

Date: February 25, 2013

To: ABAG Administrative Committee

From: Miriam Chion, Planning and Research Director

Subject: Plan Bay Area Implementation 2013-2017

Executive Summary

With the adoption of Plan Bay Area in summer 2013, ABAG will begin to guide regional efforts to advance plan from concept to implementation. Under state law, ABAG is responsible for coordinating regional implementation of the growth pattern established in the Plan (our region's Sustainable Community Strategy)—working in concert with MTC, local jurisdictions, CMAs, and other regional agencies to spur investment and development in PDAs. Implementation activities between 2013 and 2017 (when a second SCS will be adopted) can be organized into three categories: Coordination and Advocacy, Policy Analysis and Development, and Regional Planning Grants.

Coordination and Advocacy involves facilitating dialogue among local jurisdictions, counties, regional agencies, and state and federal agencies to support implementation of strategies for overcoming obstacles to development in PDAs.

Policy Analysis and Strategies will involve developing policies, strategies, and implementation actions that address regionally significant issues identified through the Plan Bay Area process, including housing affordability and production; open space, agriculture and conservation; economic development; complete communities; and resiliency. The RPC and Executive Board will be closely involved in this effort, reviewing and refining proposed strategies before they are advanced and implementation.

Regional Planning Grants will complement the County-level PDA planning grants by addressing complex implementation challenges in PDAs that have completed advanced planning and anticipate a significant amount of future growth. This will include an Advanced Infill/PDA Implementation program providing technical assistance, and PDA Innovative Partnership Grants to support collaboration across jurisdictions and agencies to improve infrastructure and services critical to creating successful PDAs.

Introduction

This memo outlines the Association of Bay Area Government's role and tasks in the implementation of Plan Bay Area, our region's Sustainable Communities Strategy (SCS). Over the next four years, ABAG working closely with MTC will coordinate with local jurisdictions, county Congestion Management Agencies, regional, state and federal agencies, and non-profit and private stakeholders to support the development and investment outlined in the SCS. The memo includes the following sections:

- I. Context
- II. Coordination and Advocacy
- III. Policy Analysis and Development
- IV. Regional Planning Grants

I. CONTEXT

State law designates the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) as adopters of the Sustainable Communities Strategy (SCS) for the nine-county Bay Area region. The SCS is required by Senate Bill 375 to establish a pattern of land use and transportation investment that will achieve a 15% per capita reduction in greenhouse gas emissions by 2035. ABAG and MTC staff worked collaboratively with local jurisdictions, Congestion Management Agencies and stakeholders to develop the Jobs-Housing Connection Strategy. The Strategy, which focuses 80% of new homes into locally-designated Priority Development Areas (PDAs) served by transit, meets the reduction target. Along with the Preferred Transportation Investment Strategy, the Jobs-Housing Connection Strategy was adopted in May 2012 as the Plan Bay Area preferred alternative. After completion of the environmental review, final adoption of the Plan is anticipated in June 2013.

The SCS Implementation builds upon the ongoing local and regional efforts towards development focused on PDAs and the preservation of open space and small towns over the last decade and a half. From the creation of the Transit for Livable Communities Program, through the creation of Transit Oriented Development Policies, to the FOCUS Program, ABAG and MTC have been prioritizing public investments to support housing production and job growth at PDAs.

ABAG's Role

ABAG's primary Plan Bay Area implementation responsibilities focus on housing, economic development and land use, including research, policy development and planning. ABAG is responsible for coordinating regional implementation of the growth pattern established in the SCS—working in concert with MTC, local jurisdictions, CMAs, and other regional agencies to spur investment and development in PDAs. ABAG also leverages longstanding relationships with private and non-profit sector stakeholders to address key regional economic, social and environmental tasks. These regional

coordination efforts will define a platform for advocacy at the state and federal levels. ABAG is also responsible for monitoring implementation of the SCS during the next four years, and for collaboratively developing a second SCS in 2017.

ABAG is also charged with managing the Regional Housing Needs Allocation (RHNA) process, which allocates State mandated housing requirements to jurisdictions in the Bay Area. RHNA pursues a fair distribution of housing planning responsibilities across jurisdictions. The allocation for the upcoming cycle, from 2014 to 2022, is expected to be adopted in July 2013. Consistent with State law, the geographic distribution of housing units in RHNA is linked to levels of growth in the SCS.

Planning and Funding

The Plan Bay Area Implementation builds upon several planning and funding efforts to support PDAs and PCAs. Since the inception of the FOCUS program in 2007, 160 PDAs and close to 200 PCAs have been adopted by the ABAG Executive Board. This process involved close collaboration between local planners and ABAG staff to identify areas with the greatest opportunity for sustainable development supported by local communities, and to identify the magnitude of new housing and job growth for each PDA in Plan Bay Area.

