

Joint Meeting of MTC Planning Committee and ABAG Administrative Committee Merger Study

April 22, 2016

9:00 a.m.



**Association
of Bay Area
Governments**



**METROPOLITAN
TRANSPORTATION
COMMISSION**

**Management
Partners**



Meeting Agenda

- Three Problems
- Analysis Framework
- Options Analysis
- Recommendation
- Next Steps



Three Problems

1. Preparation of the region's sustainable community strategy to reduce greenhouse gases is statutorily split between two regional agencies.
2. Two agencies responsible for regional land use and transportation planning and associated services and programs are not formally linked by an integrated management, leadership, or policy structure.
3. ABAG's ongoing ability to implement its mission is compromised by its dependence on discretionary funding that will challenge its fiscal sustainability over the long run.

Merger Study Principles

1. Provides a sustainable, integrated and transparent land use and transportation planning function.
2. Improves the efficiency and effectiveness of regional land use and transportation planning, services, and programs.
3. Increases the transparency of regional land use and transportation policy decisions.
4. Sustains or expands core agency services, operations and programs.
5. Expands opportunities for broader stakeholder engagement in regional planning.
6. Sustains the representative voice of cities and counties.
7. Promotes comprehensive regional planning in the Bay Area.
8. Preserves local land use authority.
9. Provides an equitable and predictable transition for current and retired employees.

General Analysis Framework

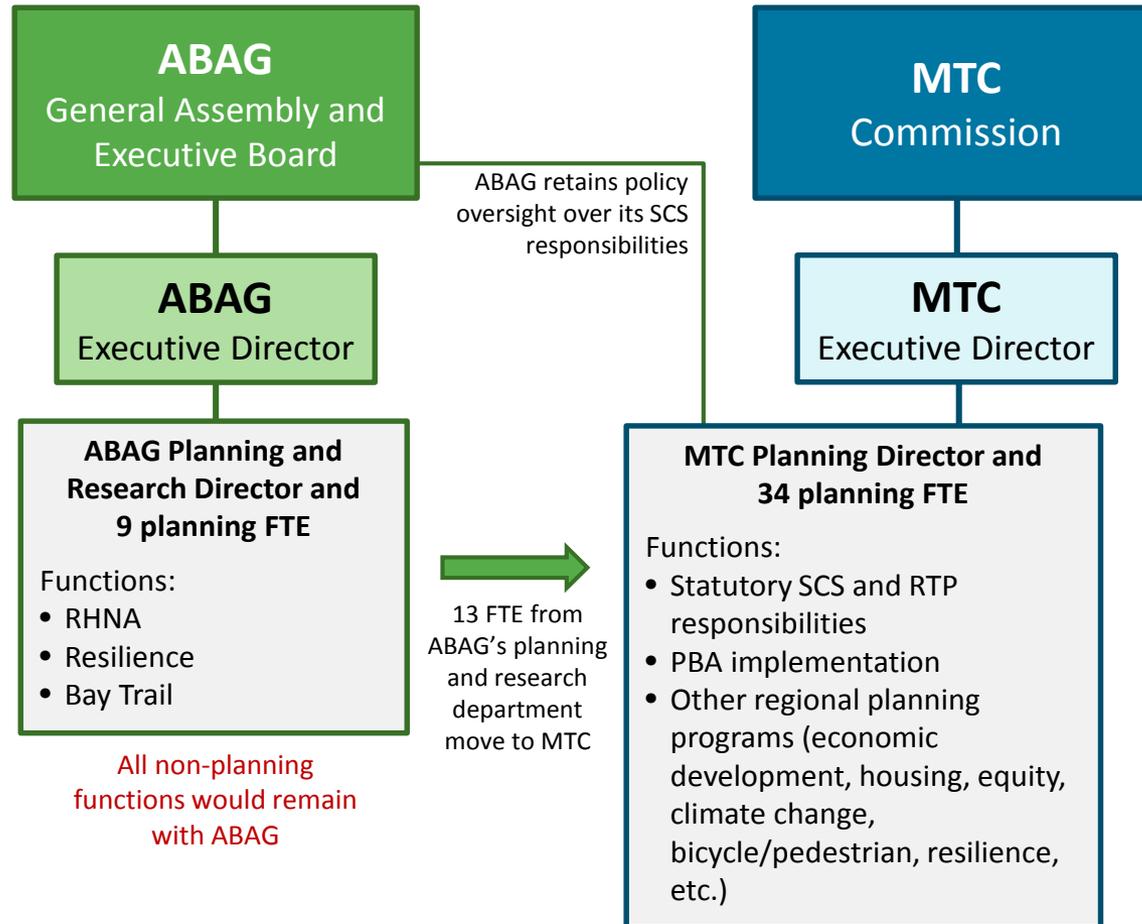


General analysis focused around five major impact areas

Evaluation Criteria

- A. Operational effectiveness and accountability
- B. Transparency in policy decision making
- C. Core service delivery and financial sustainability
- D. Ease of implementation
- E. Implementation support

MTC Resolution 4210



MTC Resolution 4210

A. Operational Effectiveness and Accountability



- Provides a single agency staff accountable for PBA and streamlines PBA process
- Begins to establish a comprehensive Bay Area planning department
- Leaves RHNA and some other planning functions at ABAG

B. Transparency in Policy Decision Making



- Bifurcation of policy responsibility left intact
- Policy process is not clear
- MTC must broaden its mission and be more sensitive to local government interests to be effective as the regional planning agency

