Handout 2
Agenda Item 5a

October 14, 2016

David Cortese
Chair
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Julie Pierce
President
Association of Bay Area Governments
375 Beale Street
San Francisco, CA 94105

Dear Chair Cortese and President Pierce,

Thank you for the opportunity to comment on Plan Bay Area as the Mayors of Oakland, San Francisco, and San José. Each of our cities are sending in separate comment letters with city-specific comments, but we wanted to take this opportunity to provide comment on a few mutual points:

1. **Balanced Communities**: As the three largest cities in the region, we are unified on a vision of balanced, walkable, and bikeable communities with jobs and housing linked by regional transit. The Bay Area is suffering from lack of adequate housing production overall, compounded by the growth of jobs in areas not well served by transit in communities that build little housing. These land use practices have led to poor outcomes; our transportation system is over-taxed and our housing costs are high. More balanced communities are the best way to achieve our mutual goals - and our legal requirement - of reducing greenhouse gas emissions, providing mobility and access to opportunity, and lowering costs for overburdened families.

2. **Business as Usual is Unacceptable**: The Plan Bay Area Draft Preferred Scenario relies too heavily on existing trends, especially when it comes to jobs. Plan Bay Area 2040 must aim for a vision with better outcomes that more closely aligns with locally adopted plans, especially for urban areas with excellent regional transit and robust housing production. Our three cities support identifying policies, investment opportunities, and legislation at all levels of government to achieve our shared goals. More tools and resources, including meaningful incentives and disincentives are needed, especially when it comes to affordable housing production and unlocking the potential of major opportunity sites with high up-front infrastructure burdens.

3. **Affordability and Equity**: Even with its modest policy advancements, the Draft Preferred Scenario paints a grim picture of the region's ability to meet our housing needs, threatening our diversity and ability to remain an attractive beacon of opportunity and innovation. Housing and transportation costs for lower-income

households would increase by at least 13 percent, resulting in 9 percent more low-income families becoming at risk of displacement. This cannot be the "preferred" scenario for our region. It is incumbent on this Plan update process over the coming months to identify what it would take to meet our needs and ensure shared prosperity for all. Moreover, this exploration should evaluate policies or reforms to ensure that all jurisdictions must participate as appropriate in the provision of needed housing for our interconnected region.

4. **Regional Job Allocations**: The Plan needs more explicit and proactive measures to grow and protect middle-wage jobs throughout the region. The concept of establishing Priority Production/Industrial Areas (which may overlap with PDAs) is an important implementation strategy that must be further developed. Further, the reduced job allocations for both Oakland and San José compared to Plan Bay Area 2013 are not reflective of trends, nor where we want to be as a region in terms of sustainable growth near transit and housing – particularly given that both Oakland and San José function as major regional transit hubs.

5. **Connecting the Region with Transit**: Focused and expanded commitment to substantial transit investment and capacity expansion in the urban core of the region, particularly linking together the three largest cities and integrating them into a statewide rail network, is crucial for the health of the region. Critical investments include Core Capacity (especially the Transbay Corridor), Caltrain Electrification/DTX/CAHSR, and BART to Silicon Valley.

Thank you for considering our remarks. We look forward to continuing to work with you as the region develops Plan Bay Area 2040.

Sincerely,

Edwin M. Lee
Mayor, City and County of San Francisco

Sam Liccardo
Mayor, City of San José

Libby Schaaf
Mayor, City of Oakland

October 13, 2016

Metropolitan Transportation Commission &
Association of Bay Area Governments
375 Beale Street
San Francisco, CA 94105

Re: **Plan Bay Area 2040 Preferred Scenario**

Dear members of the Joint MTC Planning Committee and ABAG Administrative Committee:

Thank you for the opportunity to comment on the draft Preferred Scenario for Plan Bay Area 2040. We write to propose solutions that will lead to a Plan Bay Area that works better for everyone, on behalf of members and allies of **the 6 Wins for Social Equity Network**, a regional coalition of over 20 organizations working to promote social, racial, economic and environmental justice in the Bay Area.

According to MTC and ABAG's own analysis, the draft Preferred Scenario will significantly worsen the housing and displacement crisis for low-income people. Housing and transportation costs for lower-income households would increase by at least 13%, and at least 9% more low-income families – tens of thousands of people – would be at risk of displacement. Meanwhile, the Scenario does nothing to increase access to good jobs and little to reduce the health harms these communities face.

