

SUMMARY MINUTES (DRAFT)

ABAG Regional Planning Committee Meeting
Wednesday, August 6, 2014
Joseph P. Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER

ABAG President Julie Pierce, acting Chair of the Regional Planning Committee and Councilmember of City of Clayton, called the meeting to order at 12:15 PM.

Acting Chair Pierce led the Board and the public in the Pledge of Allegiance.

Chair Pierce explained that the revised agenda Item 5, Resignation of the Chair, has been removed.

A quorum of the committee was present.

Committee Members Present

Ronit Bryant, Councilmember
Diane Dillon, Supervisor
Pat Eklund, Councilmember
Martin Engelmann, Dep. Exec. Director of Planning
Pradeep Gupta, Councilmember
Scott Haggerty, Supervisor
Erin Hannigan, Supervisor
John Holtzclaw
Nancy Ianni
Michael Lane, Policy Director

Kristina Lawson, Councilmember
Mark Luce, Supervisor
Jeremy Madsen, Executive Director
Eric Mar, Supervisor
Nate Miley, Supervisor
Karen Mitchoff, Supervisor
Julie Pierce, Councilmember (ABAG President)
Laurel Prevetti, Assistant Town Manager (BAPDA)
Harry Price, Mayor
Carlos Romero, Director
Pixie Hayward Schickele
Warren Slocum, Supervisor
Jill Techel, Mayor
Egon Terplan, Planning Director
Dyan Whyte, Assist. Exc. Officer

Jurisdiction

City of Mountain View
County of Napa
City of Novato
Contra Costa Transportation Agency
City of South San Francisco
County of Alameda
County of Solano
Sierra Club
League of Women Voters--Bay Area
Non-Profit Housing Association of Northern California
City of Walnut Creek
County of Napa
Greenbelt Alliance
City and County of San Francisco
County of Alameda
County of Contra Costa
City of Clayton
Town of Los Gatos
City of Fairfield
Urban Ecology
California Teachers Association
County of San Mateo
City of Napa
SPUR
San Francisco Regional Water Board

Members Absent

Susan L. Adams, Supervisor
Shiloh Ballard
Andy Barnes, Policy Chair
Desley Brooks, Councilmember
Paul Campos, Director
Tilly Chang, Executive Director
Julie Combs, Councilmember
Dave Cortese, Supervisor (RPC Chair)
Anu Natarajan, Vice Mayor (RPC Vice Chair)
David Rabbitt, Supervisor (ABAG Vice President)
Mark Ross, Councilmember
Carol Severin, Associate Director
James P. Sperring, Supervisor

Jurisdiction

County of Marin
Silicon Valley Leadership Group
Urban Land Institute
City of Oakland
Building Industry of America--Bay Area
SFCTA (City of San Francisco)
City of Santa Rosa
County of Santa Clara
City of Fremont
County of Sonoma
City of Martinez
East Bay Regional Park District
County of Solano

2. PUBLIC COMMENT

There were public comments on Item 6 from Lisa Vorderbrueggen, BIA Bay Area and Pam Drew, Oakland.

3. APPROVAL OF REGIONAL PLANNING COMMITTEE MEETING MINUTES OF JUNE 4, 2014.

Acting Chair Julie Pierce, Councilmember of City of Clayton, recognized a motion by Councilmember Pat Eklund, City of Novato, and seconded by Member John Holtzclaw, Sierra Club, to approve the committee minutes of June 4, 2014. The motion passed unanimously.

4. ORAL REPORTS/COMMENTS

A. Committee Members

Acting Chair Pierce welcomed and introduced new Regional Planning Committee Member Martin Engelmann, Deputy Executive Director of Planning, Contra Costa Transportation Authority.

Member Eklund announced she and ABAG Staff will be meeting with Bay Area Air Quality Management District for a briefing on their new vehicle miles traveled tool.

