Area as defined by ABAG.

Unemployment by County December 2013 (not seasonally adjusted)



Source: ABAG from California Employment Development Department data, January 2014.

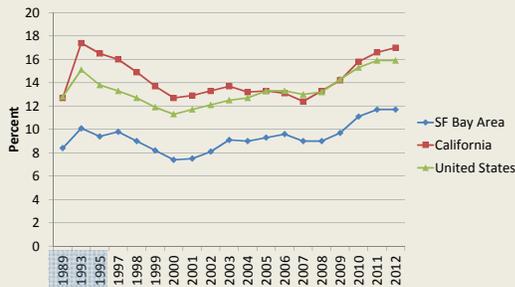
Top 3 Growing Sectors by Subregion, 2013

	BY JOB GROWTH	BY PERCENT CHANGE
EAST BAY	Leisure/Hospitality Construction Prof/Sci/Tech	Construction Arts/Entertainment Computer Sys Design
SF—WEST BAY	Accommod/Food Admin Support Prof/Sci/Tech	Arts/Spectator Sports Construction Personal Services
SILICON VALLEY	Admin Support Prof/Sci/Tech Leisure/Hospitality	Construction Admin Support Comp/Periph Mfg
NORTH BAY	Leisure/Hospitality Retail Nondur Mfg; Const	Special Dist/Indian Tr Construction County Government

Effects of Recovery (and Recession) on Regional Issues

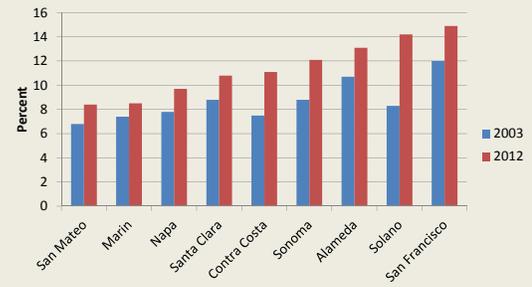
- Poverty—Is poverty improving as the economy grows?
- Housing affordability—
 - Did a softening housing market improve affordability?
 - Will a strengthening employment situation worsen affordability?

Bay Area Poverty Rates at a Peak, but lower than US, California

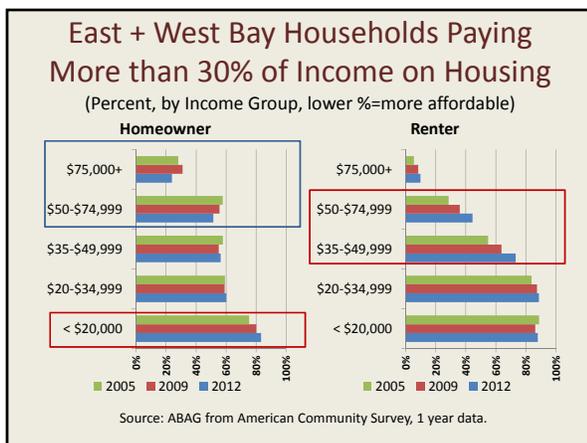
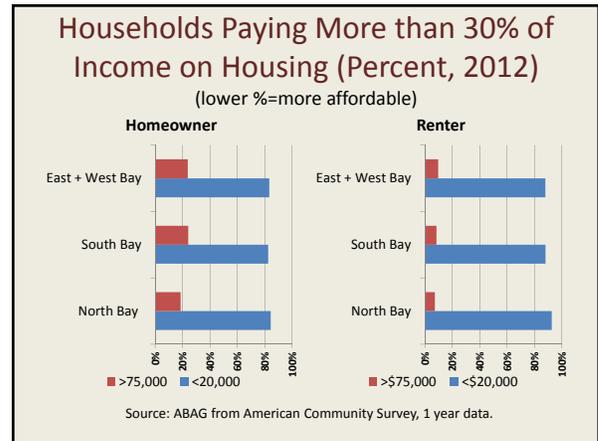
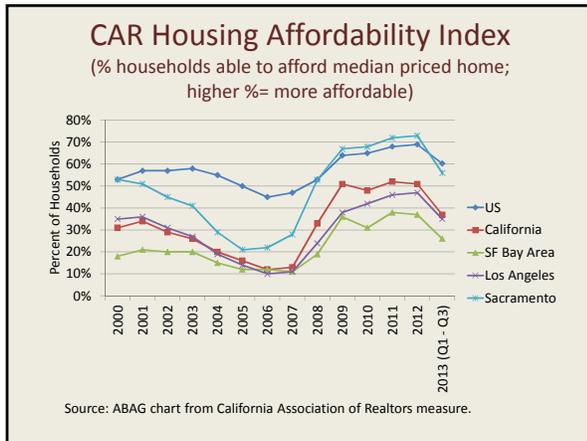
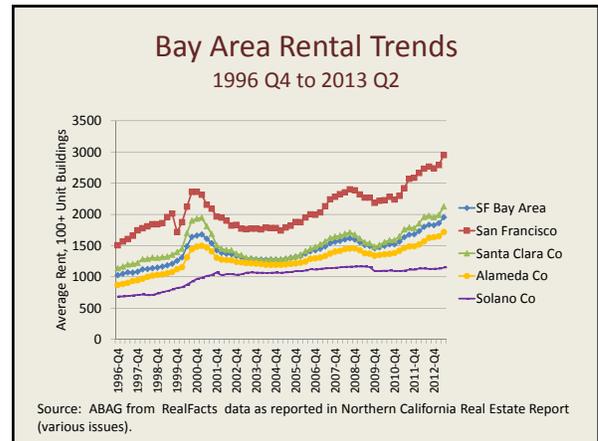
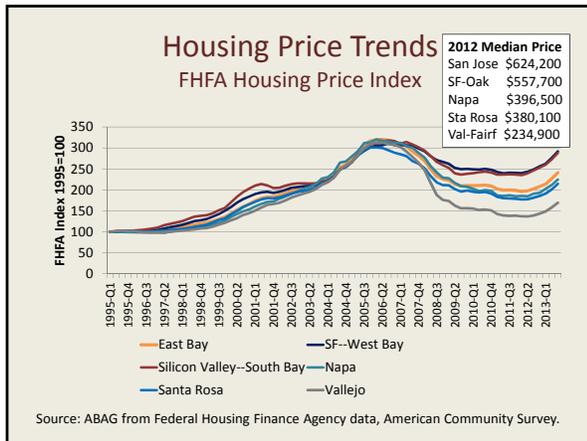


Source: ABAG from US Census, Small Area Income and Poverty Estimates.

Poverty Rates, Bay Area Counties 2003 and Post Great Recession

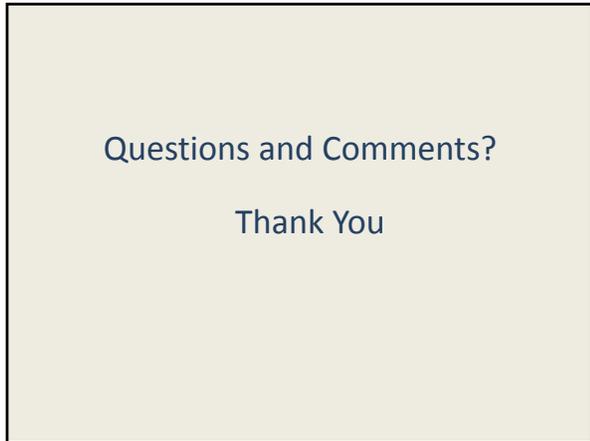


Source: ABAG from US Census, Small Area Income and Poverty Estimates.



Implications, Prospects, Issues

- Regional growth is strong, but we have not yet “recovered” all jobs lost after 2000.
- Growth driven by changing mix of sectors.
- Prosperity from new growth is spreading unevenly, raising new challenges.
- Housing *affordability* is sensitive to amount of housing, the price level, and income levels.





Date: January 7, 2014
To: Executive Board
From: Miriam Chion, Research and Planning Director
Subject: **Inner Bay Area Corridors PDA Implementation**

1. Introduction

At the September Executive Board meeting, staff presented a framework for implementing Plan Bay Area with four focus areas: Housing, Economic Development, Open Space and Farmland, and Priority Development Area (PDA) Implementation.

The PDA Implementation effort is structured around geographic clusters of PDAs: Inner Bay Area Corridors, North Bay, Tri-Valley, and Central/Eastern Contra Costa, as shown in Figure 2. The first phase focuses on the Inner Bay Area Corridors, which stretch between San Francisco, San José, Oakland, and West Contra Costa County. Over the past three months, staff has worked in partnership with MTC and the county Congestion Management Agencies (CMAs) to hold dialogues and site visits with Inner Bay Area jurisdictions to understand their unique challenges and identify opportunities for collaboration. Together, these jurisdictions are expected to take on two-thirds of the region's growth between 2010 and 2040. ABAG staff also conducted preliminary analyses of the economic and demographic dynamics of the corridors. This memo presents key findings from these meetings and analyses, and identifies the top five opportunities for ABAG to support development of complete communities in the Inner Bay Area PDAs.

