



To: Regional Planning Committee

From: Miriam Chion, ABAG Planning and Research Director

Re: Plan Bay Area 2040 – Draft Preferred Scenario  
Response to comments and questions from ABAG Regional Planning Committee and  
ABAG Executive Board September Meetings, local jurisdictions, and stakeholders

This memo addresses the various comments and questions we have received at the September ABAG Regional Planning Committee and ABAG Executive Board meetings as well as from letters and messages from cities and stakeholders. Given the time constraints at the ABAG meetings, staff was only able to take comments and questions and committed to provide responses in writing. In preparing those responses, we added input from cities and stakeholders. They are organized into seven major groups:

1. Approach to Plan Bay Area 2040
2. Housing Production and Policies
3. Land Use Strategies
4. Land Use Growth Patterns
5. Implementation Actions
6. Engagement Process
7. Land Use Modeling

Questions/comments are in ***bold/italics***, answers are plain text.

## **1. Approach to Plan Bay Area 2040**

### ***1.1 Addressing local and regional aspirations in Plan Bay Area 2040, creating a better future, providing realistic and feasible steps***

Plan Bay Area is our collective agreement on how we want to grow as a region addressing sustainability, resilience, and equity. Through it diverse communities come together to make key decisions for the future of our region rooted in their local aspirations. Cities identify the places where we want to accommodate new residents and jobs as well as areas that we want to preserve for open space and farms. Priority Development Areas and Priority Conservation Areas provide a land use framework for this substantial dialogue.

The Plan supports some of the existing trends for infill development, water conservation, and increasing use of transit and bikes. At the same time, the Plan needs to identify the areas where major efforts to adjust current trends are needed in order to meet our collective goals, such as access to housing and jobs or resilience to earthquakes and sea level rise.

The Plan needs to lay out a path for achieving long term goals for a 30-year horizon while implementing doable tasks in the short term. (See Implementation Actions) The Plan needs to discuss how to bring more jobs close to transit and housing in areas such as San Jose, Oakland or the East Bay Corridor. The Plan needs to identify the strategies for producing housing affordable to our future workforce as well as jobs that match the cost of living in the region. It also needs to chart how to redesign and regulate infrastructure and buildings to be prepared for a major earthquake and flooding. These are problems that require not only funding but strong political will to refine the allocation of resources as well as new policies and strategies.

We know the implementation of some of these strategies will take more than a decade of work. While we address the long term strategies, we are acting on several immediate concrete steps to address our most pressing housing, jobs, and congestion challenges today. The designation of the Economic Development District in the region to expand middle-wage jobs, the Regional Housing Trust Fund to support housing production and rehabilitation, the accessory dwelling units strategies to expand the housing stock in existing units, the soft-story ordinances to improve seismic resilience, and the Green Infrastructure Program in the East Bay Corridor to address drought and water quality are some of the concrete actions to address our current challenges.

## **1.2 *Lessons from previous Plan Bay Area***

Three major lessons can be highlighted for this Plan update:

1. Our first Plan Bay Area approved in 2013 showed regional agencies the importance of engaging local jurisdictions and stakeholders from the beginning. It was a major challenge to ensure local participation after the limited success of our first workshops. For this Plan update, we started with more resources and support on the design and production of public workshops, social media, and small meetings from the beginning.
2. On housing challenges, while the share of housing production in PDAs has increased compared to previous decades, additional incentives would be required to pursue more infill development. We conducted a broad PDA

feasibility study to understand specific challenges and strategies that informed this update. In this update, we also recognized the exponential growth of displacement and homelessness, which demands sharper strategies to support housing production and retention.

3. Two major needs were flagged in our first Plan: addressing economic prosperity and resilience. In order to support our regional economic vitality, this Plan is linked to a Comprehensive Economic Development Strategy report supported by cities, economic development organizations, and various stakeholders. Similarly, a resilience report addressing seismic events and climate change is being prepared by BCDC, MTC, and ABAG.

## **2. Housing Production and Policies**

### ***2.1 Plan impact on future RHNA numbers***

Plan Bay Area 2040 will not be an input into the next RHNA. The next RHNA will be based on the job and household forecast that is done for the iteration of Plan Bay Area to be adopted in 2021. However, Plan Bay Area 2040 and Plan Bay Area 2013 will likely provide points of reference for the forecasted development pattern of the next Plan Bay Area.

