

incentives

san francisco bay area . third scenario . projections to 2035

On February 9, 2009, local government representatives and other interested parties were asked to discuss a series of growth-related policy issues, as they relate to the San Francisco Bay Area. Session Three focused on Getting Beyond General Plans. Below are the questions posed by Ted Droettboom, Regional Planning Program Director of the Joint Policy Committee, and the responses from participants.

Considering the gap between available federal and state dollars for incentives, relative to our needs, should the region focus its efforts on becoming a “self-help” region?

- o Need to ensure that regional funds would stay in the region and not be taken by the state
- o State may impact the feasibility of local governments to use local measures, such as a sales tax increase, to fund projects if the state continues to raise sales taxes.
- o Conversations about land use changes and incentives need to be combined
- o Consider a jurisdiction’s willingness to accept growth when allocating incentives
- o Suburban regions still need money to change their existing development pattern
- o Spreading incentives throughout the region may not make progress towards implementing a regional development strategy
- o Need a clear regional development strategy to incentivize changes
- o Need to identify who has power to raise regional funds
 - o MTC has some authority now, would need legislation to expand authority
 - o State could raise vehicle license fee
 - o Could expand scope of tax increment financing to include TOD
 - o In most cases, legislation will be required
- o Incentives need to reflect what voters want and most financing mechanisms require approval of 2/3rds of the voters
 - o If voters approve a gas tax, they might expect it to go to fixing roads and not improving public transportation, so expectations need to be managed
- o Could change policies for money to fix roads
 - o Need to be cautious about unintended consequences such as encouraging more driving

Self-help could come in various forms, which seem most viable, which do not?

- a. **Regional Commercial Linkage Fees**
 - b. **Regional Gas Tax**
 - c. **Indirect Source Rule**
 - d. **New local infrastructure financing tools (e.g., TIF for TOD)**
- o Need incentives to build higher density housing
 - o Unbundle parking from development

- Make transit use easier and driving less convenient
- Need to connect public transit service to transit rider needs
- Cities can require transit passes as a condition for approving new developments
 - VTA has an eco-pass program
- Need flexibility in the use of funds particularly to help with funding transit operating costs
- How can a city guarantee that good transit service will be provided?
 - Can create a financial agreement
- Need to fund the maintenance of infrastructure and operations
- Still need well maintained roads for goods movement. We don't want to drive jobs out of the region
- Need to frame in terms of climate change
- Need to be more creative when looking at potential revenue sources particularly given that a future goal is to decrease gasoline consumption, which would decrease the revenue from gasoline fees and taxes
- Need to support the use of transit in existing communities. However, it is costly to run transit in traditional types of cul-de-sac developments. Can we locate jobs in existing communities that currently have primarily housing?
- Need to make low density more dense over time and overcome neighborhood opposition to change
 - Can tie to other costs, such as water and energy use
- Need to remove barriers to high density development
 - Legislation could remove authority for local governments to set density limits
 - could be limited to transit areas
 - would give cities cover needed to make high density politically feasible
 - CEQA relief, some already in SB 375
- Indirect Source Rule is a potential option for the Bay Area. However, need to be cautious about creating more barriers to development. Could exclude those areas that are appropriate for development, such as priority development areas
- Provide incentives to retain agricultural land. Look at using transfer of development rights. Tie in parking revenues for incentives
- Study value capture around transit accessible properties
- Improve parking at transit stations