Figure 1. **Plan Bay Area Implementation Focus Areas**

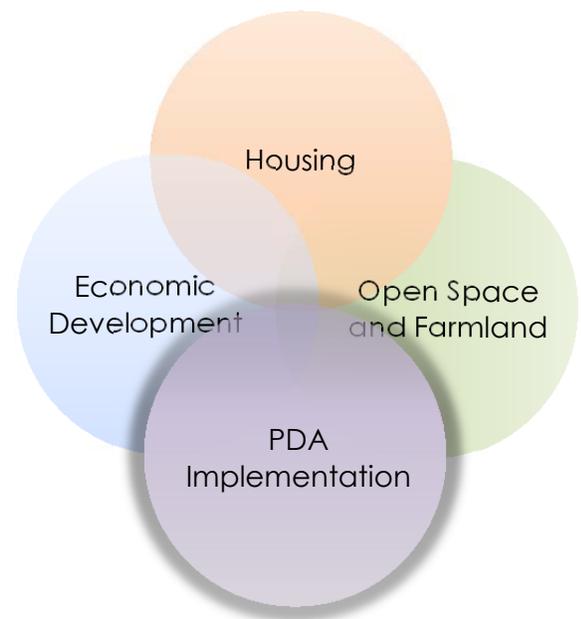


Figure 2. PDA Geographic Clusters

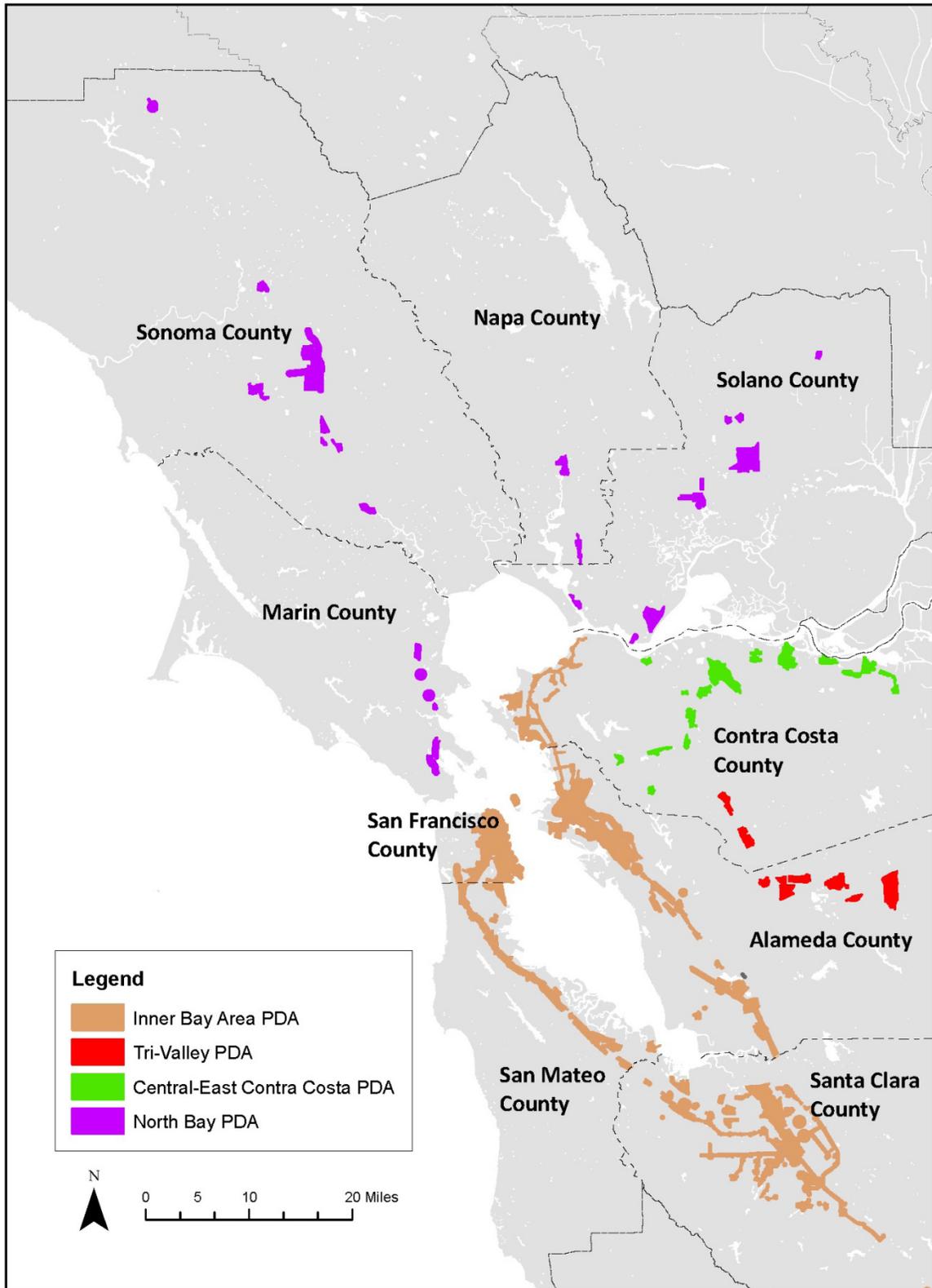
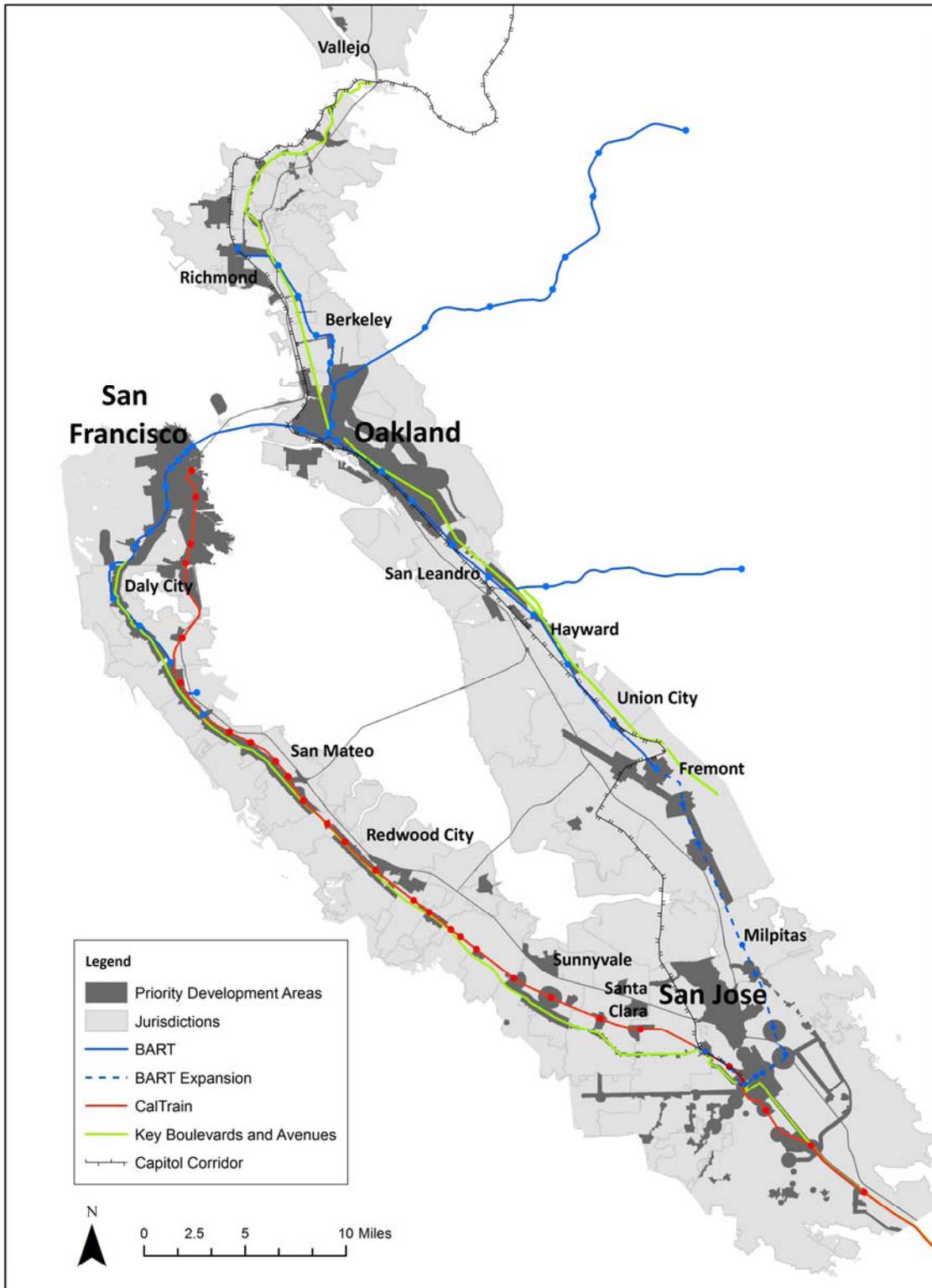


Figure 3. Inner Bay Area Corridor PDAs



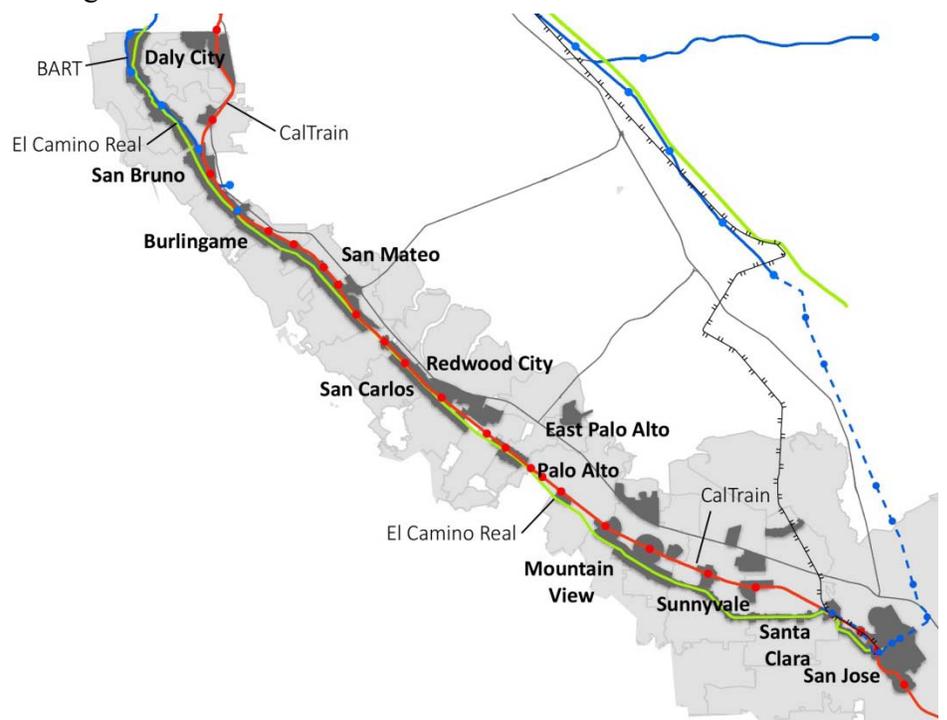
2. PDA Implementation: Inner Bay Area Corridors

Plan Bay Area projects that over the next 30 years most new homes and workplaces will be built in Priority Development Areas in the region's three largest cities and along the corridors connecting them, helping retain the region's open space and the character of our small towns. This geographic area, shown in Figure 3, is made up of a rich set of overlapping economic, social institutional, and infrastructure networks anchored by PDAs. Implementing the Plan will involve strengthening these networks—which range from Silicon Valley's innovation economy to the East Bay's ethnically diverse neighborhoods to Oakland's emerging arts scene—while expanding housing and transportation options and increasing access to opportunity for all residents. PDAs provide the space for cultivating the economic assets of the Inner Bay Area which benefit the region as a whole and building housing close to jobs, educational and cultural opportunities. Investments at both the regional and local level are concentrated in these PDAs to support long-term sustainability and prosperity.