Also, while the forecasted development pattern from the next iteration of Plan Bay Area will be an input into the RHNA methodology, the total amount of housing need for which the Bay Area must plan is determined by the California Department of Housing and Community Development. As the Council of Governments, ABAG is responsible for developing a methodology for allocating this total need to each jurisdiction in the region. The allocation methodology can (and usually does) change for each RHNA cycle.

### ***2.2 Attainment of our RHNA goals***

For the past several decades, the Bay Area has not produced enough housing to meet residents' housing needs, particularly for low- and moderate-income households. The challenges of building affordable housing have been exacerbated by the continuing decline of federal and state funding sources, including the dissolution of local Redevelopment Agencies. The proposed local housing bonds will help provide badly-needed funding for housing, but additional steps will be needed to address the region's housing needs. ABAG is working with local governments and other stakeholders to pursue policies to produce housing for the full range of workers within

every community, preserve existing affordable homes, and protect existing residents from displacement.

### **2.3 Increase of job and housing costs without the housing policies included in the Draft Preferred Scenario**

Increasing the supply of housing in the Bay Area is an essential strategy to reduce housing costs in the region. However, increasing supply will not be sufficient to provide affordable homes to low- and moderate-income households. The economic growth projected for the Bay Area is expected to lead to continued growth in both high- and low-wage jobs. As a result there will continue to be strong demand for subsidized housing units. ABAG will continue to work with local governments and other stakeholders to increase the funding sources for developing and preserving affordable homes as well as identifying policies and strategies to provide more affordable homes without subsidy.

### **2.4 What are the cities with PDAs that already have an inclusionary zoning ordinance?**

The list of policy assumptions for the Draft Preferred Scenario says that the model applied inclusionary zoning in all cities with PDAs and that for-profit housing developments would make 10 percent of units deed-restricted in perpetuity.

According to ABAG's most recent compilation, there are 85 jurisdictions in the Bay Area that have inclusionary housing policies. There are currently 10 jurisdictions that have PDAs that do not have an inclusionary housing policy.

### **2.5 Governor's proposal for by-right approval of affordable housing**

Proposal was not passed.

### **2.6 Issues that need additional attention**

There are several comments that will require further attention in the land use growth allocation as well as in the implementation actions. They include:

- There is a need to address housing production in relation to needed public investments in safety and infrastructure. Local governments are very limited to support housing without those resources.
- If the Plan indicates that housing and transportation cost could increase to 67 percent of household income, we need to discuss what are the consequences for families, neighborhoods, and cities.
- The displacement of low- and middle-income population is a major issue that needs more substantial attention, especially in the case of minority groups.

- A substantial share of housing production will be handled by private developers. This private sector needs greater access to financing tools as well as incentives to expand housing construction.
- Unless we develop strong strategies to build more housing close to jobs and bring more jobs close to housing, we will not be able to address issues of congestion and long commutes. It would be very difficult to get local support for new housing without addressing congestion.

### **3. Land Use Strategies**

#### ***3.1 How Plan affects OBAG criteria, in particular with respect to land use framework***

The methodology for allocating OBAG funding to each county takes into account the RHNA allocation and number of housing permits issued by the jurisdictions in that county. The growth distribution from Plan Bay Area is not a factor in the allocation formula.

PDAs are prioritized in having access to planning and technical assistance grants. The role of cities in housing production varies by regional center, corridors, key nodes and small cities. These roles are recognized in PDA Investment and Growth Strategy reports prepared by Congestion Management Agencies (CMAs) for OBAG.

#### ***3.2 Why percentage of jobs in PDAs is so much lower than in Plan Bay Area 2013***

This Plan relies more on the existing pattern of job growth but more job growth concentration close to transit. It also takes into account the substantial growth that has taken place between 2010 and 2015. The previous Plan relied more on local and regional aspirations with jobs closer to transit and housing.

#### ***3.3 Why San Ramon is not included in Tri-Valley Key Node***

San Ramon was not included in the key node with Pleasanton and Livermore because it is located in Contra Costa County. We can integrate San Ramon into future representations of the Tri-Valley

## **4. Land Use Growth Patterns**

### **4.1 Key comments and concerns**

A number of comments and concerns expressed by local jurisdictions can be categorized into five groups:

- Inconsistency with local zoning, general plans, and/or housing elements
- Appreciation for the transparency of the Draft Preferred Scenario relative to the affordability and equity challenges faced by the region and its communities
- Strong interest in developing an actionable implementation framework for Plan Bay Area 2040 for increasing the supply of housing, particularly housing proximate to employment centers and affordable to low- and moderate-income households
- Interest in developing a framework for job growth in areas of the region with relatively affordable housing
- Significant difference in growth rates between neighboring cities

### **4.2 Snapshot of local feedback on growth distribution**

The feedback outlined below reflects input gathered from jurisdiction and CMA staff, elected officials, community-based organizations, and advocacy groups. This input was gathered via emails, formal letters, staff conversations, and county-wide scenario review meetings.

