TO: MTC Planning Committee/ABAG Administrative Committee

DATE: May 1, 2015

FR: MTC Executive Director/ABAG Executive Director

RE: Infill and Transit-Oriented Development Feasibility

Background

In 2012, MTC and ABAG oversaw an assessment of the readiness of Priority Development Areas (PDAs) to accommodate housing projected in 2040, the horizon year of Plan Bay Area. The PDA Assessment evaluated a sample of twenty PDAs representing a variety of place types and market conditions, and focused on housing capacity, existing planning and entitlement process, the level of community support for development (as demonstrated by elected official approval of PDA-supportive land uses as well as history of neighborhood opposition), market attractiveness, infrastructure capacity, unfunded needs and financing capability.

An update to the analysis offers an opportunity to assess market conditions that have significantly changed in many PDAs since the initial Assessment was completed. The Assessment update will consider these changes and their effect on PDAs to accommodate residential growth. The update will also evaluate a larger sample of PDAs offering a more complete picture of the opportunities and challenges for future residential growth within PDAs, as well as the policy, financial and legislative changes to facilitate that growth. This process complies with the settlement agreement in the matter Building Industry Association Bay Area v. Association of Bay Area Governments, et al. (Alameda County Superior Court Case No. RG13692098).

Scope of Work & Development Challenges & Opportunities

The Assessment update is being prepared in a manner comparable to the work completed in 2013. The scope of the analysis similarly includes the local planning and entitlement process; community support for development; market investment attractiveness; infrastructure capacity; and financing. An advisory committee for the project was established with the following perspectives represented - residential developers, local jurisdictions, congestion management agencies and the Building Industry Association.

At this juncture, prior to the completion of the PDA Assessment and the update of the Plan, Plan Bay Area 2040, members of the PDA Assessment Advisory Committee representing infill and transit-oriented residential developers and members of the Building Industry Association have identified key issues pertaining to the development of infill housing and

Plan Bay Area implementation that they would like to bring to the attention of the MTC Planning Committee and ABAG Administrative Committee. Issues that will be presented at the May 8, 2015 Joint Meeting of the Committees will include building type feasibility and height restrictions, affordable housing policy, and regional water permit requirements for infill development.

Next Steps

The timeline to complete the project is summer 2015. Following the completion of the Assessment Update, staff will return to these Committees in the fall to present the results of the analysis.

Steve Heminger

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