ABAG is working with Inner Bay Area jurisdictions to address challenges that cross city and county boundaries. Some are common to PDAs across the region while others are shared by Inner Bay Area jurisdictions and others are specific to different corridors and the regional centers. Staff worked with jurisdictions along major corridors to coordinate the process of identifying implementation obstacles and opportunities. Each corridor is made up of a set of places connected by commute patterns, strong economic and social networks, and frequent transit service (in some cases two parallel services such as BART and BRT). These corridors include:

The **Grand Boulevard** Corridor extends from Daly City to downtown San José. For more than a decade, the corridor's jurisdictions have coordinated planning on issues ranging from infrastructure to transportation and

Figure 4. Grand Boulevard Corridor PDAs



housing through the Grand Boulevard Initiative, which includes nearly all the corridor's PDAs and incorporates both El Camino Real and BART and CalTrain station areas. The corridor is connected to San Francisco via rail and express bus service. The PDAs in this corridor are projected to account for 17% of the region's housing growth over the next 30 years. The corridor includes many of Silicon Valley's leading tech companies and a series of historic downtowns focused around CalTrain stations.

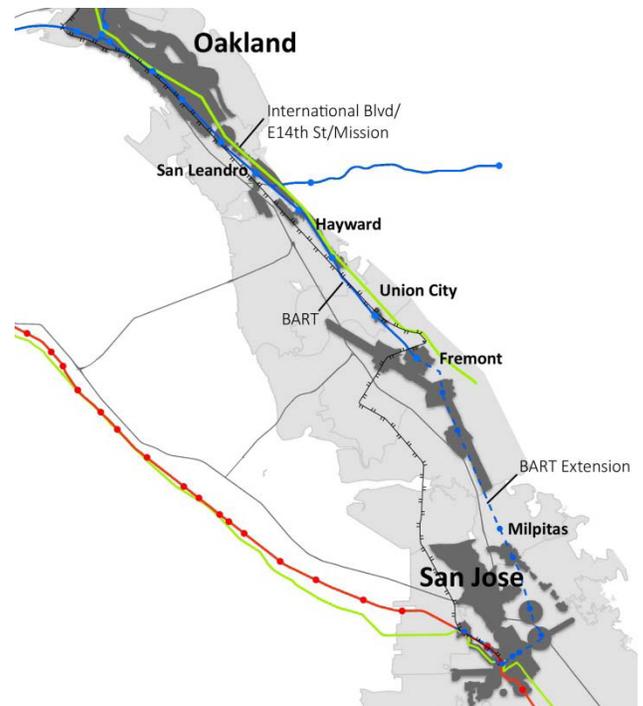
The **San Pablo Corridor**: PDAs extending from Downtown Oakland through West Contra Costa County to Vallejo. The corridor's PDAs are connected by BART and by San Pablo Avenue, which forms a continuous spine from Oakland to Hercules. In addition to Oakland's Regional Center, the corridor includes the residential and commercial district surrounding UC-Berkeley and multiple clusters of shops, restaurants and entertainment along San Pablo Avenue in Alameda and Contra Costa County. Housing growth in these PDAs is anticipated to account for 7% of the regional total. The corridor is closely connected to San Francisco, with 20% of all workers commuting to jobs in the city.

The **Oakland-San José Corridor**: PDAs between downtown Oakland and San José. PDAs in this corridor are expected to accommodate nearly 38%¹ of the region's housing growth between 2010 and 2040. In addition to the business, government, and cultural centers of Downtown San José and

Figure 5. **San Pablo Corridor PDAs**



Figure 6. **Oakland-San José Corridor PDAs**

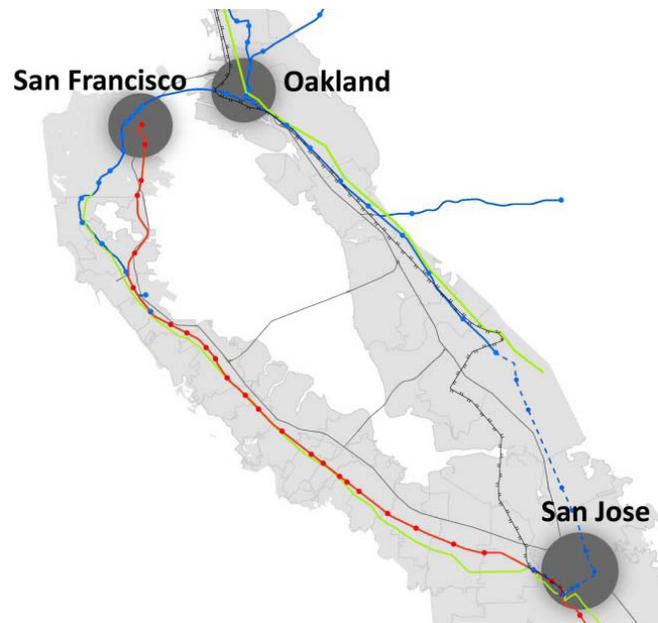


¹ The levels of regional growth indicated for both the Grand Boulevard and San José-Oakland corridors both include Downtown San José; the levels for San José-Oakland and San Pablo both include Downtown Oakland. Together, the three corridors are projected to account for nearly 2/3 of the region's housing growth.

Oakland, some of the nation's most ethnically diverse communities, 12 existing and 9 future BART stations, and a series of historic downtowns and rapidly growing PDAs. The northern portion of the corridor, between downtown Oakland and Union City linked by BART and International Boulevard/East 14th/Mission Street, is connected by commute patterns and strong social and economic networks that cross jurisdiction boundaries. The southern portion, between Fremont, Milpitas, and San José, forms its own commute shed with strong cultural and economic connections to northern Santa Clara County. The extension of BART from Fremont to San José presents an opportunity to strengthen connections between the PDAs along the corridor, creating new avenues for economic development and expanding access to opportunities.

Regional Centers: The downtowns of San José, San Francisco and Oakland are centers of the knowledge-based economy with an increasing range of cultural amenities and high-density housing options. They are the focal points of the region's transportation network and for future transit investments such as the CalTrain electrification, the BART extension to San José, and High Speed Rail. Strengthening connections among Regional Centers will help each play a complementary role in a stronger Bay Area economy.

Figure 7. **Regional Centers**



Dialogues and Site Visits

Over the past three months, ABAG partnered with MTC and the CMAS to facilitate dialogues and PDA site visits with planning staff and stakeholders from 32 Inner Bay Area jurisdictions. These were organized by corridor to stimulate discussion about common challenges and potential areas of inter-jurisdictional and regional collaboration. The dialogues also involved transit agencies, local public works and transportation staff, and staff from health, housing, and water agencies. The meetings focused on identifying and clearing obstacles to achieving the levels of growth projected in local plans and Plan Bay Area, and to creating complete, livable communities. The major issues and opportunities identified during the dialogues are highlighted in the Key Findings section below.

3. Key Findings

During the past several years, the Bay Area’s recovery from the recession has accelerated. While the pace of recovery varies Inner Bay Area jurisdictions, many are adding jobs and new housing units. The context for planning in PDAs has been reshaped by the dissolution of redevelopment and the contraction of public funding. Cities have responded with innovative approaches to stimulating investment and capitalizing on local assets, but challenges remain across Inner Bay Area jurisdictions—even those with strong real estate markets. Trends and common challenges to implementing Plan Bay Area and local PDA plans that emerged from the dialogues and site visits are highlighted below.

Local PDA Plans Acting as Catalysts for Development

Adopted plans for Inner Bay Area PDAs are providing community-driven frameworks for accommodating the recent spike in demand for transit-accessible housing and commercial space. This trend is particularly evident in planned PDAs around CalTrain Stations and existing and future BART stations, as well as in Downtown San Francisco and Downtown and North San José. In Milpitas, for example, nearly 4,000 of the 7,000 housing units included in the City’s 2008 plan for its new BART station have been either permitted or constructed. More than 50,000 units are under construction or in the permitting process in San Francisco’s PDAs—more than half of the new units projected for the city in Plan Bay Area for the next 30 years. Together, San Francisco and Santa Clara counties, which made up one-third of the region’s housing stock in 2010, accounted for half of the region’s housing growth in 2010 and 2011—nearly all of it taking place in PDAs. Attached housing accounted for 72% of this growth (despite making up less than 30% of the combined housing stock in the two counties in 2010).² This is a very limited time frame in which to assess growth, but significant when combined with the development pipeline.

While housing demand is lower in the East Bay, pockets of growth have emerged in communities with adopted PDA plans, such as the El Cerrito and Hayward BART station areas, and along San Pablo Avenue in Emeryville. Berkeley’s 2012 Downtown Area Plan spurred the development of 500 units and a pipeline of an additional 1,000 units. Downtown Oakland also expects a spike in high-density residential development in its Downtown. In PDAs experiencing growth, the potential benefits of adopting a plan in anticipation of future growth are coming to fruition as developers invest with confidence and residents see the public realm improvements identified in the plan.