ABAG and MTC have administered a PDA planning grant program that has supported the development and adoption of 52 plans to create walkable, mixed-use communities within walking distance of transit. These plans accommodate the potential development of 40,000 new housing units, 60,000 new jobs and 24 million square feet of commercial space. The Transit Oriented Affordable Housing (TOAH) Fund has leveraged \$40 million from foundations and private banks based on the \$10 million MTC investment to expand housing options in PDAs.

Towards Plan Implementation, MTC recently adopted the One Bay Area Grant, which provides approximately \$200 million for PDA capital investments and planning through CMAs; approximately \$30 million on PDA planning grants to local jurisdictions from CMAs, MTC and ABAG; \$10 million for PCA planning and capital investments, half of which will be matched by Coastal Conservancy and foundation resources; and another round of TOAH funding expected at around \$40 million total. Other ongoing programs that support the Plan Bay Area Implementation include the construction of the Bay Trail, Water Trail, Green Infrastructure and Green Business programs.

II. COORDINATION AND ADVOCACY

ABAG plays a key role in facilitating a dialogue among local jurisdictions and identifying effective paths to address their challenges in supporting sustainable development. The Plan Bay Area implementation requires ABAG and MTC to work in close collaboration with local jurisdictions, counties, regional agencies, special districts, and the business and non-profit communities. Each of these parties plays a unique role in advancing the plan. ABAG and MTC also need to work with state and federal agencies to address major public investments and legislative initiatives.

Local Jurisdictions

A growth pattern capable of supporting the region's GHG emission targets and projected housing growth can only be implemented through local planning, zoning, and permitting. Moving forward, the implementation of existing plans and the adoption of new plans in the region's PDAs are critical to leveraging transportation investments, increasing housing options, and support complete communities. ABAG and MTC will continue to support local jurisdictions by focusing investment and resources into PDAs. In addition to building community support, efforts funded by the program have created the conditions for increased private investment through streamlining and other incentives

ABAG provides analysis, tools and resources to local jurisdictions to address issues of regional significance—challenges and opportunities that cross jurisdictional boundaries. ABAG and MTC will assist local jurisdictions in the implementation of the Plan by:

- Serving as day-to-day points of contact for jurisdictions with adopted plans regarding implementation issues
- Managing existing PDA planning grants to completion
- Providing interpretation and advice regarding SCS criteria and requirements, including those linked to RHNA
- Coordinating new PDA and PCA applications and applications for status changes (e.g. from a "potential" to a "planned" PDA)

Counties

Congestion Management Agencies, who are responsible for programming County transportation projects, are expanding their roles to address housing and land use planning. They are advancing the overarching regional objectives of Plan Bay Area through the development of the PDA Investment and Growth Strategies. The Strategies will provide criteria for the distribution of project funding from the One Bay Area Grant (OBAG) program—50-75% of which must be allocated to projects within PDAs. The Strategies are also expected to help guide new County-level PDA planning grant programs beginning in 2013. County-level PDA programs will help maintain and strengthen momentum for Plan implementation across the region.

These programs will be the responsibility of each County's CMAs, and will move administration of the bulk of the region's PDA planning funding from MTC and ABAG to the county level. Each CMA will present an Investment and Growth Strategy in May 2013 to the MTC Planning Committee and the ABAG Administrative Committee for comment, and will be engaged in continuous implementation.

ABAG and MTC will work closely with Congestion Management Agencies (CMA) to transfer the PDA planning grant program from the regional to County level, including interpretation of guidelines and provision of data. ABAG will provide initial assistance to CMAs to address issues requiring land use or

housing expertise. ABAG will continue to provide cross-jurisdiction coordination. It will facilitate discussion and information sharing among multiple jurisdictions or agencies regarding issues of mutual concern.

ABAG is facilitating the launch of the Growth Strategies by supporting CMAs in engagement of local jurisdictions, providing data gathering and policy analysis assistance, and offering additional one-on-one support to counties and jurisdictions as needed. In the short-term, ABAG is providing each CMA with Countywide reports that include PDA profiles, including current planning status, projected housing and jobs, and Housing Element certification status, and PDA “readiness” for development for each jurisdiction. ABAG is also developing county-level permitting reports for all jurisdictions on the 2007-2014 RHNA Cycle, including units permitted, affordability levels and units permitted in PDAs.