In a recent interview[1], 100-year-old San Francisco resident Iris Canada discussed her impending eviction from a place she's called home for more than 50 years – an experience she described as "killing me." Ms. Canada is just one of countless Bay Area residents facing, and trying to survive, this unprecedented crisis that disproportionately affects low-income communities of color and seniors. For example, dozens of residents powerfully and personally described these challenges at the regional housing forum[2] in February and during a Commission meeting[3] on July 27th, and nearly 500 people from 54 cities sent emails to MTC ahead of that meeting pleading for the region to take meaningful action.

Yet MTC and ABAG have failed to include effective strategies in the Scenario that would promote affordable housing opportunities, prevent displacement of low-income residents from rapidly gentrifying neighborhoods, and increase access to affordable transit and middle-wage jobs.

In 2013, the 6 Wins Network's **Equity, Environment and Jobs (EEJ) Scenario** produced the strongest equity and environmental outcomes for the Bay Area. The choice to exclude

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[1] *The Guardian*, "'This is killing me': 100-year-old woman fights eviction in San Francisco," by Sam Levin, available at https://www.theguardian.com/us-news/2016/oct/03/san-francisco-100-year-old-iris-canada-eviction.
[2] Watch remarks from Melissa Jones, Reyna Gonzalez, and Theola Polk at https://www.youtube.com/watch?v=Jm-7v17car0 (starting at 18:26).
[3] Watch testimony from residents and students at http://baha.granicus.com/MediaPlayer.php?view_id=1&clip_id=1510 (starting at 39:35).

an EEJ Scenario this time has led to predictable results. That "environmentally superior" scenario should be the basis for improving the draft Preferred Scenario. This means (1) leveraging regional funding to promote local anti-displacement policies, (2) planning for a fair-share distribution of affordable housing growth in *all* transit-served and high-opportunity neighborhoods, (3) increasing funding for projects and programs that serve the needs of transit-dependent riders, and (4) supporting and prioritizing *inclusive* economic development that generates good jobs for members of underserved communities.

It also means developing a clear **roadmap for actions** necessary to achieving these goals, and implementing those actions promptly. These are the conditions necessary for Plan Bay Area to serve all communities, rather than simply creating unachievable aspirations that create greater disparities.

For Plan Bay Area to meet its GHG reduction and housing targets as well as the other social equity goals, **we recommend the following actions** (with more detail in the addendum):

a) **Incorporate key EEJ components into the Preferred Scenario and final plan**, and include an EEJ Scenario in the environmental review for Plan Bay Area 2040.

b) **Include a detailed and aggressive implementation plan** in Plan Bay Area 2040 that establishes the necessary concrete policy actions at the local, regional and state levels to meet the region's affordable housing and anti-displacement goals, including fully leveraging transportation funds to incentivize local actions.

c) **Increase funding** for bus operations, the Lifeline Transportation Program, and the Community-Based Transportation Planning Program.

d) **Fully fund** a regional free youth transit pass, means-based fare discount program, and fare stabilization.

e) **Distribute household growth equitably** – ensuring that *all* neighborhoods near transit and in high-opportunity areas take on a fair share of housing growth rather than over-concentrating growth in the big three cities (Oakland, San Jose and San Francisco) in ways that would make displacement worse.

f) **Model anti-displacement policies**, such as rent stabilization and just cause eviction protections, in the Preferred Scenario in cities where low-income residents are undergoing or at risk of displacement, and provide incentives in the Scenario for those policies.

g) **Quantify affordable housing funding gaps** in the Preferred Scenario that must be filled in order to achieve the region's affordable housing goals.

h) **Support middle-wage job creation** by acknowledging the limitations of the draft Preferred Scenario to measure or target middle-wage jobs, and include in the implementation plan action steps to develop both data and policies that support local initiatives to address income inequality and the middle-wage jobs gap.

i) **Provide transparent information and data** on jobs-housing fit, affordable housing production, the effect of anti-displacement policies, and estimates on available

revenue and revenue necessary to implement Plan Bay Area 2040 investments, programs and projects.

We envision a Bay Area in which residents are part of a transparent decision-making process and where the costs and benefits of development lead to shared prosperity. We challenge MTC and ABAG to join us in creating a just and inclusive region and begin undoing the damage of inequitable planning and a legacy of historically discriminatory policies that continue to marginalize low-income communities of color.

