

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



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To: Congestion Management Agencies  
From: Ezra Rapport  
Subject: PDA Investment & Growth Strategies – ABAG Role

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Priority Development Areas (PDAs) are the centerpiece of the Sustainable Communities Strategy, focusing the region's future growth into neighborhoods that local governments have self-nominated for development. This memo highlights ABAG support for CMAAs and jurisdictions to develop PDA Investment and Growth Strategies as required by OBAG. It reviews PDA accomplishments to date, ABAG support that includes help with housing element review, a summary of the OBAG funding process, and potential PDA infrastructure investments to consider.

## PDA Accomplishments

To date, the following has been accomplished:

1. About 200 PDAs in locations throughout the Bay Area have been nominated, vetted, and approved as legitimate locations for sustainable growth. These places are either well connected to regional transit or can serve as town centers with walkable or bikeable connections.
2. Each one of the PDAs has been given a place type designation by the local jurisdiction, based upon a "Vision" statement and level of growth. In some cases, the level of growth is not expected to be fully realized for 30 years;
3. PDA Assessments were performed to inform the regional agencies of some of the needs of each of the PDAs;
4. Grants and technical support have facilitated plans for about 70 PDAs, ensuring a coordination of zoning, permitting, and fees associated with development within a PDA.

## ABAG Planning Support

ABAG can reduce pressure on jurisdictions, aid CMAAs, and eliminate redundancies with Housing Element work. ABAG can also assist local jurisdictions in implementing other local policy changes to help them achieve their PDA housing and employment goals. ABAG's contribution can occur as follows:

*Short term, by May 1, 2013:* ABAG can provide an analysis of progress towards meeting the Housing Element objectives and an identification of current local housing policies to encourage affordable housing production and community stabilization by August 2012.

ABAG can also provide Countywide reports that include PDA profiles, including current planning status, projected housing and jobs, and Housing Element certification status for each jurisdiction.

ABAG can also complete a permitting report for all jurisdictions on the 2007-2014 RHNA Cycle, including units permitted, affordability levels and location in PDAs. ABAG can also assess housing policies at a high level, including whether or not jurisdictions have the following: inclusionary zoning, linkage fees, condo conversion ordinances, just cause evictions and rent controls. In-house data is available for about half of jurisdictions through the PDA Assessments.

*Long-term, ongoing through 2014 - 2016:* starting in May 2014 and for subsequent updates, PDA Investment & Growth Strategies will need to assess performance in producing sufficient housing for all income levels through the RHNA process and, where appropriate, assist local jurisdictions in implementing local policy changes to facilitate achieving these goals.<sup>1</sup> This analysis will be coordinated with related work conducted through the Housing and Urban Development (HUD) grant awarded to the region in fall 2011. ABAG can offer the following assistance with this work:

1. Analysis of zoning conformance with the place type and RHNA allocation. Each PDA needs to have their zoning checked against the densities described in their Place type to enhance housing production. While the jurisdictional RHNA was set in accordance with their PDA Place type, the zoning of the PDA needs to be analyzed to determine if any changes are required;
2. Design guidelines for the PDA to explain neighborhood planning to existing residents and ease the permitting process. Each PDA should be encouraged to undertake a neighborhood design guideline process to supplement the zoning of the PDA;
3. Complete Community Planning to evaluate existing PDA conditions and determine what is needed to improve the area for new and existing residents. This includes physical as well as social conditions, including, for example school pathways that serve a diversity of academic performance;
4. Entitlement streamlining analyses to evaluate the readiness of an area to approve private investment including analysis of fees and approvals across all agencies for a variety of project types, including housing, commercial buildings, and mixed use projects;

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<sup>1</sup> **SUCH AS INCLUSIONARY HOUSING REQUIREMENTS, CITY-SPONSORED LAND-BANKING FOR AFFORDABLE HOUSING PRODUCTION, "JUST CAUSE EVICTION" POLICIES, POLICIES OR INVESTMENTS THAT PRESERVE EXISTING DEED-RESTRICTED OR "NATURALLY" AFFORDABLE HOUSING, CONDO CONVERSION ORDINANCES THAT SUPPORT STABILITY AND PRESERVE AFFORDABLE HOUSING, ETC.**

5. PDA Infrastructure Assessment evaluates the infrastructure needs of the PDA for growth, transit service, and hazard mitigation over the short, medium, and long term. Available sites for development are inventoried;
6. Affordable Housing programs that are in place in the jurisdiction. Estimates of affordable housing subsidies or programs that can be utilized within the PDA are evaluated;
7. Project economic feasibility is assessed based upon general revenue and cost estimates associated with projects in the areas. Comparables are utilized. ABAG/MTC UrbanSim modeling may be useful in the future to perform this task;
8. Phasing the Growth Strategy will also be reviewed, to understand where along the development path the PDA stands with respect actions taken that will fulfill the Place type of the PDA. This will help assess the type of investment that should be chosen for the PDA from OBAG.