ABAG and MTC staff has been meeting with jurisdictions that have expressed concerns about their proposed growth distribution numbers for housing and jobs. Many had written letters prior to our meeting raising questions and concerns and we expect some will follow up in writing with additional questions.

We have received comments from the following cities asking for clarification and expressing concerns that their housing and/or jobs forecasts are too high or too low.

**List of Cities and Counties:**

Brentwood	Marin County	San Francisco
Brisbane	Mill Valley	San Jose
Colma	Mountain View	San Mateo
Cupertino	Newark	San Pablo
Dublin	Oakland	San Rafael
El Cerrito	Palo Alto	Santa Rosa
Foster City	Redwood City	Solano County
Hillsborough	Rio Vista	South San Francisco
Lafayette	San Carlos	Vacaville

In addition, a number of stakeholders and community advocacy groups have submitted comments questioning the growth projections in the Draft Preferred Scenario and suggesting that jobs or housing forecast numbers for certain cities were too high or too low.

**5. Implementation Actions**

**5.1 *Integration of Implementation Actions into the plan***

The Implementation Actions will support the overall growth pattern and goals of the Plan. Specific strategies will be elaborated in individual reports linked to the main Plan Bay Area 2040 document.

**5.2 *Actions that will help us address displacement***

Displacement is addressed in the ABAG Housing Action Agenda. Specific actions include promoting Acquisition/Rehabilitation/Conservation (ARC), leveraging regional funds to expand affordable housing, and developing long-term regional housing and infrastructure funding mechanisms. (See Implementation Actions for more detail.)

**5.3 *Supporting job growth***

The Economic Development Action Agenda aims to help support job growth by establishing a regional economic development district, creating a Priority Production Areas designation to support areas critical to creating middle-wage jobs, and expanding partnerships between ABAG/MTC and regional economic, business, and workforce organizations.

## **6. Engagement Process**

### **6.1 Additional time for feedback and discussion**

Given the time required for the EIR and the need to complete the Regional Transportation Plan on schedule, there is no extension for comments at this point. We scheduled several meetings to make it as easy as possible for cities and stakeholders to provide input. ABAG and MTC staff have met with planning directors in each county and have hosted individual meetings at the Metro Center. We also have three public meetings at the Metro Center in October:

- Wednesday October 5, 1:00 pm - Regional Planning Committee
- Friday October 14, 9:30 am - Joint ABAG Administrative / MTC Planning Committee
- Thursday October 20, 7:00 pm - ABAG Executive Board (Time to be confirmed)

### **6.2 Briefing on UrbanSim**

A special UrbanSim User Meeting is scheduled at the Metro Center on November 3-4 led by Professor Paul Wadell. If interested please register at <http://www.urbansim.com/meeting>

We could schedule a basic UrbanSim introduction for committee members if there is enough interest.

## **7. Land use modeling**

The responses for this section will be addressed in a separate document.

***Can PDA-specific data and UrbanSim parcel-level data be provided?***

***What variables were changed in UrbanSim to get to the results in the Draft Preferred Scenario?***

***What explains the discrepancy between improvements in Communities of Concern and more negative results across all measures for performance target 8?***

***How did the model capture local plans? How are the comments flowing into the model? How would you take a number from a city and incorporate that into UrbanSim?***

***Is the measurement of transit use based upon trips or passenger miles? Urge that trips be used.***

***Relationship between salary of new jobs relative to housing costs***

***Breakdown of Ownership vs. Rental building type in Draft Preferred Scenario***

***Does the model assume inclusion of money from housing bonds on the ballot?***

***Increase of job and housing costs without the housing policies included in the Draft Preferred Scenario***

***Is the reference to 10 percent explaining how inclusionary zoning is applied in PDAs? Or does this 10 percent requirement apply to all for-profit developments in all jurisdictions?***

***Where in PDAs are jobs going up or down? Why are jobs in PDAs declining and how does that address the goals of the Plan?***