MTC Resolution 4210

C. Core Service Delivery and Financial Sustainability



- Compounds impact and seriousness of ABAG's structural financial shortfall

D. Ease of Implementation



- Does not require legislative change
- Does not require agreement on new governing body
- Resolutions already adopted by governing boards

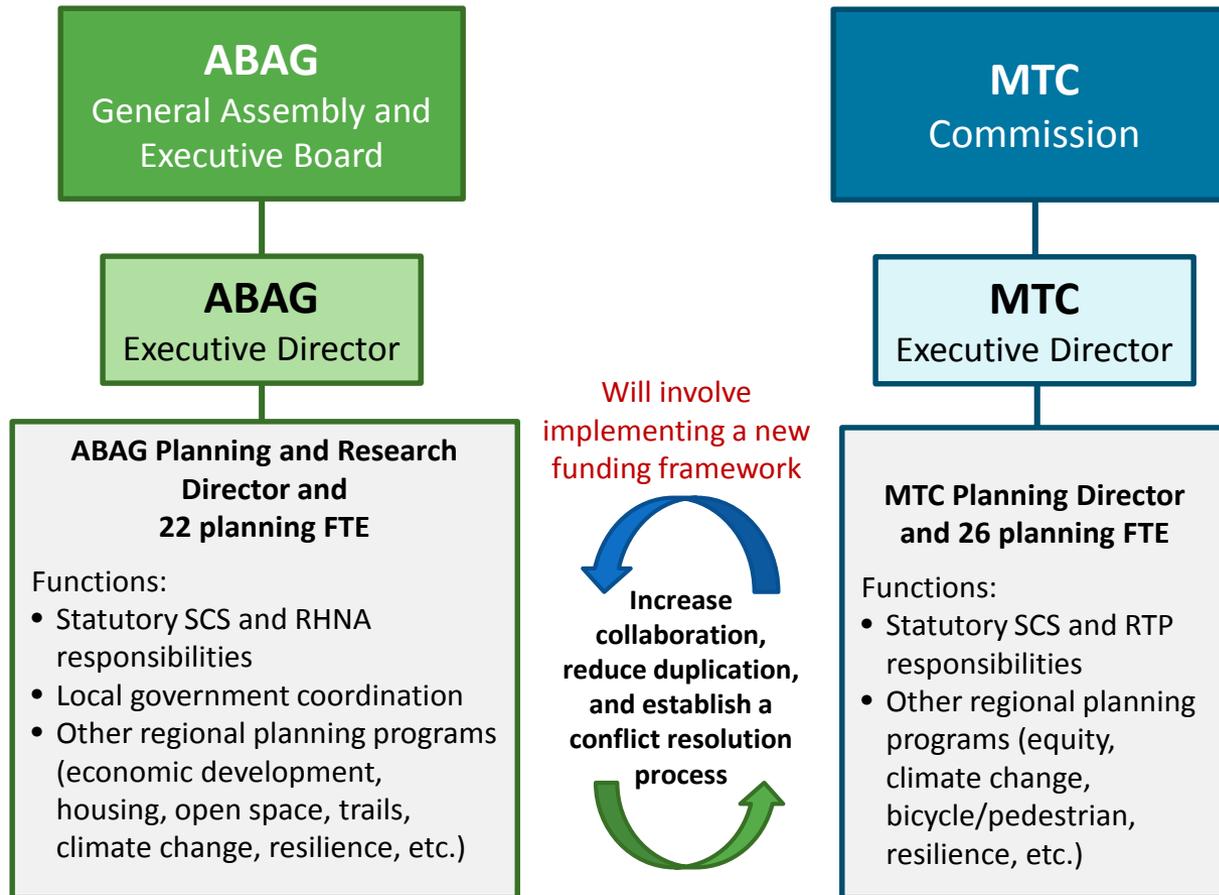
MTC Resolution 4210

E. Implementation Support



- Not favored among most elected officials interviewed
- Does not fully meet stakeholders' interest in a single regional planning agency
- Remaining ABAG employees concerned over ABAG's ability to fund existing compensation and retirement plans

Option 1. No Structural Change



Option 1. No Structural Change

A. Operational Effectiveness and Accountability



- Work continues under two planning directors and two executive directors
- Leaves uncertainty about who is accountable to what part of the PBA process
- Unlikely to substantially improve operational performance and accountability

B. Transparency in Policy Decision Making



- Does little to streamline policy roles and responsibilities
- Leaves substantial policy overlap and lack of clear responsibility
- Does not expand opportunity to address complex regional issues

Option 1. No Structural Change

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of the 2014 Funding Framework
- With ongoing monitoring and budget management, ABAG could continue providing existing services

D. Ease of Implementation



- Does not require legislative change
- Does not require agreement about new governing body