5. SESSION OVERVIEW BY

MIRIAM CHION, ABAG Planning and Research Director

Ms. Chion explained that what the Regional Planning Committee approved and recommended as criteria for Priority Conservation Areas (PCAs) was adopted by the Executive Board with one minor clarification: that the priorities for a disadvantaged community only relates to Urban Parks. This was an adjustment of two words. PCAs can be adopted until May, 2015; then adoption will close for both PCAs and PDAs. ABAG Staff are in the process of contacting the jurisdictions to know what changes they want to include in the PCAs. Miriam then explained the contents of

today's session, and also introduced and reminded the committee of the flyers for the Loma Prieta Earthquake 25-year anniversary as well as the Bay Trail 25-year anniversary.

6. TASKS AND APPROACH TO PLAN BAY AREA 2017 UPDATE

Information

Miriam Chion, ABAG Planning and Research Director, provided an overview of tasks and schedule for Plan Bay Area 2017. Brad Paul, ABAG Deputy Executive Director, described what went well and what did not go well in the process that led up to adoption of the first Plan Bay Area (2013) then discussed what a more thoughtful and responsive way to talk about Plan Bay Area 2017 might look like, one that better serves the needs of our member jurisdictions, delegates and the public.

Attachments:

- 1. Staff memo on Plan Bay Area 2017 Update*
- 2. Plan Bay Area 2017 Process*
- 3. Staff memo on How we talk about Plan Bay Area 2017*
- 4. List of Attendees at County Delegate Meetings*
- 5. List of PDA Site Visits*

Member Holtzclaw agreed and thanked ABAG Staff for the presentation and ideas expressed. He explained that we speak of "compact communities" and "convenient communities with a lot of destinations nearby." MTC says 15% of trips are commutes; the other 85% can be made more convenient and walkable. These are trips to schools, parks, shopping, entertainment and restaurants. ABAG could help the less dense communities develop more local destinations, and more public transportation choices. Downtown Napa, for instance, is not high-rise but is mixed use, and has a WalkScore near 100%. Downtown Santa Rosa is similar. To clarify agency interactions, he suggested having a diagram that explains what each agency does and gives each agency's line a different color so it is easy to follow. It would show that local governments have control over development areas and conservation areas.

Jeremy Madsen agreed with Member Holtzclaw and ABAG staff; he said they are moving from a frame of "here is the mandate" to "how will this make everyone's lives better." He suggested notifying communities about the Plan by going to places where they are engaged, such as the chamber of commerce, clubs, neighborhood associations, etc. and listening to their inputs will be a better way to connect to people.

Member Gupta thanked Staff for a great summary to inform the Committee what they have learned, the good and the bad. He would like to keep the spirit of communication between ABAG and the local jurisdiction a two way communication; the Plan has to show realism for the period of time and the thinking has to be both ways. The methodology that Miriam might be thinking about should have room to accommodate deviations from what you have done in the first cycle and accentuate different communities. He said the process of planning is as important as the Plan itself. He thinks that by the time the Plan comes out as a document a lot of thinking, interaction, and dialog has taken place between the stakeholders and a lot of understanding and issues have changed. When designing the process for the Plan, take into consideration County and State policies. When the research is done for population and housing there are

assumptions about how many people will migrate to the Bay Area, and this item should be considered early in the process so jurisdictions could have some input.

Member Hannigan pointed out that the pyramid graph on the presentation may have to be revised, the information from the top needs to be placed on the bottom to give the correct message. She suggested looking at how planning departments speak to their elected officials and boards to learn what resonates with communities.

Member Ronit Said she agrees with Member Hannigan on the graphic. She congratulated Brad for a great presentation that shows staff is headed in the right direction. She agreed with Member Madsen about outreach to the public. There is not one solution that fits everyone. The Bay Area is a large region with very different counties. Each county has to figure out what is the best way to communicate to the public. In large counties it may be a good idea to go through city councils. We need to inform and educate the public so we don't have members of the public complaining that they never heard about the process. It would be a lot of work but a great reward.