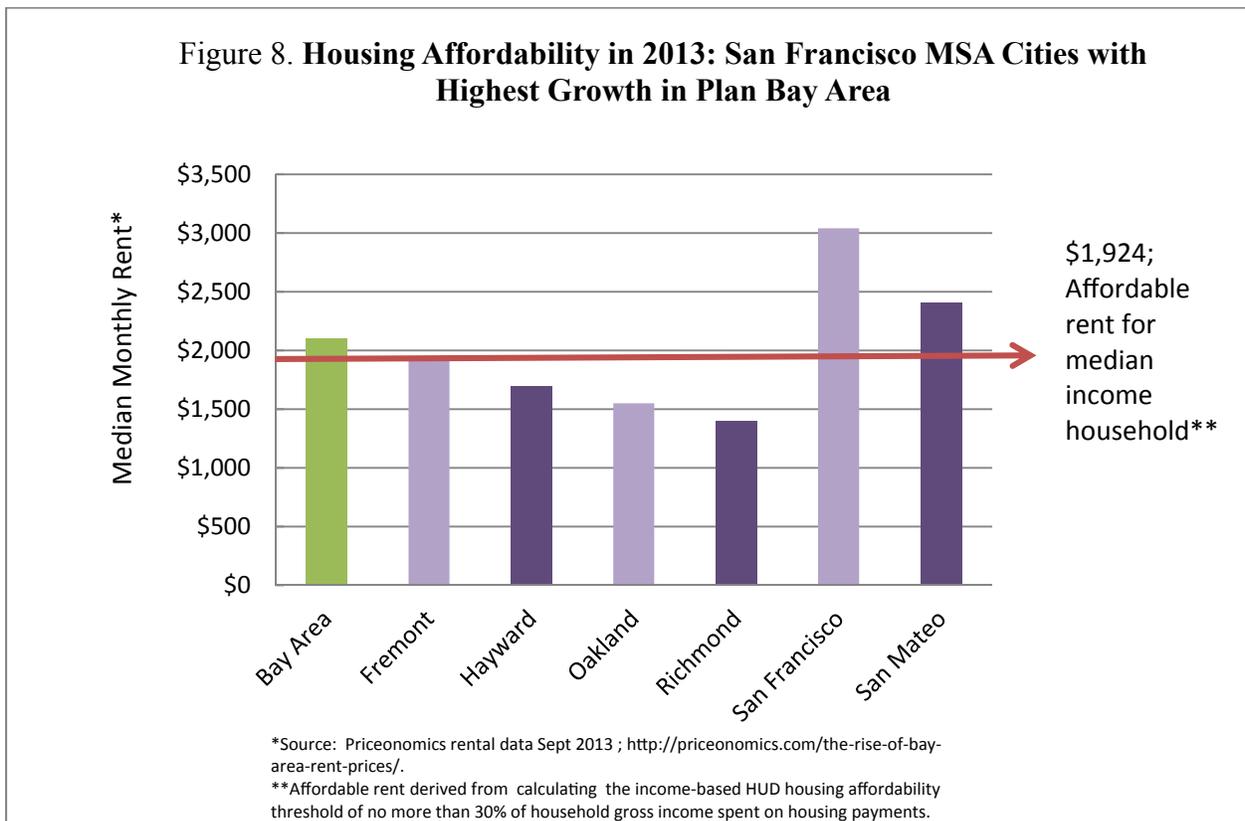
Capacity to Address Affordability Gap Decreases as Housing Costs Increase

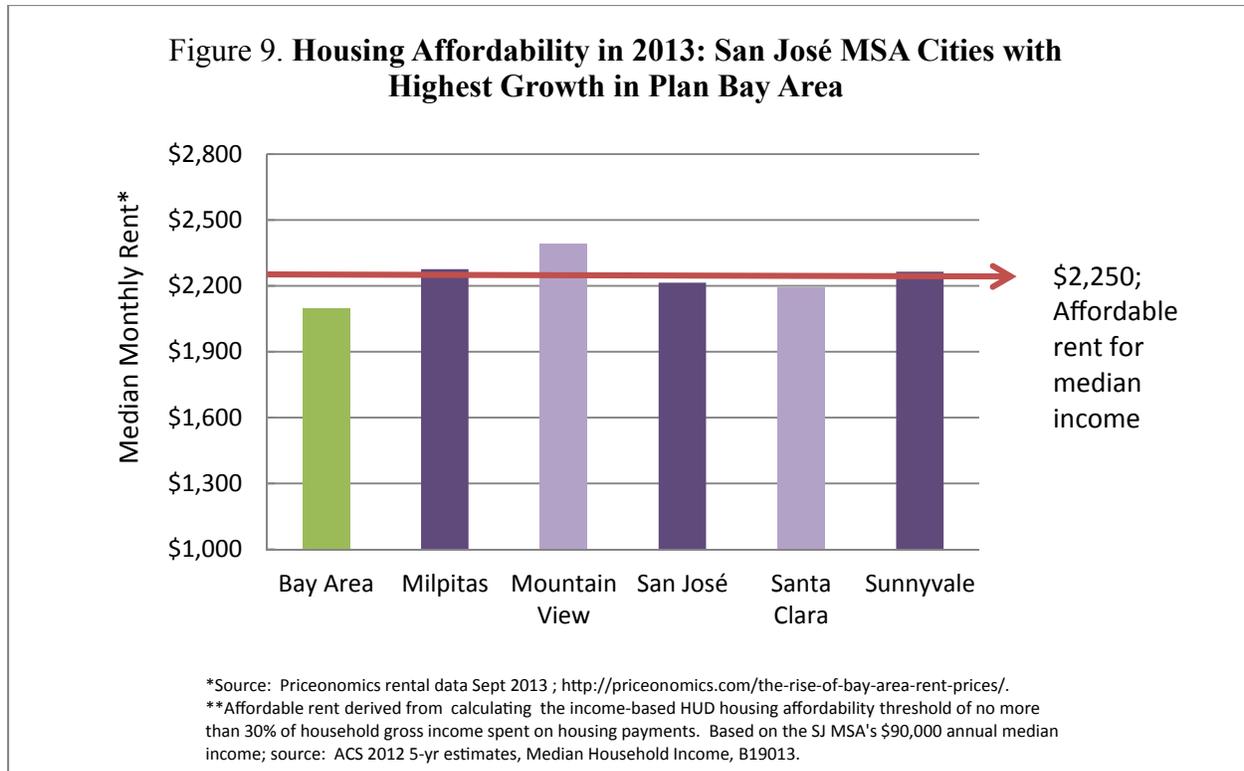
With the dissolution of redevelopment and questions regarding the legality of inclusionary zoning, production of affordable housing is declining in most Bay Area jurisdictions. Affordable

² Calculations based upon data from California Department of Finance, Table E-5, 2013.

housing projects have been cancelled or stalled due to the loss of expected funding and obstacles to acquiring former redevelopment land included in permitted projects. Developers have removed planned affordable housing units from market-rate projects due to the lack of availability of subsidies and legal challenges to inclusionary zoning. There are several notable exceptions to this trend, such as Berkeley and Fremont, which have used density bonuses to stimulate affordable housing production. In addition, opposition to new housing—in particular affordable housing—is growing in many of the jurisdictions with the greatest need and highest levels of access to opportunities.

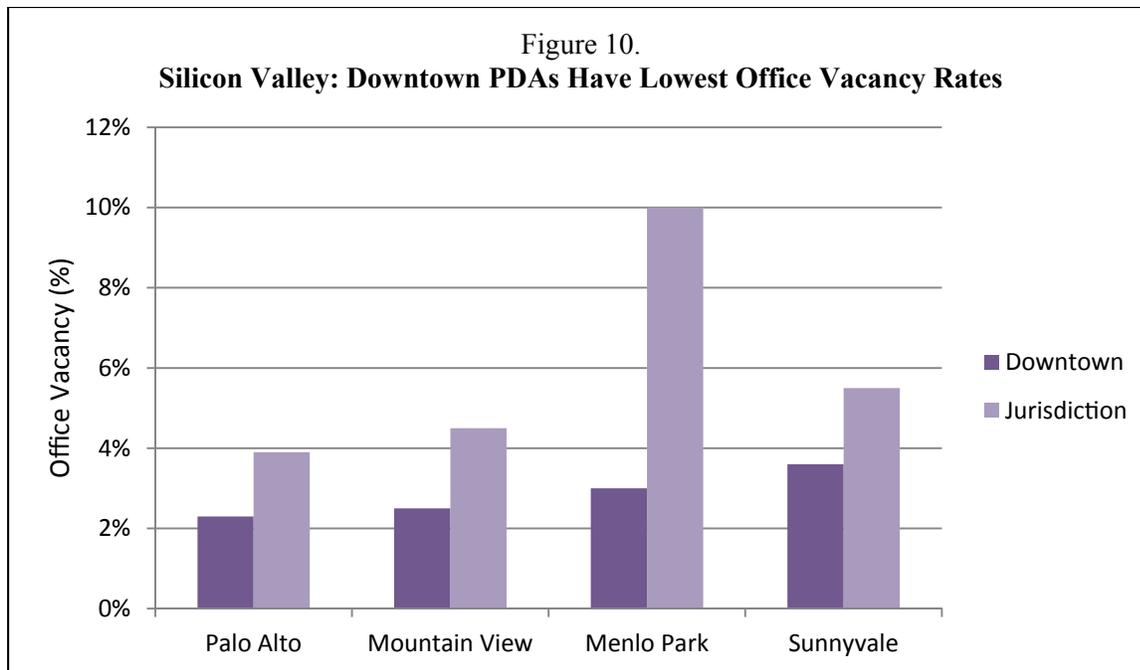
This reduction in capacity to address affordability comes at a time when rents remain affordable to median income households in pockets of the Inner Bay Area, but are increasingly unaffordable in locations with the highest levels of job access and private investment, as shown in figures 8 and 9.





Employers and Employees Seek Workplaces in PDAs

Companies in knowledge-based sectors such as tech and finance, insurance and real estate are increasingly attracted to locations in PDAs close to regional transit, driven in part by the preference of young workers for access to transit and culture, food and entertainment. This trend is taking place within the broader context of the regional economy—with PDAs in San Francisco and Silicon Valley experiencing the most rapid growth in rents and lowest vacancies—but is apparent throughout the broader Inner Bay Area geography as well. A recent comparison by the real estate firm Cassidy Turley of office vacancies in four Silicon Valley downtowns with CalTrain access in Silicon Valley to areas in the same cities outside of the downtowns (occupied primarily by auto-oriented office parks) illustrates this trend. Office vacancies in the Downtown Menlo Park PDA, for example, were 3.0% in the 3rd Quarter of 2013, compared 10.9% citywide. In Mountain View, these figures were 2.5% and 4.5% respectively (figure 10). Vacancies in downtown San José—while still well above the rest of Silicon Valley are declining and are below the nearby North San José office market. Vacancies in the downtowns of the other Regional Centers, San Francisco and Oakland, continue to fall as tech companies and a host of supportive services seek new space. Tech start-ups and smaller tech firms are seeking smaller office spaces as well, creating an opportunity to fill the more compact office buildings and ground floors of the historic downtown PDAs and new mixed-use buildings.