We look forward to working with you to discuss, further develop, and operationalize these recommendations to ensure that Plan Bay Area 2040 provides a clear and effective roadmap for ensuring that all communities benefit from the region's growth.

Thank you,

Derecka Mehrens
Working Partnerships USA

Mashael Majid
Urban Habitat

Stuart Cohen
TransForm

Rev. Earl W. Koteen
Sunflower Alliance

Rev. Kirsten Spalding
SMC Union Community Alliance

Marty Martinez
Safe Routes to Schools National Partnership

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Dawn Phillips
Causa Justa :: Just Cause

Jason Tarricone
Community Legal Services in East Palo Alto

Tim Frank
Center for Sustainable Neighborhoods

Addendum: Detailed Recommendations

As MTC and ABAG prepare to discuss and adopt the Preferred Scenario, we urge you to address the concerns, and incorporate the recommendations, below.

Concern #1 – Social Equity: **The draft Preferred Scenario performs poorly on social equity measures, particularly related to housing and displacement.** For example, MTC and ABAG set a target of decreasing the housing and transportation costs for lower-income households by 10%. Instead, the draft Preferred Scenario increases housing and transportation costs for lower-income households by 13%. The agencies project that 67% of household income will be spent on housing and transportation by 2040, up from 54% in 2005. In addition, the agencies aimed to not increase the share of households at risk of displacement, but the draft Preferred Scenario increases the risk of displacement by 9%. Finally, the agencies had a target to increase the share of affordable housing in PDAs, TPAs, and HOAs by 15%, but instead, the share of affordable housing will increase by just 1%, while the Scenario does nothing to increase access to jobs and little to reduce the adverse health impacts facing communities.

Recommendations:

1. **Incorporate key components of the Equity, Environment and Jobs (EEJ) Scenario into the Preferred Scenario, and study the EEJ in the Environmental Impact Report (EIR)** for Plan Bay Area 2040. In the EIR for Plan Bay Area 2013, the EEJ proved to be the superior alternative, both environmentally and for low-income communities of color. The failure to include an EEJ Scenario this time has led to predictable results.
2. **Include a detailed and aggressive implementation plan** as part of Plan Bay Area 2040 that identifies concrete policies and programs for how the region will meet its affordable housing and anti-displacement goals, boost local transit service and reduce fares, and support middle-wage job creation. The implementation plan should include the actions that MTC and ABAG will take, those that local jurisdictions need to take, and those that the regional agencies will take to get local jurisdictions to act.

Concern #2 – Land Use and Housing: **The draft Preferred Scenario does not include adequate affordable housing and anti-displacement strategies, or equitably allocate growth.** Despite the region's exceedingly poor performance on affordable housing since the adoption of the prior Plan Bay Area, and the role that regional transportation investments play in exacerbating the Bay Area's housing affordability and displacement crisis, the draft Preferred Scenario includes just one strategy to mitigate the crisis: apply inclusionary zoning in all cities with PDAs, making 10 percent of units deed-restricted. There are a number of problems with relying so heavily on this particular strategy. First, inclusionary zoning for rental housing is not currently permitted under the *Palmer* decision, making the strategy purely aspirational. Second, reducing displacement risk and increasing affordable housing production requires more than just inclusionary zoning – it

requires a broad array of policies that also include rent stabilization, just cause ordinances and other eviction protections, impact and commercial linkage fees, housing bonds, and public land policies. Moreover, any affordable housing strategy should specifically serve the lowest-income households and should be included in cities with TPAs and HOAs, not solely PDAs.

In addition, the Preferred Scenario includes no clear plan to encourage cities to adopt affordable housing and anti-displacement policies. MTC and ABAG have essentially given up on taking a robust role in addressing the crisis, claiming they have limited strategies available to them. They should instead work with the affordable housing and tenants' rights communities to develop concrete strategies.

Finally, the draft Preferred Scenario allocates a disproportionately low share of housing to many of the mid-size cities, which are job centers within the urban core, with the result that a number of cities are allocated 4 times or more as many new jobs as they are new housing units – and even fewer affordable housing units. Moreover, the projections for average annual housing growth in San Francisco and Oakland are far above anything they have achieved even at peak levels, despite actions these cities have already taken to accommodate growth and streamline the approval process. These unrealistic and inequitable allocations create the conditions for guaranteed "failure" and the potential for politically justifying even more aggressive deregulation and pro-gentrification agendas, threatening to move us backwards rather than forward in realizing an equitable development vision.