Option 1. No Structural Change

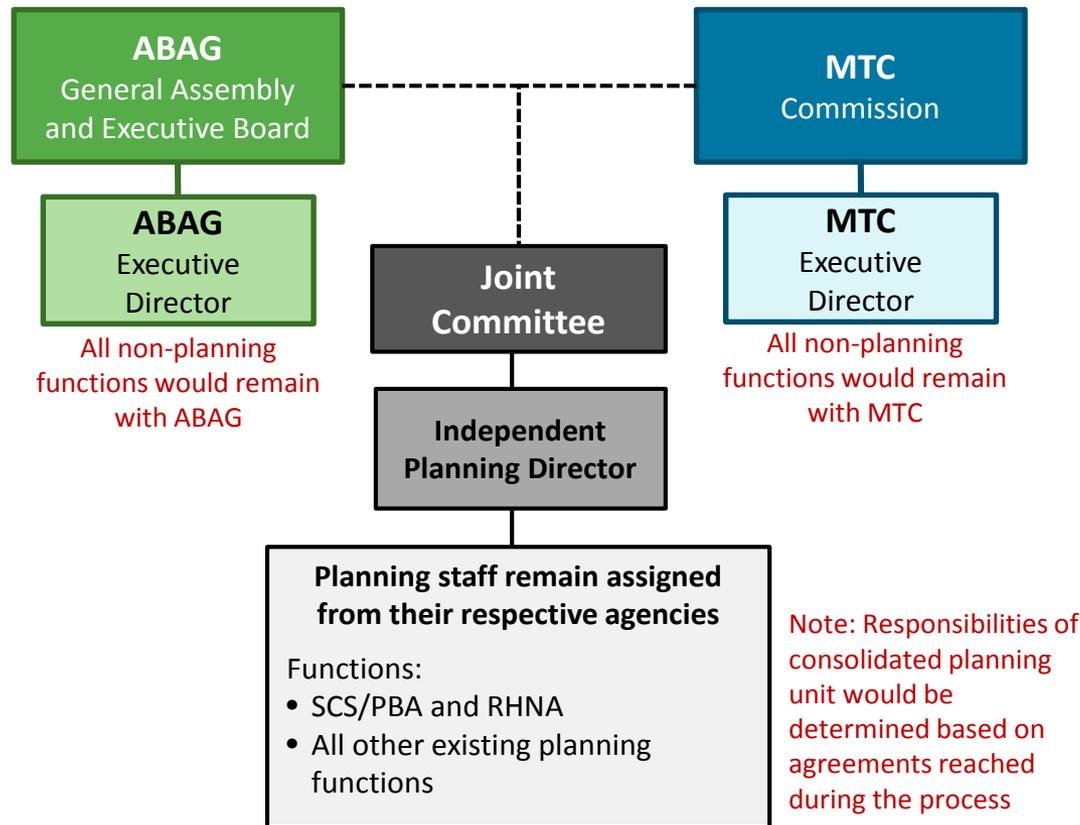
E. Implementation Support



- Supported by some local elected officials
- Does not address strong stakeholder interest in creating a unified regional agency
- Funding framework would help maintain benefits for current retirees in the near term
- May compromise ABAG's ability to recruit and retain qualified employees, as it will continue to rely on discretionary income



Option 2. Independent Planning Director



Option 2. Independent Planning Director

A. Operational Effectiveness and Accountability



- Clarifies staff roles and responsibilities with single team of planners, but creating a staff team will be challenging
 - May allow for increased integration of regional land use and transportation planning
 - Narrows career opportunities for planners, as they would be isolated from parent agencies
-

B. Transparency in Policy Decision Making



- Establishes single oversight body but does not clarify committee involvement
- May reduce some duplication of effort across committees
- Policy disagreements with parent agencies could arise

Option 2. Independent Planning Director

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of a funding framework
- With ongoing monitoring and budget management, ABAG could continue providing existing services

D. Ease of Implementation



-
- Does not require legislative change
 - Does not require agreement about new governing body