Source: Cassidy-Turley

Jurisdictions Struggle to Make PDA Infrastructure Improvements

Limited capacity to improve public infrastructure is an obstacle to attracting new development to PDAs, and to ensuring that development fulfills the vision articulated in local plans. This obstacle has become particularly acute with the loss of the redevelopment funding that historically paid for infrastructure improvements. In PDAs located in weak and moderate real estate market areas, infrastructure funding has often been the “tipping point” to attracting private investment and implementing a plan.

Infrastructure challenges vary across PDAs, reflecting the magnitude of change envisioned, condition and capacity of utilities, and willingness of developers to contribute to improvements. Some suburban jurisdictions planning to transform PDAs into walkable urban environments struggle to fund the new public rights of way (including roads, sidewalks, street trees, stormwater, and lighting) required to achieve this transformation. While some cities have a projected water supply surplus, others have reached their allocation and need new sources to support development. In PDAs of different sizes, social infrastructure can also present an obstacle, particularly schools and parks. Jurisdictions that are successfully adding planned infrastructure in the absence of redevelopment funding are relying on developer contributions in competitive markets—which can be politically difficult to put in place but can provide confidence to both developers and residents that new development will result in better public spaces and adequate capacity for utilities.

Opportunity to Improve Plan Implementation Through Placemaking

The quality of new public and private spaces varies substantially across PDAs. Public catalyst projects that draw upon the existing qualities of a place have proven successful in creating

community focal points and attracting complementary private investment. In Downtown Redwood City, a new public square around its historic courthouse set the stage for private development of an adjacent pedestrian paseo and mixed-use retail and entertainment complex to help implement the downtown plan. In Hayward, where market conditions are less favorable, a new series of pedestrian paths and public spaces between BART, City Hall, and the historic downtown helped stimulate investment in new housing and commercial space. Detailed design guidelines have also proven successful by addressing basic but critical issues such as ensuring that ground floor ceiling heights and ventilation systems in new mixed-use buildings can accommodate restaurants.

Some jurisdictions struggle to connect new projects to the broader vision of an adopted PDA plan. This can result from pressure to relax requirements for developers to contribute to streetscape and other improvements, a lack of dedicated funding to build parks and public spaces critical to creating an attractive place (often resulting from a lack of redevelopment funding), a lack of attention to the quality of public space in an adopted plan, or limited public resources to address placemaking in urban neighborhoods. Poorly received projects completed shortly after a plan's adoption can hinder long-term implementation. In many PDAs, a tension exists between permitting proposed development that falls short of the standards in an adopted plan or waiting for development that meets the standards. The number of developers capable of successfully executing mixed-use projects that contribute to the public realm may also limit the ability to produce projects consistent with plans.

Support Needed for Entitlement Efficiency

The length and cost of the entitlement process is widely viewed as an impediment to development consistent with local plans and to Plan Bay Area. The speed and cost of entitling development projects in Inner Bay Area PDAs depends upon a variety of factors, including level of public opposition, rigor of previous environmental analysis of the project area, and structure of the project review process. Jurisdictions take a range of approaches to the entitlement process for projects in PDAs. Nearly all adopted PDA plans include Environmental Impact Reports (EIRs) that assess the impact of all of the future growth planned for the PDA, limiting the amount of review required for individual projects. Even with an EIR in place, however, public opposition and lawsuits can make it difficult to develop projects that support adopted plans.

A handful of jurisdictions have drawn upon recently adopted state legislation, including Senate Bills 226, 375, and 743, to simplify entitlement of projects consistent with local plans while most jurisdictions await clarification from the state and regional agencies before integrating the provisions of these bills into the development review process. The City of Berkeley has dramatically reduced the review period for projects in its Downtown PDA by identifying steps required to comply with the Downtown Area Plan and by drawing upon Senate Bill 226 to expedite the review of projects that meet all of the Plan's requirements (SB 226 shortens the review period of projects consistent with local plans and regional Sustainable Communities Strategies (e.g. Plan Bay Area)). Because the Downtown Area Plan resulted from an extensive public process and was adopted by City Council, specific project requirements and review are transparent—reducing the need for ad hoc negotiations for individual developments.

4. Top Five PDA Implementation Opportunities

Based upon the key findings highlighted above and additional input from local jurisdictions, five key opportunities emerged for ABAG and the regional agencies to support local PDA implementation.

One: Financial and Regulatory Tools to Make Development Feasible

Implementing Plan Bay Area and local PDA plans will be exceptionally difficult without additional tools and incentives that address obstacles such as funding community infrastructure and mixed-income housing. This is particularly critical for PDAs in weak to moderate housing markets that are expected to take on substantial new growth. Many of the state and federal grants, tax credits, and local policy tools that made infill development feasible have been recently eliminated or reduced.

In addition to supporting the regional Transit-Oriented Affordable Housing (TOAH) fund, staff can promote innovative partnerships and work with legislators to identify sustainable funding sources for community infrastructure and affordable housing. Staff is currently developing policy options addressing these issues for discussion with the Executive Board in 2014.

Two: Robust Provisions for Entitlement Efficiency

Many jurisdictions requested clarification about recent state legislation intended to simplify the environmental review process for infill projects, including SB226, 375 and 743. ABAG and the regional agencies can play an important role in providing guidance about the applicability of the legislation to different locations, and the implications of utilizing the legislation for the local development review process. ABAG can also work with jurisdictions to track the benefits and challenges created by current entitlement efficiency legislation and recommend adjustments to this legislation or help inform new legislation.

Three: Corridor PDA Coordination

The dialogues revealed opportunities for regional agencies to support collaboration between the jurisdictions in each Inner Bay Area Corridor to achieve shared objectives. The opportunities vary by corridor, reflecting levels of existing coordination between jurisdictions:

Grand Boulevard: Participate in the established Grand Boulevard Initiative task force and working group; identify opportunities for the region to support this effort.

San Pablo: Conduct additional analysis; Convene workshop to define shared challenges and develop a collaboration process, focusing on BART station areas and San Pablo Avenue.

Oakland-San José:

- Corridor: Conduct additional analysis; Communicate with jurisdictions about potential collaboration opportunities; Potential future workshop.
- Oakland-Union City Portion: Conduct additional analysis; Convene workshop to define shared challenges and develop a collaboration process, focusing on BART station areas and International Blvd/14th Street/Mission PDAs.

- Fremont-San José Portion: Conduct additional analysis; convene initial discussion about connections between corridor PDAs and new opportunities created by completion of BART extension.

Regional Centers (Oakland, San Francisco, San José): Coordinate economic development strategies, job market issues, major infrastructure projects, and legislative initiatives.

Staff will also develop and disseminate strategies addressing detailed planning issues raised during the dialogues, such as creating successful ground floor retail, assembling parcels and placemaking. An important part of this task will be sharing replicable best practices among Inner Bay Area jurisdictions. This process will be facilitated through the updated ABAG website—which will feature a PDA showcase that also serves as a platform for marketing the PDAs to developers and the general public. Through the HUD Regional Prosperity grant, regional agencies are also supporting pilot projects to stimulate local economic development that can inform future PDA-focused efforts.

Four: Strategies to Address Displacement and Retain Neighborhood Assets

The displacement of low and medium income residents, and the loss of the unique social and spatial assets of neighborhoods, is happening at an increasing pace in many Inner Bay Area communities. As this issue takes on greater urgency, ABAG can assist the jurisdictions facing displacement challenges by providing resources and strategies that work across city boundaries. ABAG and MTC are working with UC-Berkeley to conduct detailed analyses of displacement trends and potential strategies. This will be complemented by the Regional Prosperity grant, which looks at economic development and housing within the context of equity and will explore approaches to addressing displacement.

Five: Continued Coordination with Regional and State Agencies

Local staff consistently identified an opportunity to improve coordination with regional agencies and special districts, as well as state agencies that influence the feasibility of projects in PDAs. ABAG is well positioned to work on behalf of jurisdictions to coordinate with regional and state agencies on issues such as water capacity, air quality, sea level rise, healthy infill development and the disposition of former redevelopment agency land.

To support Plan Bay Area implementation, ABAG is meeting with the State Departments of Finance, Housing and Community Development, and Finance to discuss the obstacles identified during the Plan process and through the PDA dialogues and site visits. ABAG will also work with jurisdictions and the regional agencies to advocate at the federal level for resources to implement the Plan—which is an exemplar of the policies promoted by HUD’s Office of Sustainable Housing and Communities. The top issues identified in this memo, with adjustments as needed based upon Executive Board feedback, provides a framework for discussing regional needs.

6. Next Steps

During 2014, staff will return to the Executive Board with progress reports on Plan Bay Area implementation, with focused updates on the PDAs and Corridors. Updates will include:

Inner Bay Area PDA and Corridor coordination: Progress toward establishing coordination between corridor jurisdictions and identifying shared opportunities.

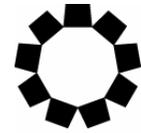
PDA Planning Grants: Information about recipients of the planning grants and the way in which the grants will advance the Plan and local visions.

Housing production and job growth in PDAs and Corridors: As new data becomes available, staff will analyze the level of recent development, providing comparisons across PDAs and Corridors.