Recommendations:

3. **Establish concrete actions in the implementation plan to meet the region's affordable housing and anti-displacement goals and to mitigate Plan Bay Area's negative impacts.** Examples include:
    a. **Develop and fund a Regional Housing Trust Fund** to support the development of affordable housing throughout the region.
    b. **Modify the One Bay Area Grant (OBAG) and other transportation funding programs** to more effectively encourage local land use planning and development that will make things better, not worse. OBAG's new anti-displacement scoring criteria and affordable housing incentive funding are steps in the right direction, but MTC must create stronger incentives for local jurisdictions to produce affordable housing and adopt anti-displacement policies by using the full countywide OBAG funds and other transportation dollars.
4. **Include – and model – anti-displacement policies**, such as rent stabilization and just cause eviction ordinances, in the Preferred Scenario in cities where low-income residents are undergoing or at risk of displacement. These protections are the most effective at keeping low-income renters in their homes.

5. **Distribute household and employment growth equitably** – near transit and in high-opportunity areas[4], not just in PDAs concentrated in the big three cities, and in a manner that achieves both jobs-housing balance[5] and jobs-housing fit (availability of affordable housing in proportion to the number of low-to-moderate wage jobs in a city). It is critical that we end our historic patterns of sprawl development – which has both negative environmental and equity consequences. But we must do so in a manner that does not concentrate development in ways that actually exacerbate displacement, and we must ensure that all cities are doing their fair share to create affordable housing and job opportunities. Allocating growth into a more "poly-nodal" land use pattern is a far superior "smart growth" vision that will enable Bay Area residents to live and work in their home communities rather than endure extreme commutes and the associated greenhouse gas emissions, increased transportation costs and public health impacts.
6. **Quantify affordable housing funding gaps** in the Preferred Scenario that must be filled to achieve the housing affordability and share of affordable housing targets, particularly for production of housing for very low-, low-, and moderate-income families that is proportional to market-rate housing production.
7. **Analyze and share the following data**:
    a. How jobs-housing fit is – or is not – achieved in the Preferred Scenario, and how the Preferred Scenario drives household distribution to places with poor jobs-housing fit, near transit, and in high-opportunity areas.
    b. Total housing production for each jurisdiction and how it compares with the actual track record of past production.
    c. Affordable housing production for each jurisdiction and (i) how it compares with actual track record of past production and (ii) how much it will cost compared to affordable housing subsidy dollars available annually.
    d. The effect that additional affordable housing and anti-displacement policies would have on meeting the performance targets.

Concern #3 – Transportation Investments: **The draft Preferred Scenario does not include adequate transportation funding to meet the needs of underserved communities.** We have concerns about projected revenue and the presentation of new investments in expanding equitable transportation. We acknowledge the policy decision to fully fund transit operating shortfalls. However, the assumed increase in revenue from sales-tax-based discretionary sources (e.g., Transportation Development Act and local measures) may be overstated; if so, there is the risk of major service cuts should the economy falter in the future. Packaging mostly pre-existing programs as an "Equity

[4] Allowing people to live closer to their jobs and other key community assets, even with limited public transit access, still reduces VMT and GHG emissions.

[5] The jobs-housing ratios for the three big cities vary widely – from 0.8 in San Jose, where the projected job growth is well below what's planned in its General Plan, to 2.4 in San Francisco. These numbers are not only unrealistic, but they result in completely inadequate jobs-housing balance and, even more importantly, the jobs-housing affordability "fit."

Roadmap" is misleading and inadequate. Deceptive because conversations with staff indicate that bus versus other modes are not clearly broken out; inadequate because, e.g., Lifeline, is still stuck at the low level from PBA 2013. Consistent with the Gioia amendment, Communities of Concern should be receiving a fair share of all discretionary revenues in the first four years of the plan.