Regional Agencies

Consistent with the region’s commitment to integrated planning, ABAG staff works closely with MTC to harness expertise on parking, pedestrian planning, transit, and other key issues. ABAG also works collaboratively with BAAQMD, BCDC, and special districts to ensure that policies related to air quality, sea level rise, water supply, and infrastructure capacity support Plan Bay Area.

ABAG continues to play an important role as a convener of the public, private, and non-profit sectors to develop partnerships for focusing investment and resources into PDAs. During 2012, ABAG and MTC created partnerships that garnered more than \$5 million in federal and state grants to support regional planning efforts focused on economic development and Plan implementation. The region’s approach to integrating planning across jurisdictional and professional boundaries is recognized as a national model.

State and Federal Agencies

Engagement with state and federal agencies involves acquiring new funding and advocating policies that will address issues of regional significance such as housing affordability, infill development strategies, local funding for energy efficient infrastructure or community resilience.

State agencies include the Strategic Growth Council, Housing and Community Development, Caltrans, HCD, CalFHA, OPR, CalEMA, CARB, and Natural Resource agencies. Federal Agencies include HUD, DOT, EPA and the Department of Energy.

Businesses, community organizations, and foundations

ABAG will work with MTC, building upon existing relationships, to engage with business and non-profit organizations This includes working to develop initiatives that support regional efforts and acquiring new funding sources. Key groups include business organizations, developers and potential investors in PDAs; housing, transit, open space and community organizations; and regional and national foundations concerned with the health and sustainability of the region.

III. POLICY ANALYSIS AND STRATEGIES

ABAG has been developing policies, strategies, and implementation activities to address regionally significant issues identified through the Plan Bay Area process. Building upon ongoing efforts, this task is organized into five areas: housing affordability and production; open space, agriculture and conservation; economic development; complete communities, and resiliency. Policy background papers for housing, open space, and economic development have been presented to the Regional Planning Committee and other stakeholders. Papers for complete communities and resiliency will be presented during the first half of 2013. In response to feedback, additional analysis and proposals will be brought to the RPC over the next year.

Housing affordability and production

- Analysis to support housing production strategies, policies and investments
 - *Reduction of the housing funding gap (to be developed by Winter 2014)*
 - *Local jurisdictions housing production and policy survey (completed for 6 of the 9 counties and presented to CMAs to assist development of PDA Implementation and Growth strategies)*
 - *Development feasibility analysis of 20 key PDAs (Under development)*
- Policy changes to increase new housing production including a replacement to redevelopment
- Capital and institutional investments in housing and neighborhood rehabilitation including improvements to schools, streets, sidewalks, sewers or other public infrastructure
- Development of a regional fund to expand housing production and rehab (i.e. Regional Affordable Housing Trust Fund)

Open space, agriculture, and conservation

- Analysis of relationships between the region's network of agricultural, habitat, and park lands
- Identification of challenges to conserving open space and habitat, and to sustaining an agricultural economy
- Update to Priority Conservation Area (PCA) program, including categorization of PCAs based upon role in the region's open space network (e.g. habitat; agriculture; urban parks)
- Continued expansion of Bay Trail

- Implementation of Water Trail program

Economic development

- Analysis of the spatial structure of the region, including existing and projected industry concentrations, distribution of future employment, and relationship of job locations to PDAs
- Identification of industries of opportunity that provide career ladder opportunities to low and moderate income workers and places of opportunity accessible to low income communities with current or projected clusters of these industries
- Development of region-wide and PDA-specific strategies for economic development, such as aligning workforce training with industries of opportunity and providing the social and physical infrastructure to enhance the competitiveness of regional and city centers competitive
- Prioritization and funding for local economic development pilot projects through the HUD grant
- Implementation of the recently launched Regional Energy Network, including coordination across jurisdictions and integration with Plan Bay Area

Complete communities

- Assessment of physical infrastructure services and amenities critical to healthy, livable communities
- Research into strategies for creating complete communities and development of policies tailored to Bay Area communities at different densities and scales of development
- Collaboration with special districts (e.g. infrastructure providers and park districts) and school districts to identify opportunities to leverage investments in PDAs

Resiliency

- Development of policies and strategies addressing regional preparation for the impact of natural disasters and multiple-hazards on: 1) Housing; 2) Infrastructure; and 3) Economy and Business; and 4) Governance and Decision-Making
- Development of housing resilience pilot project
- Coordination with BCDC and JPC overall climate change efforts and Sea Level Rise in particular

IV. REGIONAL PLANNING GRANTS

The regional planning grants to support local efforts are an essential component of Plan Bay Area implementation. These grants will allow the appropriate integration of tasks and organizations on the ground and the recognition of the specific needs and qualities of each neighborhood within the overarching regional goals. Three major efforts are considered: The HUD's Sustainable Communities Partnership Program, the PCA Pilot Program, and the Strategic PDA Investments.