Overall PDA implementation: Implementation efforts, including key obstacles, across the region's PDAs, reflecting additional consultation with local jurisdictions.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

To: ABAG Administrative Committee, March 6, 2014

From: Miriam Chion, Planning and Research Director, Cynthia Kroll, Chief Economist

Subject: ABAG Research Unit and MTC Modeling Unit

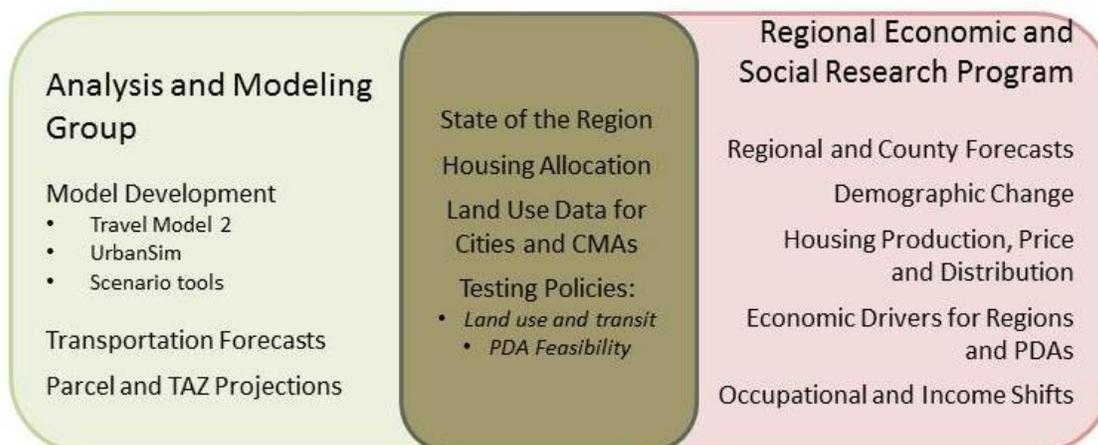
This is an overview of a proposed modification to the organization of modeling and research work at MTC and ABAG. This change has the potential to expand our land use capabilities and strengthen the interaction between the land use and transportation analysis. Both ABAG and MTC are engaged in regional analysis to accomplish their missions. Because both agencies plan for the future in the region, there are overlapping tasks and close interconnections across the analytic work at each agency. The planning directors of both agencies have discussed ways to coordinate teams and analysis across agencies for efficient and high quality regional analysis, by consolidating ABAG and MTC analytic function into two teams. Analysis and Modeling Group (AMG) will be led by Dave Ory at MTC and Regional Economic and Social Research Program (RESRP) by Cynthia Kroll at ABAG. The major change is the relocation of the land use modeling work (UrbanSim) from ABAG to MTC.

Overarching Responsibilities by Agency

Dave Ory will oversee coordination and development of transportation and land use modeling. The AMG will provide careful attention to the quality and process of regional modeling that is critical to both MTC and ABAG tasks. Consolidating these analytic efforts would provide both agencies with greater sophistication in their modeling of detailed characteristics and flows within the region.

Cynthia Kroll will oversee the economic, demographic, housing and land use research, including regional economic and demographic forecasts. ABAG research will inform assumptions underlying both the regional forecasting efforts by RESRP and the land use and transportation models designed by AMG. Improved research capabilities will help ABAG meet the increasing demand for underlying economic and land use analysis to support the agency's policy functions.

The two teams will provide cross agency support on tasks as needs arise and will work together on some key efforts such as housing allocation, state of the region modeling, and the Plan Bay Area update. In order to accommodate this arrangement, the P-5 position associated with the design of UrbanSim at ABAG will be shifted to MTC but will continue to support some ABAG analytic functions. ABAG is exploring the possibility of adding an entry level planner to support the research needs outlined here.



This reorganization of modeling and research does not impact the responsibilities of each agency regarding forecast and land use allocations at ABAG and transportation investments at MTC.

Analysis and Modeling Group at MTC

The details will be later developed by Dave Ory, Principal Analyst at MTC. This Group will be responsible for developing both land use and transportation models. The land use model will be based on Urban Sim. The Travel model, Travel Model 2 (TM2) will provide analysis at a more detailed geography than the version used for 2013 RTP. Key tasks include:

- Development of UrbanSim as the core tool for land use modeling
- Development of Travel Model 2
- Coordination of models with CMAs and California MPOs
- Scenario building tools for outcome comparisons at the subregional, jurisdiction or PDA level .
- Data collection and estimation at parcel, block, census tract and jurisdictional levels, aggregation to TAZ, MAZ, and PDA levels.
- Integration of information provided by ABAG and local jurisdictions into land use model, projections

Regional Social and Economic Research Program at ABAG

Cynthia Kroll, Chief Economist at ABAG, will run this program. It will rely on economic, demographic and policy analytic capabilities at ABAG combined with the regional and local planning knowledge of ABAG staff to address a range of activities and analytic functions. This research will support and inform the land use and transportation models.

Analytics, Forecasting and Projections

- Regional and jurisdictional level forecasts of overall employment, output, population and income
- Industrial and occupation composition; income; age and ethnic distribution; natural increase, migration and immigration
- Projected geographic distribution of changes—an iterative process with UrbanSim, projections document for local government and the general public
- Data management for ABAG staff, member jurisdictions, and stakeholder groups.

Ongoing Economic and Demographic Trend Analysis, Underlying Forces

- Recent economic trends by industry and city, county or PDA
- Industry restructuring, changing occupations and wages, implications for regional wealth/income
- Trends in demographics, migration and household formation
- Indicators of prosperity beyond GRP
- Land availability and regional growth
- Access to Opportunity—Defining places of opportunity, measures of the distribution of well being
- Geographic distribution—Nexus between jobs, housing, development patterns, location choices

Policy and Implementation

- State of the Region including indicators to measure and monitor regional change related to the SCS
- PDA implementation (defining complete communities, identifying target industries)
- Special projects (i.e. housing vulnerability to natural disasters, housing gap analysis, fair housing equity assessment, displacement risk, affordable housing in TOD locations)
- Legislative analysis (i.e. impacts of entitlement efficiency on housing production)

Cross Agency and Cross Area Analysis

The Analysis and Modeling Group and the Regional Social and Economic Research Program will help to support interactive analysis across agencies. In addition, beyond regional agencies, we plan to expand communication with planners with areas with overlapping interests and responsibilities, including the state Department of Finance and neighboring Metropolitan Planning Organizations.

Coordination

- Research at ABAG informing land use model design.
- Shared data—original and estimated—between the two programs.
- Modeling output informing regional and local land use planning policy

Joint Projects

- Proforma evaluation tool
- State of the Region monitoring and reports

Review and quality control

- Expert review
- Reality checks using indicator ratios to identify out-of-scale results
- Transparent descriptions of analytic methods and confidence ranges.

Questions

- How to ensure efficiency and performance at ABAG and MTC?
- Do we have clear roles and responsibilities?



Date: March 6, 2013

To: Administrative Planning Committee

From: Miriam Chion
Planning and Research Director

Subject: **Priority Conservation Area (PCA) Program Update**

The Priority Conservation Area (PCA) program was initiated in 2007 to identify Bay Area open spaces that: 1) provide regionally significant agricultural, natural resource, scenic, recreational, and/or ecological values and ecosystem functions; and 2) are in urgent need of protection due to pressure from urban development or other factors. The program, which was developed in concert with the Priority Development Areas (PDAs), envisioned focusing future open space funds on acquisition or conservation easements in the PCAs.

The PCA program helped spur collaboration between local governments, public agencies, and nonprofit organizations to nominate more than 100 PCAs. Nominations were reviewed by staff, a review panel, regional committees, and local governments. Recommendations were based on the three nomination criteria: level of consensus, regional significance, and urgency for protection. The ABAG Executive Board adopted a set of Priority Conservation Areas on July 17, 2008.

The first set of PCA projects were funded in 2013 and 2014 through the One Bay Area Grant (OBAG) included in Plan Bay Area. OBAG provided \$5 million in funding for a competitive program in San Francisco, San Mateo, Santa Clara, Alameda, and Contra Costa counties managed by the Coastal Conservancy. Another \$5 million was divided between the North Bay county Congestion Management Agencies—each of whom managed their own program.

During meetings in 2012 and 2013, the ABAG Regional Planning Committee and Executive Board requested that staff revise the PCA program to provide greater specificity about the qualities and function of different types of PCAs—using an approach more in line with the Place Types used to categorize Priority Development Areas. In addition, Executive Board members stressed the importance of addressing the need for urban parkland and providing green space in growing PDAs.

Plan Bay Area, adopted in July 2013, includes the following language:

Following adoption of Plan Bay Area, ABAG will update the PCA guidelines to further define the role of different kinds of PCAs to support habitat, agriculture, recreation and other ecological functions. Updates to individual PCAs will be made in consultation with local jurisdictions.

For review and discussion, Attachments A and B provide a draft update to the PCA program framework and guidelines. The update proposes four PCA designations—Natural Resource Land, Farmland, Urban Greening, and Regional Recreation—as well as new evaluation tools and an updated application process.

ATTACHMENT A: PCA PROGRAM UPDATE

The tables below introduce new designations that PCA applicants would select, as well as a potential evaluation process. These would be used to better understand the PCAs as a regional system and to potentially prioritize future funding.

Table 1: Proposed Priority Conservation Area (PCA) Designations

PCA Designation	Primary Benefit(s)	Potential Co-Benefits	Examples
Natural Resource Land	<ul style="list-style-type: none"> • Wildlife Habitat • Aquatic Ecosystems • Water 	<ul style="list-style-type: none"> • Climate & Resilience • Compact Growth 	<ul style="list-style-type: none"> • Unprotected or partially protected area supporting watershed and/or habitat functioning • Riparian corridors
Farmland	<ul style="list-style-type: none"> • Agricultural Economy • Food Security 	<ul style="list-style-type: none"> • Wildlife Habitat • Water • Recreation • Climate & Resilience • Compact Growth 	<ul style="list-style-type: none"> • Farmland critical to the region’s agricultural economy and/or at high risk of conversion • Grazing land at high risk of conversion
Urban Greening	<ul style="list-style-type: none"> • Community Health 	<ul style="list-style-type: none"> • Water • Wildlife Habitat • Recreation • Food Security • Climate & Resilience 	<ul style="list-style-type: none"> • New or enhanced park or community garden sites • Areas and/or street with a deficit of street tree cover and low-impact stormwater treatment
Regional Recreation	<ul style="list-style-type: none"> • Recreation 	<ul style="list-style-type: none"> • Wildlife Habitat • Water • Climate & Resilience • Community Health • Compact Growth 	<ul style="list-style-type: none"> • Incomplete regional trail network • New or expanded regional park sites