Recommendations:

8. **Allocate "bus operations" funding for bus service**, which low-income riders rely on disproportionately to get to their jobs, schools and critical services. The current categories appear to include capital costs and need to be broken out and described more clearly.
9. **Allocate $2 billion to the Lifeline Transportation Program by 2021** to fund the transportation projects that low-income communities of color identify in the Community-Based Transportation Plans (CBTPs). This important program is the only one that specifically targets the needs identified by low-income residents who rely on transit, but current funding levels do not come close to closing the gap in transit service for this population, much less meeting the full range of critical transportation needs in underserved communities.
10. **Increase funding for updating CBTPs to $3 million.** MTC recently allocated $1.5 million in OBAG funds for updating CBTPs, enough to update approximately 15 plans. However, 28 CBTPs are at least 6 years old, and the new Community of Concern definition may create a need for additional community-based plans.
11. **Develop and fund a regional free youth transit pass** program. The overwhelming success of the Free MUNI for Youth program (over 33,000 youth currently receive passes) highlights the need for this investment. Moreover, MTC's investment in the MUNI pilot youth program demonstrates that regional funding can play a key role in supporting local models that can be scaled up and replicated throughout the region.
12. **Fully fund MTC's Regional Means Based Fare Discount program**. This pilot study is examining program alternatives that can both reduce transportation costs for transit-dependent riders on major operators with existing discount programs as well as reduce costs for those transit dependent riders forced to take multiple unlinked trips (e.g., local bus to BART to another local bus) because of the displacement crisis. The draft investment strategy includes $150 million over the life of Plan Bay Area to support this effort. However, current staff estimates range from $57 million to $100 *annually*. This does not include cost estimates for new service needed to meet increased demand, which are still being developed.
13. **Allocate discretionary revenue to develop a fare stabilization fund** to help prevent fare increases or service cuts during periods of unanticipated economic downturn.
14. **Provide reliable estimates** on available revenue and revenue necessary to implement Plan Bay Area 2040 investments, programs, and projects.

15. **Conduct an equity analysis** of the proposed expenditure of the regional discretionary share of funds, including a focus on the equity of discretionary fund allocations in the first four years of the new Plan. This will help ensure that low-income populations and people of color are not being subjected to any delay in the receipt of a fair share of the Plan's benefits.

Concern #4 – Economic Opportunity: We commend the regional agencies for incorporating Middle-Wage Job Creation as an explicit Performance Target for Plan Bay Area. However, the draft Preferred Scenario falls short in two respects.

First, it inaccurately represents that the share of middle-wage jobs is growing in the Bay Area and will grow under any scenario – even "No Project." This positive forecast is sharply contrasted by real world data, which show growth concentrated in high-wage and low-wage jobs, exacerbating the region's income inequality and attendant impacts on housing, transportation and public health. This reality is what our communities are facing as they struggle to maintain economic security. While we understand that these results stem from the current limitations of the forecasting model, this should be acknowledged in the Performance Targets Results as a limitation of the methodology, rather than presented as an indication that the actual share of middle-wage jobs will increase.

Second, and more importantly, the next Plan Bay Area needs a sharper focus on understanding and effectively leveraging the impacts that policies, investments, incentives and planning decisions have on the type and quality of jobs that are created or retained. At a minimum, MTC and ABAG should establish strong policies to ensure that the direct impacts of Plan Bay Area investments are moving us in the right direction.

Furthermore, if the region moves forward with the actions outlined in the Implementation Strategies – which include establishing a Regional Economic Development District and creating "Priority Production Areas" – it is critical to start from the basis of an inclusive economic development strategy that addresses the type and quality of jobs that are being created.

Recommendations:

16. **Include in the implementation plan an action item focused on developing the data and capacity to analyze wages at the job / workers level** and to project potential impacts of land use scenarios and policy decision on the jobs and wage distribution. In the meantime, indicate the modelling limitations of the Middle-Wage Jobs target in the Performance Targets Results (by including a footnote or similar indicator).
17. **Establish policies in the implementation plan to ensure that the direct investments made through Plan Bay Area are aligned with the goal of expanding the share of middle-wage jobs.** These could include:
    a. **Ensure minimum standards**: Require prevailing wages, participation in state-registered apprenticeship, and priority for veterans on all construction work that is supported by Plan Bay Area investment, including where

funding is used for land acquisition, architectural or engineering fees, or project planning.

b. **Expand middle-wage career pathways in construction and operations:** Support transportation operators and local jurisdictions that are seeking to implement models such as Community Workforce Agreements that combine efficient project delivery, strong enforcement of minimum job standards, and career pathways for workers in underserved communities. Support might include providing resources for pilots, convening and/or technical assistance, and supporting local jurisdictions in applying to the FTA for approval of innovative career pathway mechanisms.