Option 2. Independent Planning Director

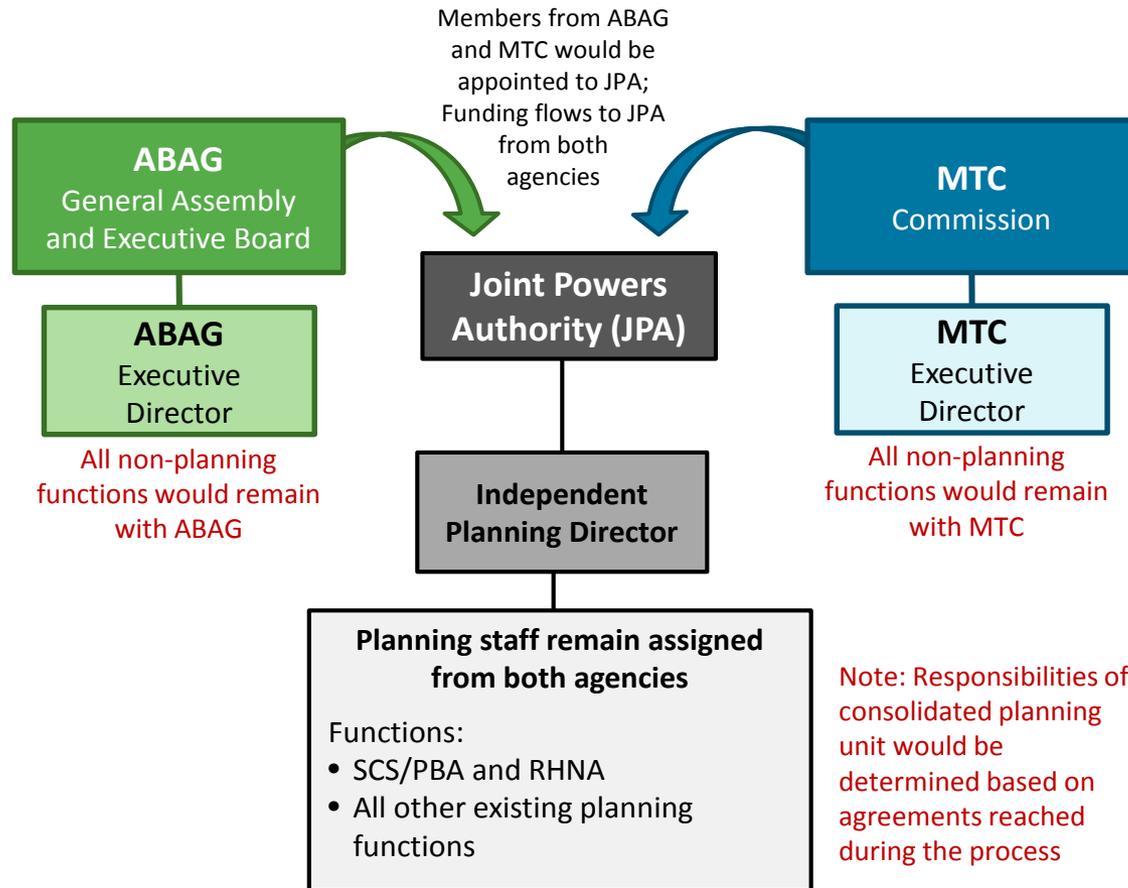
E. Implementation Support



- Requires both agencies to mutually agree on planning work program
- Dual reporting relationships could prove frustrating for staff
- Staff would remain employed by their respective agencies
- Funding framework would help maintain benefits for current retirees in the near term
- Does not fully meet stakeholders' interest in a single regional planning agency



Option 3. New JPA



Option 3. New JPA

A. Operational Effectiveness and Accountability



- Clarifies staff roles and responsibilities with single team of planners, but creating a staff team could be challenging
- Unclear relationship of new agency to parent agencies
- Narrows career opportunities for planners, as they would be somewhat isolated

B. Transparency in Policy Decision Making



-
- Establishes single oversight body and additional committee structure
 - May increase duplication of effort with parent agency committees
 - Significant challenges in determining authority of JPA

Option 3. New JPA

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of a funding framework for ABAG
- With ongoing monitoring and budget management, ABAG could continue providing existing services

D. Ease of Implementation



-
- Requires that both agencies mutually agree on a representative governance structure
 - Does not require legislative change
 - Significant costs associated with creating new agency

Option 3. New JPA

E. Implementation Support

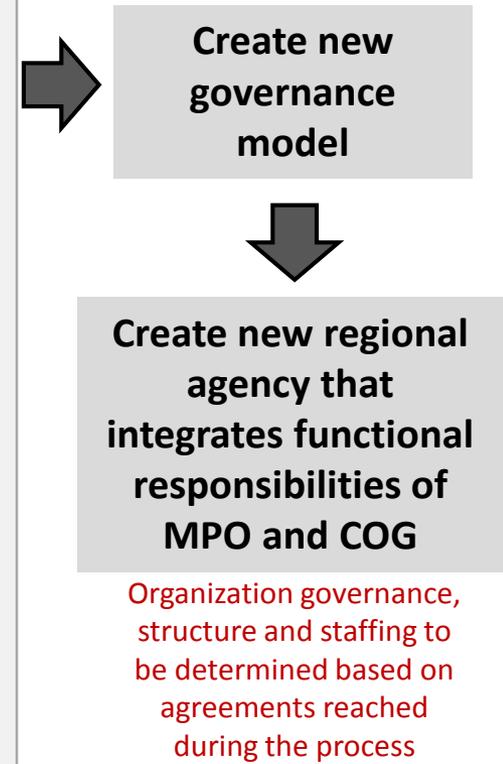
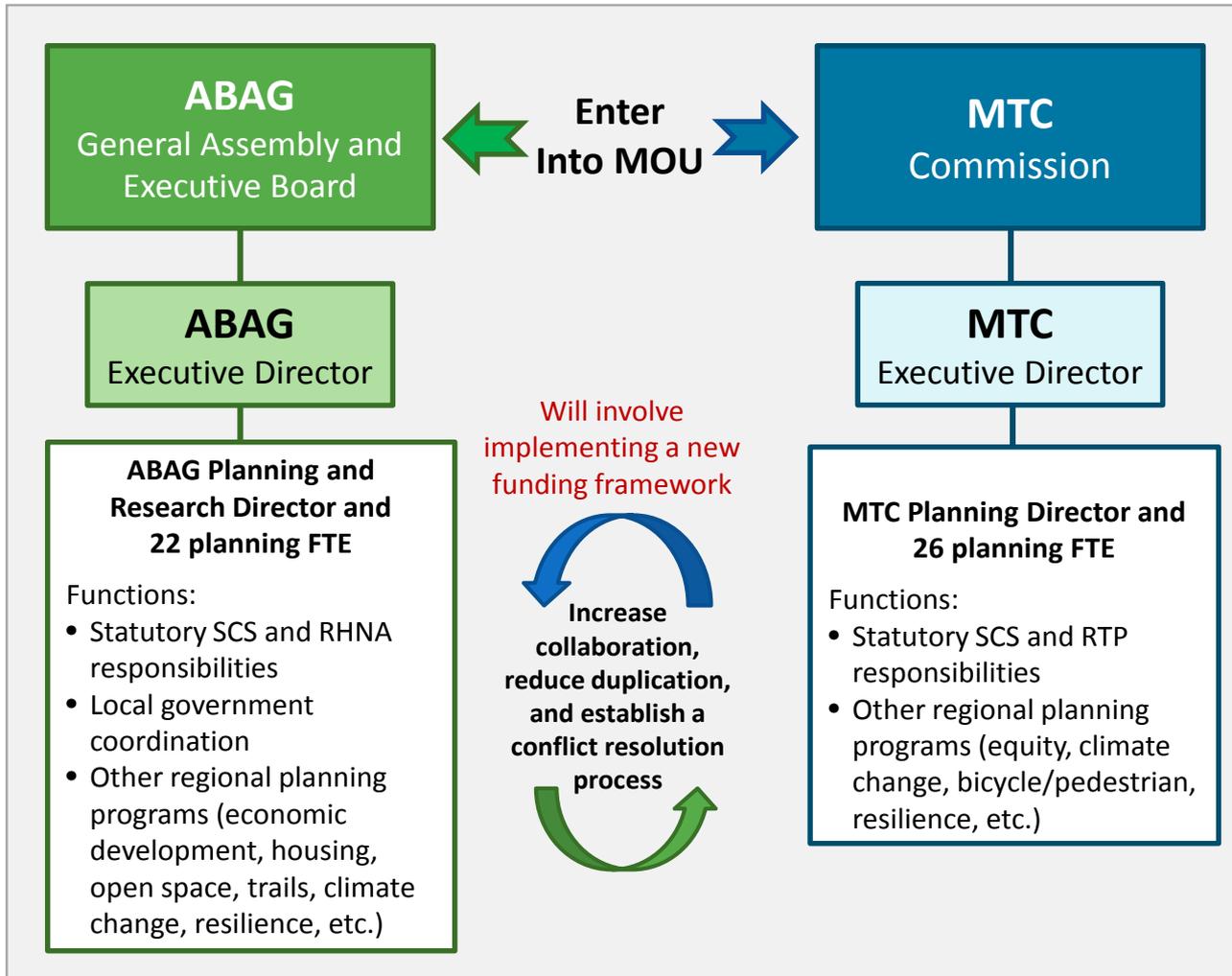