#### OBAG Funding Process Summary

The OBAG formula is intended to provide housing incentives for PDAs to complement transportation investments that support focused development. OBAG is funded primarily from three federal fund sources: STP, CMAQ and TE. The proposed One Bay Area Grant formula uses actual housing production data from 1999-2006. Subsequent funding cycles will be based on housing production from ABAG's next housing report to be published in 2013. This formula also recognizes jurisdictions' RHNA and past housing production contributions to very low and low income housing units.

MTC working with ABAG, will revisit the funding distribution formula for the next cycle (post FY2015-16) to further evaluate how to best stimulate housing production across all income levels and other Plan Bay Area performance objectives. Both agencies will also continue to evaluate places, in terms of their access to services and jobs.

OBAG funding requires that PDA minimum expenditures be made in the following percentages: CMAs in larger counties (Alameda, Contra Costa, San Mateo, San Francisco, and Santa Clara) must direct at least 70% of their OBAG investments to the PDAs. For North Bay counties (Marin, Napa, Solano, and Sonoma) this minimum target is 50% to reflect the more rural nature of these counties.

A project lying outside the limits of a PDA may count towards the PDA minimum provided that it directly connects to or provides proximate access to a PDA. Depending on the county, CMA planning costs would partially count towards PDA targets (70% or 50%) in line with its PDA funding target. CMAs are required to designate these PDA-adjacent projects and provide policy justifications. This analysis would be subject to public review when the CMA board acts on OBAG programming decisions.

#### *PDA Investment and Growth Strategy*

Funding for PDAs will be administered by CMAs. CMAs need to prepare a PDA Investment & Growth Strategy by May 1, 2013, demonstrating how CMAs are to guide

transportation investments that are supportive of PDAs. An adopted Investment and Growth Strategy will meet this requirement if it follows the project priority-setting process below.

A transportation project priority-setting process for OBAG funding is intended to support and encourage PDA development, recognizing that the diversity of PDAs will require different strategies. Regional agencies will provide support, as needed. A project priority-setting process should *establish local funding priorities* to develop funding guidelines for evaluating OBAG projects that support multi-modal transportation based on connections to housing, jobs and commercial activity. Emphasis should be placed on the following factors when developing project evaluation criteria to identify high impact areas:

- Housing – PDAs taking on significant housing growth in the SCS (total number of units and percentage change), including RHNA allocations, as well as housing production;
- Jobs in proximity to housing and transit (both current levels and those included in the SCS);
- Improved transportation choices for all income levels (reduces VMT), proximity to quality transit access, with an emphasis on connectivity (including safety, lighting, etc.);
- Consistency with regional TLC design guidelines or design that encourages multi-modal access;
- Project areas with parking management and pricing policies;
- Projects located in Communities of Concern (COC) – favorably consider projects located in a COC;
- PDAs with affordable housing preservation and creation strategies – favorably consider projects in jurisdictions with affordable housing preservation and creation strategies or policies.

CMAAs will also be required to present their PDA Growth Strategy to the Joint MTC Planning / ABAG Administrative Committee for funds to be allocated.

#### Potential PDA Infrastructure Investments to Create Complete Communities

PDA transportation projects are intended to bring new vibrancy to downtown areas, commercial cores, high-density neighborhoods, and transit corridors, making them places where people want to live, work and visit. PDA projects support the RTP/SCS by investing in improvements and facilities that promote alternative transportation modes rather than the single-occupant automobile.

General project categories include:

- Station Improvements such as plazas, station access pocket parks, bicycle parking
- Complete streets improvements that encourage bicycle and pedestrian access
- Transportation Demand Management projects including carsharing, vanpooling traveler coordination and information or Clipper®-related projects
- Connectivity projects connecting high density housing/jobs/mixed use to transit, such as bicycle/pedestrian paths and bridges and safe routes to transit
- Density Incentives projects and non-transportation infrastructure improvements that include density bonuses, sewer upgrades, land banking or site assembly (these projects require funding exchanges to address federal funding eligibility limitations)
- Streetscape projects focusing on high-impact, multi-modal improvements or associated with high density housing/mixed use and transit (pedestrian improvements including bulb outs and sidewalk widening, landscaping improvements including medians and street trees, bicycle improvements including new lanes and storage racks)
- Bicycle/Pedestrian Use: Constructing bicycle and pedestrian facilities (paths, bike racks, support facilities, etc.) that are not exclusively recreational and reduce vehicle trips.