18. **The process underway to create a Bay Area Economic Development District should explicitly target middle-wage job creation and access**. Refocus the stakeholder process of developing a Comprehensive Economic Development Strategy for the Bay Area to explicitly prioritize creating and sustaining middle-wage jobs and ensure access to those jobs for members of underserved communities.

19. **Provide support and incentives for local jurisdictions to innovate, replicate and collaborate on approaches to support the growth and retention of middle-wage jobs.** A number of cities and counties are already taking action on policies, programs and initiatives to expand economic opportunity. MTC and ABAG's role in economic development should be to support and prioritize those local efforts that, when aggregated, can demonstrate effectiveness in supporting middle-wage jobs. In particular, the concept of Priority Production Areas should prioritize investment in and support for projects that will explicitly lead to middle wage job creation, pathways into those jobs and/or the upgrading of low-wage jobs.

To: MTC Planning Committee: Chair Spering (JPSering@solanocounty.com); Vice Chair Halsted (ahalsted@aol.com); and Members Aguirre (aaguirre@redwoodcity.org), Azumbrado (Thomas.W.Azumbrado@hud.gov), Giacopini (dgiacopini@mtc.ca.gov), Haggerty (district1@acgov.org), Kinsey (skinsey@co.marin.ca.us), Liccardo (mayoremail@sanjoseca.gov), and Pierce (jpierce@ci.clayton.ca.us)

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October 13, 2016

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RE: Plan Bay Area 2040 Draft Preferred Scenario Housing and Job Projections

Dear Ms. Chion and Mr. Kirkey:

The City of Petaluma has reviewed, and wishes to provide comments on, the household and jobs projections prepared for Plan Bay Area 2040.

The September 9, 2016 presentation "Draft Preferred Scenario: Overview of Growth Pattern and Investment Strategy" includes a diagram depicting the evolution of the Draft Preferred Scenario building upon the foundation of *Plan Bay Area 2013*, local general plans, three alternative land use scenarios, public feedback, and finally refinements based on ABAG's Land Use Vision and Priority Development Area (PDA) Assessments.

Petaluma has reviewed the projections prepared for the three alternatives, the Draft Preferred Scenario, GIS data provided by MTC from the UrbanSIM model and the online UrbanSIM web-based map. In reviewing the data it is clear that the 'refinements' or ABAG's Land Use Vision and PDA Assessments are driving the Draft Preferred Scenario with little attention to Plan Bay Area 2013, local general plans, and the prepared alternative land use scenarios.

While the projected buildout of 27,100 households in Petaluma is consistent with the Petaluma General Plan 2025, it is hard to understand how the three alternative land use scenarios which vary between 23,000 and 24,000 households informed a preferred scenario of 27,100 households, an increase of

EQUAL HOUSING OPPORTUNITY

3,000 households over the highest alternative scenario. In addition, the policy assumption that 75% of future growth will occur within designated PDAs results in a projected 4,450 households within Petaluma's PDA – an increase of 2,000 households over *Plan Bay Area 2013* and significantly higher than anticipated in Petaluma's planning documents.

Staff reviewed the UrbanSIM data in order to understand where ABAG/MTC expects this growth to occur within Petaluma's PDA, several issues quickly emerged:

- A 39-acre parcel, currently designated for industrial use, is assumed to have the capacity for 3,139 residential units and no jobs. Even with a change in land use, this parcel could not accommodate anything close to that number of units.
- An immediately adjacent parcel assumes 894 residential units and no jobs. This site has already been entitled for 274 dwelling units, 45,000 square feet of office, 30,000 square feet of commercial, and a 122 room hotel.
- A designated future park is assumed to have 98 residential units.
- Two significant and vacant sites immediately adjacent to the commuter rail station, both key transit-oriented development sites identified in the Petaluma Station Area Master Plan, are assumed to have no development.
- The majority of Petaluma's PDA is designated mixed use, yet there is no future job growth assumed within its boundary based on the UrbanSIM data. A review of the data shows a decrease in jobs within the PDA from 2010 to 2040 while the Draft Preferred Scenario shows an increase of 550 jobs.