- Requires both agencies to mutually agree on a regional planning work program
- Dual reporting relationships could prove frustrating for staff
- Staff would remain employed by their respective agencies
- Funding framework would help maintain benefits for current retirees in the near term
- Does not fully meet stakeholders' interest in a single regional planning agency



Option 4. Create New Agency

Interim Step: No Structural Change



Option 4. Create New Agency

A. Operational Effectiveness and Accountability



- Creates clear staff roles and responsibilities in the long term
- Integrates land use and transportation planning and all MPO/COG functions within one unified agency
- Does not streamline PBA in the short term

B. Transparency in Policy Decision Making



- Allows for the creation of a representative governance structure, including streamlined committees
- Creates opportunity to more holistically address regional issues

Option 4. Create New Agency

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of a funding framework in the short term
- Allows for an expansion of core service programs, especially in light of cost savings from consolidation

D. Ease of Implementation



- Requires state legislation
- Requires agreement on a new governance structure

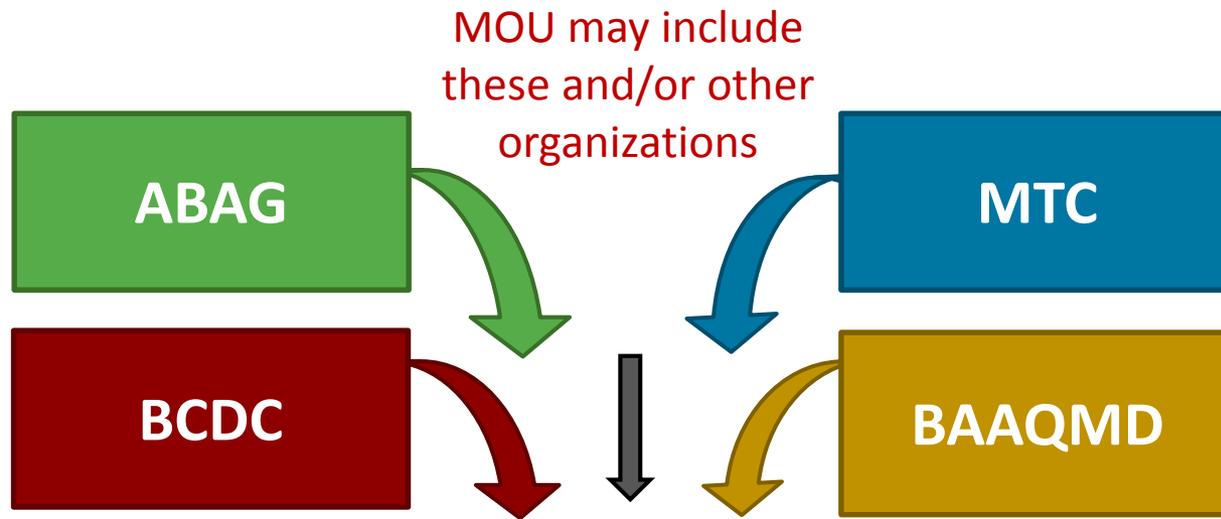
Option 4. Create New Agency

E. Implementation Support



- Increased security and stability of financial resources within a single, larger organization
- Enhances ability to recruit and retain qualified staff
- Meets strong stakeholder interest in having a unified planning agency
- Degree to which local governments support this option depends on the governance structure