ATTACHMENT A: PCA PROGRAM UPDATE

Table 2: Proposed PCA Benefit Evaluation Process

Benefit	Value/Goal	Metrics/Criteria	Data Sources
Wildlife Habitat	Protect and/or enhance region's upland wildlife habitat	<ul style="list-style-type: none"> Level of significance in the Conservation Lands Network (CLN): <ol style="list-style-type: none"> (1) Essential, (2) Important, or (3) Fragmented 	Conservation Lands Network (CLN)
Aquatic Ecosystems	Protect and/or enhance region's aquatic ecosystems	<ul style="list-style-type: none"> Location identified in Baylands Ecosystem Habitat Goals Location identified in Subtidal Habitat Goals 	Baylands Ecosystem Habitat Goals, Subtidal Habitat Goals
Water	Contribute to sustainability and safety of region's water supply	<ul style="list-style-type: none"> Reservoir Catchment Area Wetland, Bayland, or Vernal Pool Area of high to moderate levels of infiltration [Groundwater High/Low Use] [Aquifer recharge zone] Critical or priority stream in CLN 	Bay Area Open Space Council (BAOSC) Calfire, CLN, USGS, USFWS, SFEI
Agricultural Economy	Sustain or strengthen region's agricultural economy	<ul style="list-style-type: none"> Dollars of Existing/Potential Agricultural Production Important Farmland Important Ranchland Important Soil 	CA Farmland Mapping and Monitoring Program (FMMP), USDA, National Resource Conservation Service (SSURGO), County Pesticide Reports
Food Security	Improve the region's long-term supply of essential foods	<ul style="list-style-type: none"> Provides produce to Bay Area stores/markets Provides meat or dairy to Bay Area stores/markets 	[Identify data sources]
Community Health	Increase park access, tree cover, habitat, and availability of healthy food in Bay Area neighborhoods	<ul style="list-style-type: none"> Neighborhood park access Tree cover index Full service grocery store access 	US Forest Service (USFS), County health agencies, Trust for Public Land

ATTACHMENT A: PCA PROGRAM UPDATE

Benefit	Value/Goal	Metrics/Criteria	Data Sources
		<ul style="list-style-type: none"> • Obesity 	
Recreation	Complete regional trail and park network, increase access to regional open spaces	<ul style="list-style-type: none"> • Miles of planned regional trails completed • Acres of regional park added 	Bay Trail, Ridge Trail, Bay Area Open Space Council (BAOSC) Regional Trail Database
Climate & Resilience	Reduce GHG emissions and help region adapt to climate change	<ul style="list-style-type: none"> • Carbon storage potential • Projected to experience urban heat island effect • Within multi-hazard zone • Within area projected to be immersed as a result of sea level rise 	USDA, Calfire
[Compact Growth]	Support growth supportive of Plan Bay Area by protecting the region's open spaces.	<ul style="list-style-type: none"> • Level of policy protection • Level of development pressure on or adjacent to land 	County general plans

ATTACHMENT B

PCA Program Update

This attachment proposes a revised application process for new PCAs and a process for updating existing PCAs

New PCAs: Proposed Application Process

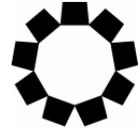
- Complete full PCA application (details TBD; will include selection of PCA designation, description of benefits, and supporting data and maps)
- Adopt resolution of support for PCA by Board of Supervisors/City Council
- Submit application to ABAG for staff review
- Staff presents application to Regional Planning Committee (RPC), recommending that it forward the application to the Executive Board for adoption
- Application presented to Executive Board for adoption

Existing PCAs: Proposed Update Process

- Complete brief memo summarizing existing PCA, identifying a PCA designation, indicating any boundary or other updates to the PCA, and provide supporting data if needed
- TBD: If not already adopted, adopt resolution of support from Board of Supervisors or City Council of jurisdiction in which PCA is located and submit
- Submit to ABAG for staff review and acceptance

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: February 27, 2014
To: ABAG Administrative Committee
From: Miriam Chion, Planning & Research Director
Subject: **Regional Prosperity Plan (HUD Grant)**

Introduction

The purpose of this memo is to advance the conversation on assessing and integrating the outputs of the Regional Prosperity Plan (RPP) into ABAG's work to implement Plan Bay Area. This includes substantial knowledge on economic and housing strategies, local institutional and planning capacity, and collaborative relationships.

Background

The Regional Prosperity Plan is a three-year initiative funded by a \$5 million grant through the Sustainable Communities Partnership Program of HUD to ABAG and MTC. The RPP will support the implementation of Plan Bay Area with respect to economic mobility and opportunities for low- and moderate-income workers, production and preservation of affordable housing close to transit, and neighborhood stabilization in communities at risk of displacement.

The Regional Prosperity Plan (RPP) has brought together a broad consortium comprising representatives of non-profit organizations, business organizations, and public agencies, working at both the local and regional scale, in a consensus-based process to ensure that historically under represented stakeholders have a place at the table. This work of aligning common interests from stakeholders with different perspectives is being advanced through dozens of studies and pilot projects funded by the RPP. See attachments for a description of the RPP consortium structure (Attachment 1), list of projects (Attachment 2) and compilation of project descriptions (Attachment 3). Within the RPP pool of projects, ABAG is responsible for the Affordable Housing Funding Gap Analysis, Regional Development Tracking Dashboard, and the Fair Housing Equity Analysis. These projects are built upon existing resources at ABAG and contribute to our efforts on affordable housing.

Each grantee's final report will include recommendations linked to the achievement of RPP goals and supportable by the grantee's findings. These recommendations may call for specific actions or more general strategies. These final grantee reports will inform an RPP Summary Report which may include, for example, an action matrix matching potential strategies, policies, or actions to various consortium member organizations and others involved with Plan Bay Area implementation. The Summary Report would invite but not require RPP consortium members to consider taking various actions that further the common goals of the RPP and Plan Bay Area. ABAG, MTC and other consortium member organizations would bring forward study and/or actions items to their governing boards through appropriate internal channels such as their stakeholder advisory committees and/or the policy subcommittees.

As currently envisioned, the Summary Report would also serve as a platform for engaging organizations and sectors that have been less involved in Plan Bay Area implementation, and for advancing a public dialog to solve regional challenges.

Discussion

As we enter the third and final year of the Regional Prosperity Plan project it is timely to consider how ABAG can build upon, and exercise stewardship over, the substantial public investment in RPP-generated assets ABAG has helped to produce. These assets are strengthening Plan Bay Area Implementation at three levels

1. *knowledge* of regional conditions and the potential effectiveness of piloted solutions;
2. *capacities* of consortium members to fashion actionable proposals honed through stakeholder vetting to strengthen feasibility; and
3. *collaborative relationships* across sectors, and bridging local/regional perspectives within sectors—are “soft,” they are of great value to Plan Bay Area implementation.

The Regional Prosperity Plan projects are addressing three key challenges embedded in the implementation of Plan Bay Area. These projects facilitate public dialogue and awareness as well as propose, develop or test strategies to improve tools or increase resources to address these challenges. First, the retention of a healthy economy while wages are increasingly polarized will require major efforts to expand middle-income jobs, better working conditions for low-wage jobs, improve access to jobs and housing. Second, the deepening drought of federal and state subsidy for affordable housing development and preservation means that even effective efforts to find sites and foster community support are likely to fall short of planned production levels, impacting the regional economy, neighborhood improvement, and quality of life. Third, the displacement risk of residents and business in jurisdictions facing major investments requires specific local strategies to increase community stability and regional strategies to address increasing suburban poverty.

Questions

- How do we sustain a level of constructive collaboration exemplified by the RPP consortium process at a sustainable cost after completion of HUD grant)?
 - Continue reduced version of consortium through Environmental Justice grant
 - Bring selected tasks to Regional Planning Committee
 - Reactivate the PDA FOCUS Forum with an emphasis on job stability and affordable housing
- Taking into account our existing and planned work on RPP-related activities what tasks should be prioritized?
 - Strengthening bridges among education and job creation agencies (workforce boards, community colleges, businesses, economic development agencies, etc.)
 - Recognizing advantages of affordable housing close to transit
 - Affordable housing finance (rental housing, rehabilitation, ownership)
 - Retail opportunities by jurisdiction and corridors
 - Exploring land trusts, land value recapture, and land banking
 - Increasing community stability and addressing displacement
- Given how RPP will shed brighter light on both challenges and solutions, how do we leverage RPP to exercise affirmative, active leadership through our projects, programs and messaging?

Attachments:

- *Attachment 1, Structure of Regional Prosperity Plan (RPP) consortium*
- *Attachment 2, Summary List of Project Funded by RPP*
- *Attachment 3, Detailed List of Project Funded by RPP*

HUD Regional Prosperity Plan

The Regional Prosperity Plan (RPP) has brought together a broad consortium including nonprofits and community based organizations with members of the business community and local elected officials in a consensus based process to ensure that historically under represented stakeholders have a place at the table. This work of aligning common interests from stakeholders with different perspectives is being advanced through dozens of studies and pilot projects funded by the RPP (attached). ABAG studies underway for the RPP consortium include the Affordable Housing Funding Gap Analysis, Regional Development Tracking Dashboard, and the Fair Housing Equity Analysis.

Background

The Regional Prosperity Plan is a three-year initiative funded by a joint \$5 million grant through the Sustainable Communities Partnership Program of HUD to ABAG and MTC. ABAG co-staffs the project and leads core research and policy analysis, while MTC provides administrative support and functions as the grant's fiscal agent. The Prosperity Plan will support the implementation of Plan Bay Area with respect to economic mobility and opportunities for low- and moderate-income workers, production and preservation of affordable housing close to transit, and neighborhood stabilization in communities at risk of displacement. The Prosperity Plan includes three inter-connected work areas described below.

1. Housing the Workforce Initiative

This initiative has supported the development of strategies, tools and policy solutions for the production and preservation of affordable housing in transit-served areas, and neighborhood stabilization in communities at risk of displacement. To develop these resources, the initiative has funded pilot projects through \$1.2 million in sub-grants over three rounds of funding.

2. Economic Prosperity Initiative

This initiative has supported the development of an Economic Prosperity Strategy that addresses economic mobility and opportunity for low- and moderate-income workers in the region. The initiative funded pilot projects through \$1.1 million in sub-grants over one round of funding to implement key components of the Strategy.

3. Equity Collaborative

This initiative has provided tools and resources to ensure that under-represented groups most in need of affordable housing and quality jobs participate in developing and implementing the Prosperity Plan. The Equity Collaborative has coordinated outreach, engagement and capacity building activities that

complement the work of the other two working groups. This initiative funded pilot projects through \$760,000 in sub-grants over two rounds of funding.

A **Joint Projects Team** (JPT), composed of ABAG and MTC staff, as well as the co-chairs of the three working groups oversees the implementation of the program, supports integration across the three work areas, and provides direction to staff.

The **Steering Committee** provides general oversight for the overall project and will explore future funding opportunities. The Committee is composed of ABAG Board members, MTC Commissioners, community-based organizations, philanthropic organizations, and co-chairs of the three working groups.