HUD's Sustainable Communities Partnership Program

This is a three-year initiative funded by a \$5 million grant from the U.S. Department of Housing and Urban Development (HUD) to the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). As part of HUD's [Sustainable Communities Partnership](#) Program, it aims to create stronger, more sustainable communities by integrating housing and jobs planning, fostering local innovation and building a clean energy economy.

This program will build on ongoing local and regional planning efforts to address the needs of people who face barriers to economic opportunities and who are least likely to participate in local and regional planning and decision-making processes. This program includes a broad representation of local jurisdictions staff and elected officials and stakeholders in the decision-making process.

1. ***Housing the Workforce Initiative:*** This initiative will create tools and resources to improve housing affordability near transit and stabilize low income neighborhoods. It provides approximately \$1.2 million in grants to consortia of local jurisdictions, community and business organizations, and consultants. A first cycle of four small grants for a total of \$250,000 were approved in January 2013.
2. ***Economic Prosperity Strategy:*** These grants are intended to expand the economic opportunities for low- and moderate-income workers. It provides \$1 million in grants to consortia of local jurisdictions, community and business organizations, and consultants. The first grant to develop an overarching regional strategy for \$450,000 was approved January 2013.

PCA Pilot Program

This grant provides \$10 to support Priority Conservation Areas designated by local jurisdictions as part of the FOCUS program. The grants will be administered through two distinct programs:

1. A \$5 million **North Bay Program** developed by the Congestion Management Agencies of Marin, Sonoma, Solano and Napa counties, building on their PCA planning and prioritization carried out to date. Project eligibility is limited by the eligibility of federal surface transportation funding; unless the CMA can exchange these funds or leverage new fund sources for their programs.

2. A \$5 million **Peninsula, Southern, and Eastern Counties program** administered by the California Coastal Conservancy in partnership with ABAG and MTC. Funding from this program can support a wider range of activities and projects ranging from planning, pedestrian and bicycle facilities/infrastructure, habitat/environmental enhancements, and permanent protection. The program is expected to leverage up to \$10 million in additional resources from the Conservancy and the Moore Foundation.

Strategic PDA Investments

Given the increasing maturity of the PDAs plans and the increasing role of CMAs in supporting the development of additional PDA plans, the regional planning grants are redefined to support PDAs investments and construction over the next four years. Based on input from local jurisdictions three major priorities are proposed for consideration:

1. **Entitlement:** Given the high level of resolution of selected PDA plans and established local commitment to housing investments and job growth, local grants will support the streamlining of the entitlement process to reduce the time and expense of project approval as well as to increase private investments. ABAG will coordinate with regional and state agencies to simplify regulations and reduce local implementation costs.
2. **Infrastructure:** Many of the infill development sites in PDAs require major infrastructure upgrades before any new investments take place, given the increase in density and age of the infrastructure. These grants will support the assessment of needs and identification of resources for infrastructure improvements.
3. **Design:** The focused growth pattern of Plan Bay Area has implications for the scale of the neighborhood, the quality of public spaces and the character of the community. Limited resources have been available to support urban design, particularly in small communities. These resources will allow local jurisdictions to support the choices the community makes on the character of the neighborhood.

ABAG and MTC will administer two flexible programs that strengthen the investment potential of key PDAs, emphasizing the three priorities shown above. These include:

- **Advanced Infill/PDA Implementation Program.** ABAG and MTC The program will be led by a team from the regional agencies with experience addressing specific challenges—including knowledge of best practices and successful precedents from the Bay Area—as well as a group of on-call consultants and technical experts. The program will pool consultants/experts to assist local jurisdictions in the development of specific technical reports, policies, strategies, and local regulations supporting the development of PDAs and implementation of existing plans.

- ***PDA Innovative Partnership Grants.*** Given the complexity and scale of infill tasks required for Plan Bay Area implementation, partnerships across jurisdictions and agencies in the Bay Area have proven successful in advancing local plans. This grant will support coordination of tasks for greater efficiency in providing improvements to infrastructure and other services critical to overcoming obstacles to infill. It will also expand community support for infill development and creation of complete communities. Grants could fund 6-8 major pilot projects over three years

These programs will complement the County-level PDA planning grants by addressing complex implementation challenges in areas with advanced planning. These programs will be funded by \$8 million from the \$40 million of Resolution 4035 regional planning funds. Following a competitive application process, funds will be transferred directly transferred to local jurisdictions without the allocation of additional funding for regional staff. Matching funding can be provided from grants obtained by ABAG, jurisdiction staff time, and private sector and non-profit partners.