Option 5. New Comprehensive Agency



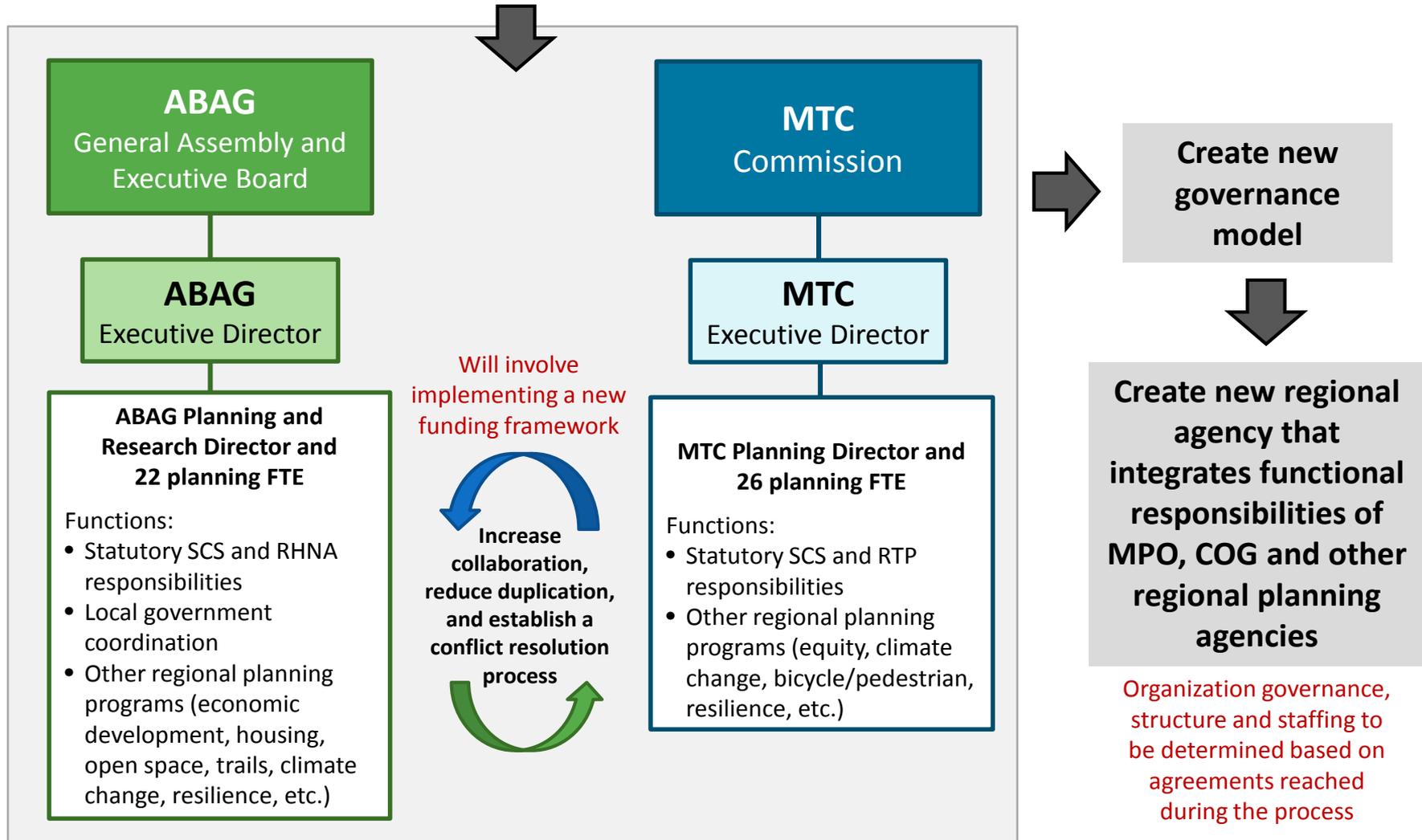
Enter into MOU

that sets forth the principles, parameters, and basic terms to guide creation of a new regional agency and governance model



Option 5. New Comprehensive Agency

Interim Step: No Structural Change



Option 5. New Comprehensive Agency

A. Operational Effectiveness and Accountability



- Creates clear staff roles and responsibilities in the long term
 - Establishes a comprehensive and unified approach to regional planning and environmental protection
 - Does not streamline PBA in the short term
-

B. Transparency in Policy Decision Making



- Allows for the creation of a representative governance structure, including streamlined committees
- Creates opportunity to more holistically address regional issues

Option 5. New Comprehensive Agency

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of a funding framework in the short term
- Allows for an expansion of core service programs, especially in light of cost savings from consolidating multiple agencies

D. Ease of Implementation



-
- Requires agreement on new governance structure across multiple regional planning agencies, which appears a daunting, if not impossible task at present time
 - Requires change in state legislation