List of Projects Funded by Regional Prosperity Plan

Housing (creating more affordable housing to meet workforce needs)

Affordable housing funding gap analysis (ABAG)

Development tracking dashboard (ABAG)

Fair housing equity assessment (ABAG)

San Francisco small sites acquisition and stabilization project

Preserving affordable housing near transit

Development without displacement

Implementing land value recapture

Bay area online parking database

Building community support for affordable housing

Leadership engagement advocacy and development in Marin

Predevelopment assessment for the 11th and Jackson site in Oakland Chinatown

User-friendly interface for the regional early warning system for gentrification

Sustainable stewardship program in San Francisco, Alameda and Sonoma (land trusts)

Predevelopment assessment for Riviera family apartments in Walnut Creek

East Palo Alto fair housing project

Healthy Havenscourt neighborhood plan (Oakland)

Laying the groundwork for inclusive growth in San Mateo and Santa Clara counties
(template housing elements)

Housing our workforce (technical assistance / housing elements – NPH)

Economic (workforce development, training, analysis)

Economic prosperity strategy (CC SCE, SPUR, Working Partnerships)

Eastbay skills alliance Contra Costa Community College

Santa Clara County Health Services workforce collaborative

A blueprint for creating pathways to ownership for low and moderate income workers
(entrepreneurship)

Improved skills, better wages and new opportunities for Latino day laborers

Bay area tech career advancement initiative

Promoting economic opportunity at the Fremont Warm Springs BART (job training
center)

Construction careers initiative

Self-employment and the road to economic security in Sonoma (entrepreneurship)

Formula retail sector economic opportunity project (San Francisco)

Success Concord (targeted training)

Equity (organizing underrepresented groups, grassroots capacity building)

*Regional emergency warning system for displacement/gentrification (aka REWS - UC
Berkeley)*

Revive Oakland making good jobs real

Promoting equity from the bottom up in East Palo Alto

City leadership Academy in San Francisco

List of Projects Funded by Regional Prosperity Plan

Rules of the road: how to engage public agencies in land-use and transportation decisions

One day regional equity conference

Community capacity building in the Bay Area

Map your future project in East Palo Alto

A new vision for the Bay Area (North Bay transit advocacy)

Planning Institute for leadership

Community engagement for public benefit zoning in Oakland

Oakland sustainable neighborhoods initiative capacity building (BRT best practices)

Black regional resilience project (analyze African American migration/displacement)

Promoting equity in affordable housing in East Palo Alto

Attachment 3a: Detailed List of Projects Funded by RFP, (Round 1 and 2)
Equity Sub-Grant Projects

<i>Project and Partners</i>	<i>Amount Awarded</i>	<i>Brief Description</i>
<p>Revive Oakland: Making Good Jobs Real</p> <p>East Bay Alliance for a Sustainable Economy (EBASE), City of Oakland, Revive Oakland Coalition, Asia Pacific Environmental Network, Oakland Rising, Street Level Health Project, Workforce Collaborative and California State Labor Federation</p>	\$75,000	Strengthen workforce pathways and ensure meaningful community enforcement to implement the landmark Good Jobs Policy, adopted by the City of Oakland in 2012, which will create real opportunities for underrepresented communities in the massive redevelopment of the Oakland Army Base.
<p>Promoting Equity from the Bottom Up in East Palo Alto</p> <p>Youth United for Community Action (YUCA), Peninsula Interfaith Action, San Mateo County Union Community Alliance and SPUR</p>	\$30,000	Work with low-income residents of East Palo Alto to identify challenges and solutions related to access to economic opportunity. Engage residents through leadership development, education and organizing to participate in the Economic Prosperity Strategy project.
<p>Citywide Leadership Academy in San Francisco</p> <p>Tenderloin Neighborhood Development Corporation (TNDC), Community Housing Partnership (CHP), Dolores Street Community Services (DSCS), People Organizing to Demand Environmental and Economic Rights (PODER), South of Market Community Action Network (SOMCAN)</p>	\$75,000	Train residents from low-income and immigrant neighborhoods to give them the hard skills they need to become leaders in their community.
<p>Rules of the Road: How to Engage Public Agencies in Land Use, Transportation and Air Quality Decisions to Promote Equity and Public Health</p> <p>Public Health Institute (PHI), Pacific Institute, Ditching Dirty Diesel Collaborative</p>	\$50,000	Provide targeted trainings and technical assistance to under-represented communities to promote meaningful community involvement in land use and transportation issues, particularly as they relate to public health and equity issues.

<p>One-Day Regional Equity Conference Local Initiatives Support Corporation (LISC)</p>	<p>\$25,000</p>	<p>Convene a one-day regional conference for up to 200 equity organizations in coordination with the Equity Collaborative and Steering Committee in October 2013.</p>
<p>Community Capacity Building in the Bay Area Council of Community Housing Organizations (CCHO)</p>	<p>\$20,000</p>	<p>Provide technical assistance to ABAG, MTC, the three working groups and community organizations across the Bay Area on projects and programs related to affordable housing and displacement.</p>

Housing the Workforce Sub-Grant Projects

<i>Project and Partners</i>	<i>Amount Awarded</i>	<i>Brief Description</i>
<p>San Francisco Small Sites Acquisition and Stabilization Project</p> <p>Chinatown Community Development Center, Inc.; Bernal Heights Neighborhood Center; People Organized to Demand Environmental and Economic Rights; San Francisco Community Land Trust</p>	\$58,290	<p>Develop a sustainable and scalable model for the acquisition and preservation of existing affordable housing units on small sites, and lay the groundwork for implementing that model to identify opportunity sites within four Priority Development Areas in San Francisco where disadvantaged communities are at greatest risk of displacement.</p>
<p>Preserving Affordable Housing Near Transit</p> <p>Reconnecting America; California Housing Partnership Corporation</p>	\$67,194	<p>Identify the location of at-risk affordable housing properties near public transit and work with local governments to implement policy solutions for preserving those properties.</p>
<p>Development Without Displacement in the Bay Area</p> <p>Causa Justa::Just Cause; Alameda County Public Health Department</p>	\$74,516	<p>Publish a “Development without Displacement” Report to provide a Comprehensive Anti-Displacement Framework for stakeholders involved in community planning processes associated with Transit-Oriented Development (TOD) in the Bay Area.</p>
<p>Implementing Land Value Recapture to Support the Production and Preservation of Affordable Housing Near Transit</p> <p>East Bay Housing Organization; City of Concord; City of El Cerrito; City of Walnut Creek; Profit Housing Association of Northern California; Council of Community Housing Organizations in San Francisco; Housing Leadership Council of San Mateo County</p>	\$50,000	<p>Provide guidance to elected officials, agency staff, and community organizations on an innovative approach to funding affordable housing at the local level using Land Value Recapture and Public Benefits Zoning.</p>

Housing the Workforce Sub-Grant Projects

<p>Bay Area Online Parking Database</p> <p>TransForm, Cities of Oakland and San Jose, East Bay Housing Organizations (EBHO) and Resources for Community Development (RCD)</p>	<p>\$100,000</p>	<p>Create an Online Parking Database and analyze parking utilization rates to inform updated parking requirements for affordable housing projects that adopt transportation demand management strategies. This project, when completed, will facilitate the development of affordable homes at each stage of planning and development process.</p>
<p>Building Community Support for Affordable Housing Developments in the Bay Area</p> <p>Greenbelt Alliance, Cities of San Jose, Sunnyvale, Mountain View and Santa Clara; Silicon Valley Leadership Group (SVLG); East Bay Housing Organizations (EBHO); Housing leadership Council of San Mateo County; Mountain View Coalition for Sustainable Planning; Stand Up for Neighborly Novato; and Livable Berkeley</p>	<p>\$55,750</p>	<p>Design and launch an endorsement program for affordable housing projects. Develop an evaluation tool and create information materials to highlight the benefits of building affordable housing in local communities.</p>
<p>Leadership, Engagement, Advocacy and Development (LEAD) in Marin County</p> <p>Marin Grassroots, City of Marin, Marin City Dr. Martin Luther King Jr. Coalition, and Canal Welcome Center</p>	<p>\$56,750</p>	<p>Implement an action-learning leadership training program that will prepare local residents to be effective advocates for neighborhood stabilization and members of local public Boards and Commissions.</p>
<p>Pre-Development Assessment for the 11th and Jackson Site in Oakland Chinatown</p> <p>East Bay Asian Local Development Corporation (EBALDC), City of Oakland Housing Authority</p>	<p>\$45,000</p>	<p>Incorporate community benefit principles and reduce the construction costs for the affordable housing project on 11th Street and Jackson Street in Oakland Chinatown through improved design and programming..</p>

Housing the Workforce Sub-Grant Projects

<p>User-Friendly Interface for the Regional Early Warning System for Gentrification</p> <p>Reconnecting America</p>	<p>\$50,000</p>	<p>Create a user-friendly interface for the predictive tool for displacement that will be developed by the University of California at Berkeley (UCB) team, headed by Professor Karen Chapple, through the California Air Resources Board (ARB) study.</p>
<p>Sustainable Stewardship Program in Counties of San Francisco, Alameda and Sonoma</p> <p>Northern California Land Trust (NCLT), Bay Area Consortium of Community Land Trusts (CLTs)</p>	<p>\$60,000</p>	<p>Promote the land trust model and build technical assistance capacity among member Community Land Trusts (CLTs). Provide assistance with ground lease and deed restriction oversight; resale management; lender, funder and jurisdictional outreach; and resident outreach and education to member CLTs.</p>
<p>Pre-Development Assessment for Riviera Family Apartments in Walnut Creek</p> <p>Resources for Community Development (RCD), Local Initiatives Support Corporation (LISC)</p>	<p>\$45,000</p>	<p>Conduct pre-development assessment on the Riviera Family Apartments project that will provide 55 units of affordable housing for low-income families in Downtown Walnut Creek.</p>
<p>East Palo Alto Fair Housing Project</p> <p>Peninsula Interfaith Action (PIA), City of East Palo Alto, Youth United for Community Action and Urban Habitat</p>	<p>\$37,500</p>	<p>Work with coalition partners to organize East Palo Alto residents in the West Area Plan process to mitigate displacement of up to 6,400 low-income residents and people of color, increase affordable housing options in the Peninsula, and set a model of housing preservation strategies for the San Mateo County.</p>