Outside the PDA boundary there appears to be no job growth beyond recently constructed projects and no accounting for future job growth on significantly sized vacant parcels and projects currently under construction based on review of the UrbanSIM model. The above issues raise questions about the technical accuracy of the UrbanSIM model and the policy assumptions informing the Draft Preferred Scenario.

Petaluma has worked closely with the Sonoma County Transportation Authority (SCTA) to ensure that SCTA's travel demand model includes accurate existing land use data, current development projects, and projected development. It has been our understanding that SCTA's model data has in turn been shared with MTC to inform its model. The use of UrbanSIM appears

to not benefit from that work, resulting in data that is both inaccurate and unrealistic.

Petaluma is supportive of the overall goal of reducing GHG emissions, improving the regional transportation system, and securing a balance between jobs and housing. However, we urge MTC and ABAG to continue working with the CMAs and local jurisdictions to improve upon the UrbanSIM model to ensure a reasonable and realistic housing and employment forecast before adopting a final Plan Bay Area Preferred Scenario.

If you have any questions, please feel free to contact Scott Duiven, Senior Planner, at sduiven@ci.petaluma.ca.us.

Thank you for your consideration.

Sincerely,

John C. Brown, City Manager

City of Alameda • California

October 13, 2016

Ken Kirkey,
Planning Director,
Metropolitan Transportation Commission

Miriam Chion,
Director of Planning & Research,
Association of Bay Area Governments

Subject: City of Alameda Comments on Draft Preferred Scenario/Plan Bay Area 2040

Dear Mr. Kirkey and Ms. Chion:

Thank you for the opportunity to comment on the Draft Preferred Scenario/Plan Bay Area 2040. (DPS) The City of Alameda and its citizens have been consistent supporters of the region's efforts to plan for a sustainable Bay Area and address global warming and climate change. Alameda has established two Priority Development Areas (PDAs) and identified significant acreage in the PDAs to accommodate Plan Bay Area growth. Alameda strongly supports the two fundamental principles that have been the foundation of the regions past planning efforts:

- A successful plan for a sustainable Bay Area must be based upon strong connections between land use and transportation, and
- A successful regional plan must be an equitable plan. The development and transportation challenges faced by the region must be equally shared by all the cities and counties in the region.

Unfortunately, the DPS falls short on both principles.

The DPS Ignores the Land Use and Transportation Relationships in Alameda. Alameda's transportation system is in desperate need of State and regional transportation funding for much needed improvements to accommodate regional growth. Our local and transbay buses are filled to capacity, and our ferries are near capacity and occasionally have to turn back riders at the dock. Despite our fragile transportation infrastructure and services, the DPS plans a **38%** increase in households in Alameda over 30 years with no plans for increasing Alameda's connectivity to the regional roadway or transit systems. Given Alameda's limited connectivity to the region, such growth is unsustainable. In contrast, the DPS plans for a 28% increase in Fremont, a 25% increase in San Leandro, a 20% increase in Berkeley, and only an 18% increase in Hayward. All of these cities benefit from multiple access points to the regional network and at least one BART station, which reduces peak hour transportation impacts.

Community Development Department
2263 Santa Clara Avenue, Room 190
Alameda, California 94501-4477
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The DPS Ignores Alameda's PDA Designations: The DPS plans for **64%** of Alameda's household growth to occur outside of the designated PDAs in existing historic neighborhoods, on a wildlife refuge, and in the city's business areas. In contrast, the DPS assumes 29% of Berkeley's growth to occur in non-PDAs, 10% of San Leandro's growth in non-PDAs, and only 0.4% of Fremont's growth in non-PDA areas.

The DPS is Not Equitable. The DPS places the burden for the region's household growth on the cities that have historically carried the burden, such as Alameda, Oakland, San Francisco, Emeryville, Berkeley, and Fremont. For cities that have historically avoided the burden of assisting the region accommodate new households, the DPS simply perpetuates this historic inequity. This inequity is reflected in an apparent correlation between average household incomes in a city and the amount of growth that city is expected to accommodate in the DPS. There also seems to be a correlation between how much growth a city is expected to accommodate and the amount of existing rental housing stock and the amount of existing multifamily housing that exists in that city. Cities like Alameda with a high percentage of renters and a high percentage of multifamily housing, seem to be the cities that are asked to accommodate more growth, while more wealthy cities with predominately single family detached, owner occupied housing are planned for much less growth.