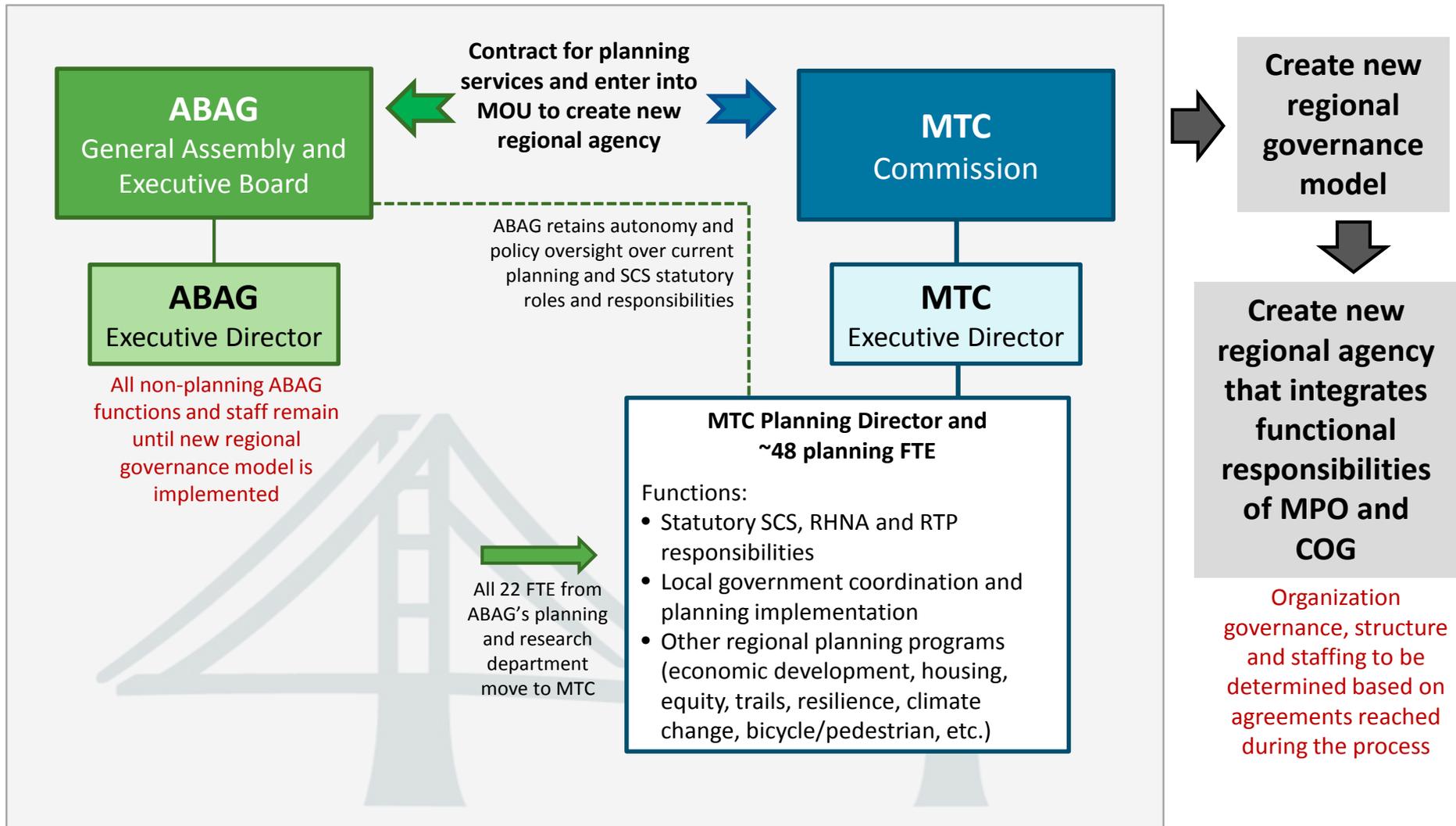
Option 5. New Comprehensive Agency

E. Implementation Support



- Increased security and stability of financial resources within a single, larger organization
- Enhances ability to recruit and retain qualified staff
- Meets strong stakeholder interest in having a unified planning agency
- Degree to which local governments support this option depends on the governance structure
- Would bring regulatory authority, which may decrease local government support

Option 6. Consolidate Planning Functions within MTC and Create New Agency



Option 6. Consolidate Planning Functions within MTC and Create New Agency

A. Operational Effectiveness and Accountability



- Provides a single agency staff accountable for PBA, streamlining process in the short term
 - Integrates land use and transportation planning and all MPO/COG functions within one unified agency in the long term
-

B. Transparency in Policy Decision Making



- Allows for the creation of a representative governance structure, including streamlined committees
- Creates opportunity to more holistically address regional issues

Option 6. Consolidate Planning Functions within MTC and Create New Agency

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of a funding framework in the short term
- Allows for an expansion of core service programs, especially in light of cost savings from consolidation

D. Ease of Implementation



-
- Requires state legislation
 - Requires agreement on a new governance structure