Member Eklund agreed with previous comments that communication between the public and elected officials needs to be improved. There needs to be a two-way communication. She is very surprised that the public still does not know the role of ABAG and Plan Bay Area. She emphasized the importance of having the ABAG delegates and alternates in each county get involved with the public. The public needs to be educated about ABAG and MTC and asked for input on how to go forward. Brad mentioned Basecamp which was a great tool for the Housing Methodology Committee, but the elected officials cannot access Basecamp—only the planning staff do. It would be great if ABAG delegates and alternates could have access to Basecamp. She also expressed interest in having a discussion about having local jurisdictions vote on Plan Bay Area

Mr. Paul shared that Marin delegates asked to have ABAG lead a meeting on the Plan Bay Area Update, which was very encouraging to staff.

Member Terplan suggested that planning should be done more regionally. Examples of regional planning include the Golden Gate National Recreation Area, East Bay Regional Park District, Save the Bay, which all were done by collecting action. The success of Plan Bay Area is contingent upon local governments and stakeholders taking action and doing the right thing over a 30-year period. He would like to see more discussion about MTC's role in this committee. The public needs to know that MTC and ABAG work together.

Chair Pierce indicated that the whole point of Plan Bay Area is to give to our children and grandchildren a great place to live as we enjoyed or even better. She emphasized the importance of figuring out how we make that happen, since those numbers that we are looking at represent the next generation; it is our responsibility to create a better place for them.

Member Haggerty shared his deep concern about the need for more funding for PCAs. He also would like to have more business groups invited to Regional Planning Committee meetings and involved in updating Plan Bay Area.

Karen Mitchoff had a concern that the committee needs to have a conversation about public voting on Plan Bay Area. There needs to be a clear message about why "yes" or why "no."

Member Eklund agreed that there needs to be a discussion if General Assembly could vote on the Plan Bay Area Update.

Member Mar agreed with points made by Member Terplan, and mentioned that there seems to be a lot of fear that the cities want to dominate the rural areas, and this fear should be broken down. Representatives of San Jose, San Francisco and Oakland cannot be selfish about their own cities but must cooperate with the region. He also agreed with Member Holtzclaw's comments, and suggested having communications experts help to find out what the tea party and other opponents of regional planning say, and how we can frame issues better so that everyone will understand.

Member Romero indicated that ABAG is a regional agency which listens and then leads. He emphasized the importance of using our leadership role to explore how we live, and how we create a society in the future that our children and grandchildren really appreciate.

Member Holtzclaw suggested that it would be helpful if we could develop a SimCity type plan, which would give people the chance to see what the whole region is doing and planning, and everyone could interact and see what can be accomplished by working together.

Ms. Chion explained that, at the Executive Board's request, ABAG staff is working on a small pilot project using "UrbanCanvas." It includes five cities of different sizes where we can analyze potential development. In response to Member Haggerty's earlier comments, she stated that ABAG is participating in an economic development project led by the Bay Area Council Economic Institute, which involves a dialogue with businesses and business organizations. We will get their input on current economic challenges and links to Plan Bay Area.

Member Luce expressed appreciation for the discussion and stated that we should not only consider housing proximity to transit but also jobs proximity to transit.

Member Madsen mentioned that he has experience using SimCity at Greenbelt Alliance, and agreed that it is worth considering, although it has its limitations. He suggested we explore getting funding to support this technology from philanthropic organizations as well as high tech businesses.

7. HOUSING STRATEGIES: REGIONAL PROSPERITY CONSORTIUM

Information

Duane Bay, ABAG Assistant Planning Director, and Gillian Adams and Johnny Jaramillo, ABAG Senior Regional Planners, provided an overview of housing strategies focused on the Regional Prosperity Consortium and two pilot projects that address small site acquisition and preservation of affordable housing.

Attachments:

1. *Staff Memo*
2. *Regional Prosperity Consortium Project List*
3. *Regional Prosperity Consortium Project Description*
4. *San Francisco Small Sites Acquisition and Stabilization project application presented by **Tracy Parent**, Organizational Director, San Francisco Community Land Trust*
5. *Preserving Affordable Housing near Transit project application presented by **James Pappas**, Housing Policy and Preservation Associate, California Housing Partnership*

Member Lane expressed appreciation for the great work and development of best practices that will support housing elements and local policies. We need to get this information out to cities and the Congestion Management Agencies (CMAs). Local support for housing is important, which is why we are supporting local housing impact fees and forms of tax increment finance. We need to understand the relationship between planning and finance. There is competition for these sites from the private sector. For the Regional Housing Need Allocation (RHNA), rehab can account for up to 25% of a city's allocation, so it is in the jurisdictions' interest to identify those opportunities. We need to continue work on expansion of the Transit Oriented Affordable Housing Fund (TOAH) and Golden State Acquisition Fund, and use these pilot projects to inform how to use Cap and Trade funds. We need to demonstrate effectiveness of investments in PDAs through new construction and rehab.

Member Eklund asked for details about why TOAH did not work for SF.

Ms. Parent explained that the market price for real estate in San Francisco is much higher than what the affordable rents can cover with a mortgage at 6% to 7%. TOAH would maybe work if the interest rate was 3%. She suggested that, rather than having a blended interest rate over the whole mortgage, have first position mortgage affordable and a silent deferred loan.

Member Eklund asked for clarification about how projects are selected for TOAH. She mentioned that Novato has a successful affordable owner-occupied housing project, where the people that purchased in 2006 are still living there. Some owners have already paid their primary mortgage. Are there any suburban examples?

Mr. Bay confirmed with Member Eklund that we are looking for a rehab suburban example. He then explained that the strategies presented are very adaptable. In the case of San Francisco, working with four different organizations is most challenging. If it works in San Francisco, it can be considered in other places. One challenge of building affordable housing is the federal requirement of a lottery system, while the rehab approach allows the preservation of housing for local residents.

Member Terplan added that a lot of work goes into a community land trust, but San Francisco prices are now inflated. This community land trust approach requires a benevolent landlord who is willing to purchase the building and retain its affordability in perpetuity. Many places in the region have not recovered yet, specifically the East Bay, where this strategy might be more effective; can TOAH help this to work? He also mentioned that the formula for the Cap and Trade funding does not favor the Bay Area.

Mr. Rapport explained that the State is going to use EnviroScreen to focus 50% of the Cap and Trade money on disadvantage communities. The Bay Area does not score well with EnviroScreen and the Central Valley does much better, but it will be difficult to change the State's approach. If you look at the top 20% of EnviroScreen statewide, there is a significant number of East Bay Communities that would qualify. There is also 50% of the funding that does not need to serve disadvantaged communities. The application process for Cap and Trade funding is not completed yet. We will need a very strong nexus to the reduction in GHG emissions. We are working on strategies to prepare applications that cut across various categories.

Member Lane stated that State Senate President pro tem-elect De Leon sponsored SB 535 that emphasized disadvantage communities. Zip code was one aspect but rent burden is considered in the criteria and there will be opportunities to discuss the criteria. Affordable housing serves disadvantage communities. We are cautiously optimistic about the program.

Mr. Rapport shared that the Strategic Growth Council Workshop will be on August 14th, in the auditorium at ABAG, from 1:00 PM -4:00 PM.

Mr. Pappas added HCD is very involved in the investment strategy for Cap and Trade. They are looking at the existing TOD program which should be beneficial for the Bay Area.

Ms. Parent shared that out of four partner organizations in San Francisco they are the only land trust model and they were successful in acquiring three small sites with private financing in the last three years. They have a shared form of ownership which incentivizes residents to keep operating costs low. The other community land trusts are Oakland Community Land Trust, Northern California Land Trust, Bay Area Community Land Trust and Housing Land Trust of Sonoma. The Oakland CLT acquired foreclosed homes but had a hard time competing against all-cash offers. For projects they were able to acquire, the challenge was to find families that were mortgage ready. The land trust allows families to buy a share, and the CLT is the mortgage holder rather than the owners. TOAH does not work for mixed-use.

Member Romero indicated the two projects presented different lessons; there are 47 projects in the Regional Prosperity Consortium that complement each other. We expect the completion of these projects by March of next year. We need to share all those ideas. The San Francisco example is a proposal to use affordable housing money, not only for 60% but up to 100% AMI, for workforce housing. This is a different approach to affordable housing in response to crisis that is being put forward by some of the most progressive organizations. The methodology which James used can be applied to the displacement spiral of people, before the situation becomes acute. We should use it in Oakland and San Jose and Concord. We need to look at all 47 projects in combination to triangulate policies, tools and strategies which several cities can use.