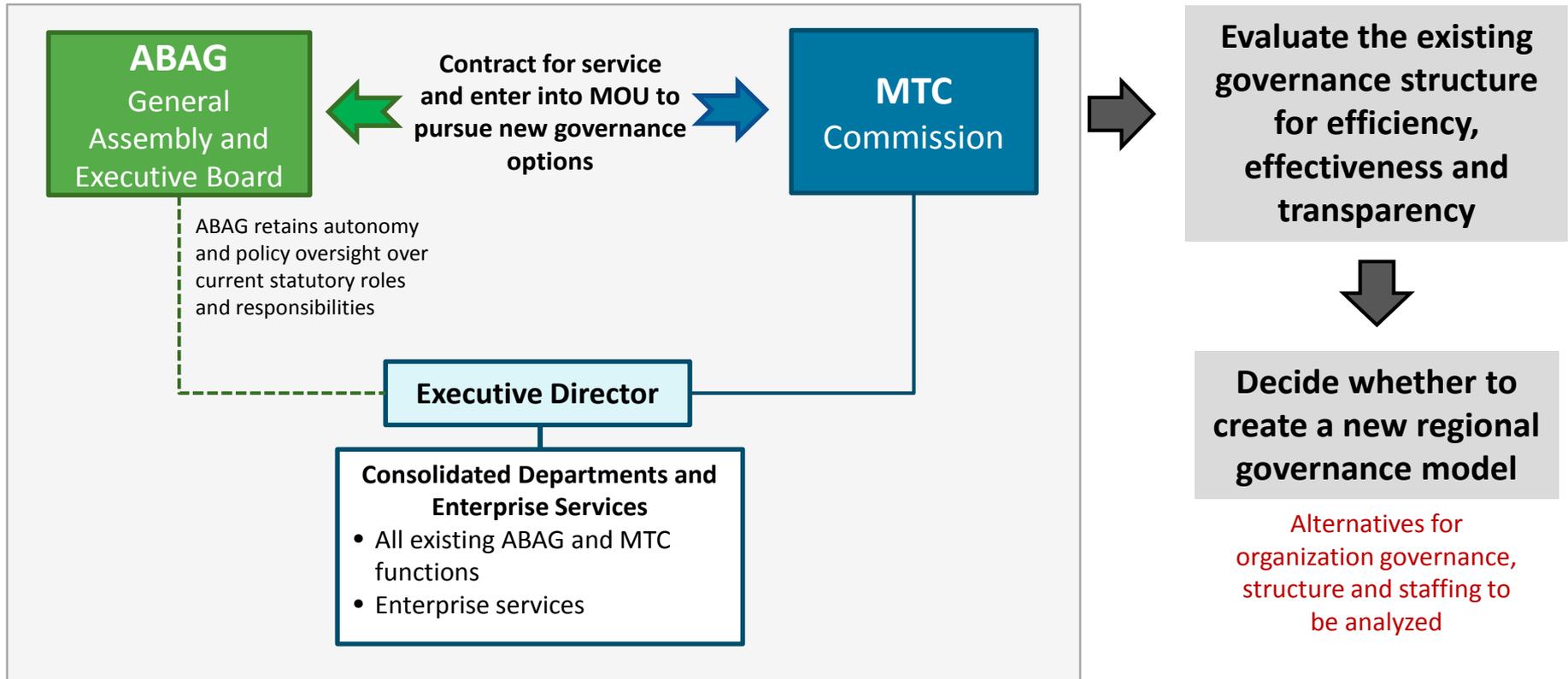
Option 6. Consolidate Planning Functions within MTC and Create New Agency

E. Implementation Support



- Increased security and stability of financial resources within a single, larger organization
- Enhances ability to recruit and retain qualified staff
- Meets strong stakeholder interest in having a unified planning agency
- Degree to which local governments support this option depends on the governance structure

Option 7. Consolidate all Staff Functions and Pursue New Governance Options



Option 7. Consolidate all Staff Functions and Pursue New Governance Options

A. Operational Effectiveness and Accountability



- Provides a single agency staff accountable for all MPO and COG functions
- Provides consolidated administrative services
- Integrates land use and transportation planning and MPO/COG functions within one agency

B. Transparency in Policy Decision Making



-
- Does not firmly commit to resolving the bifurcation of policy responsibilities
 - Allows for some improvement in policy oversight, but some inefficiencies are likely to remain
 - Requires the combined agency to demonstrate a strong commitment to local government engagement

Option 7. Consolidate all Staff Functions and Pursue New Governance Options

C. Core Service Delivery and Financial Sustainability



- Assumes continuation of a funding framework during implementation of staff consolidation
- Allows for an expansion of core service programs, especially in light of cost savings from consolidation

D. Ease of Implementation



-
- Requires change in state legislation (only if new governance option is implemented)
 - Requires agreement on a new governance structure (only if new governance option is implemented)

Option 7. Consolidate all Staff Functions and Pursue New Governance Options

E. Implementation Support



- Consolidated staff will be in a more securely funded organization
- Only partially addresses stakeholder interest in a unified regional planning agency because policy bifurcation remains
- Requires extensive engagement between the two agencies and clear agreements to ensure ABAG retains its autonomous role



Overall Rankings

	Operational Effectiveness and Accountability	Transparency in Policy Decision Making	Core Service Delivery and Financial Sustainability	Ease of Implementation	Implementation Support
MTC Res 4210	7	5	3	10	4
Option 1. No structural change	3	3	7	10	5
Option 2. Independent planning director	6	5	6	10	5
Option 3. New JPA	6	5	6	6	5
Option 4. Create new agency	9	10	10	4	9
Option 5. Pursue comprehensive agency	9	10	10	1	9
Option 6. Consolidate all planning staff and create new agency	10	10	10	4	9
Option 7. Consolidate all staff and pursue new governance options	10	7	10	4	8

Recommendation

Recommendation: Direct preparation of an implementation action plan and begin implementing Option 6.

OR

Alternative Recommendation (if no support for Option 6): Direct preparation of an implementation action plan and begin implementing Option 7.

Next Steps

Prepare an Implementation Plan and Present Plan to Joint Committee on May 27

OR

Refer recommended option to full Commission and ABAG Executive Committee for concurrence and return on May 27 to provide direction to consultant



Thank you