Mr. Rapport said we would like to integrate the 47 projects into Plan Bay Area, but it first has to come to all the committees for discussion. We will present a high level of summary of what we learned from this project. The key issue is that we lost our affordable housing funding, so the approach and process need to change. We need to work with the private sector and we need a permanent source of affordable housing, as many other states have. This would be required for a successful Bay Area.

Member Romero added both presentations were more technical than needed. Staff can summarize the key points of the various projects.

Ms. Parent explained we are completely aware that more money will not solve the situation. The San Francisco Board of Supervisors is developing new strategies to curb the prices in the market. Financing programs and antispeculation, property tax, tenant opportunity tax, legislation that allows non-conforming units brought to code; all together leverages our limited resources through legislation.

Member Haggerty stated that gentrification and exploding housing prices are the result of jurisdictions that go out and find young white companies and incentivize them to come to their communities. Why do we not talk about the attraction of those businesses and the implications of gentrification? Why don't we look at manufacturing jobs with good wages? We really need a

better mix of jobs for low-income people to rise to a higher level. We need to attract a good mix of jobs, not just high wage.

Member Techel asked if there is any data on the effect of Airbnb or recommendations for what elected officials should do to respond to the Internet phenomena through which you make units available for short term rents or weekend vacation rentals.

Mr. Paul explained that there are two ways in which Airbnb works. One is you have a three bedroom home, your kids are grown and moved out of the house, and you rent a bedroom or the whole house while you go on vacation to other vacationers. That is not a bad thing. But the other way is that companies that take entire houses and large apartment buildings and rent them out like a hotel in areas where hotels are not allowed. That is challenging to deal with. And there are now some people that only buy properties to rent out to short term rentals, because they can make so much more money. If that is the case, over time there will be less and less housing for the local population and more for tourists in San Francisco.

Member Madsen said this is a very tough issue that they need to keep talking about even after the Regional Prosperity Funding, which has supported the research, goes away. Displacement, prosperity, sustainability, and quality of life all tie together, as we speak about Plan Bay Area. In affordable housing there is a battle between folks that want preservation and folks that want production. Those are both very important issues that need to be discussed.

Member Luce mentioned Napa County's Work Proximity Housing Program, which is a very capital efficient, very low overhead, two year program with 44 families from low to moderate income, in real homeownership and each one has already \$100K equity. We really need to look at how long people are on transit. We need to get the numbers of participants up. The County of Napa has been trying to address the issue of Airbnb. We found people who advertise illegal Bed and Breakfasts, which is not allowed in the County of Napa because of housing reduction.

Chair Pierce expressed her support to the "Work Proximity Housing Program" and how well it works, could be used in any County.

Member Terplan added that the local tie is funding and it is transportation funding. Regional funding needs to be used for affordable housing and transportation.

Ms. Chion indicated that as they approach the Plan Bay Area 2017 Update, this conversation will define the areas to be considered. ABAG Staff are working with local jurisdictions and CMA directors to see what individual strategies for affordable housing are in place and what the expectations are. The work with the CMAs is crucial in that. Other topics we need to include will be part of the discussion at the Executive Board and this committee. To the point made about coordination with MTC, the agencies have been discussing the intersection of these issues, how to collaborate, and their different roles at the Joint Planning/Administrative Committee of MTC and ABAG. In the next session they can make that more explicit, what the different roles are and what are the areas where they come jointly to orchestrate transportation and land use.

Member Romero added that it would have been interesting to have a third presenter who focused on renters' rights. In the future many of the PDAs will see displacement pressure from new development and rezoning of land.

Acting Chair Pierce adjourned the Regional Planning Committee at 3:05 PM.

ADJOURNMENT

The next meeting of the Regional Planning Committee will be on October 1, 2014 at 12:00 PM.

Submitted:

Wally Charles

Date: August 29, 2014

For information or to review audio recordings of ABAG Regional Planning Committee meetings, contact Wally Charles at (510) 464 7993 or info@abag.ca.gov.