The Plan Bay Area and the State must address this inequity through changes in transportation funding. State law needs to change to ensure that the cities that accommodate the region's growth get all of the region's transportation related tax revenues, including gas taxes. As a region, we cannot continue to spend much needed transportation dollars in communities that are refusing to take responsibility for the region's housing needs. The cities that are taking on all of the region's burden deserve all of the region's transportation funds. The health of the environment and the region depend upon it.

Alameda's Request. We have a few simple requests:

Please amend the DPS to remove the 1,425 households planned on the Federal Nature Preserve (home to the endangered Least Tern), which is also subject to State of California Tidelands restrictions on residential uses, remove the 5,000+ households planned for the South Shore Shopping Center and the Marina Village Shopping Centers, and remove the 190 households planned for the Wind River Office Campus.

Please reallocate these 6,600+ households to cities in the region that are carrying a smaller percentage burden than Alameda. Our neighbors in Oakland, Emeryville and San Francisco are already doing more than their share.

Please ensure that Plan Bay Area 2040 takes a strong stand on the need for the State to make structural changes to the statewide distribution of transportation tax revenues. Cities like Alameda, Oakland, Berkeley, and San Francisco that are working to create a sustainable Bay Area are in desperate need of additional transportation funding. Without it, our cities will not be able to accommodate the housing burdens for the entire region. If

we fail, the Regional Plan fails, and we will have all failed to fulfill our responsibilities to future generations of Bay Area residents.

Sincerely,

Andrew Thomas, MCP and AICP
Assistant Community Development Director

Cc: Mr. Steve Heminger, MTC Executive Director
Alameda City Council
Alameda Planning Board
Ms. Jill Keimach, City Manager, Alameda

TOWN OF HILLSBOROUGH

SAN MATEO COUNTY

Building & Planning Department

(650) 375-7422

1600 Floribunda Avenue

Hillsborough

October 13, 2016

Ken Kirkey
Director, Planning
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

Re: Plan Bay Area 2040 DRAFT Preferred Scenario

Dear Mr. Kirkey:

Thank you for the opportunity to comment on the Plan Bay Area 2040 DRAFT Preferred Scenario. Additionally, we appreciated the informational presentation to the San Mateo County Planning Directors recently in San Carlos.

While the 2010 and 2040 household information and respective growth appear generally reflective of Hillsborough's demographics, we have detected discrepancies between both the 2010 and 2040 employment figures. Hillsborough is a single family residential community with no commercial zoning. Non-residential uses in Hillsborough are limited to schools, country clubs and government facilities which employ a total of approximately 600 regular employees. The Plan Bay Area 2040 DRAFT Preferred Scenario notes that Hillsborough had 2,100 employees in 2010 and would have 2,300 employees by 2040.

We understand that census block groups were used to develop the employment figures. We would ask that you consider the possibility that the figures may have been derived from census areas which Hillsborough and Burlingame share along with a common zip code. Additionally, if the information is coming from business licenses, we ask that you consider the appropriateness of utilizing this information in a jobs/housing study. For example, while there are currently 1,272 active business licenses within the Town at this

time, research has shown that approximately 50% involve regular full and part-time time jobs and 50% involve home occupations or temporary jobs. Since employers/employees with home occupations already have housing, and temporary jobs may or may not be located within Hillsborough in the future, it would not make sense to calculate or project those jobs within a jobs/housing study. Whether one references the 607 jobs within the Town's 2009 Housing Element or the 1,272 active business licenses currently in Town, the 2,100 figure in the Plan Bay Area 2040 DRAFT Preferred Scenario is not accurate.

While Hillsborough embraces a strategic and visionary approach for advanced planning purposes, we believe that visioning with consideration for actual conditions and in a manner that preserves the essential character of individual communities is the appropriate method to stimulate community and regional goals. We understand that our community is particularly unique as there are only a handful of communities in the entire State of California that have no commercial businesses whatsoever. We welcome an opportunity to discuss our comments further.

Sincerely,

Elizabeth S.R. Cullinan
Director, Building and Planning
Town of Hillsborough

October 14, 2016

Dave Cortese, Chair
Metropolitan Transportation Commission
Julie Pierce, President
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Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
atinfo@mtc.ca.gov

RE: Healthy and Safe Communities target in Plan Bay Area Scenarios; Active Transportation Staffing for MTC/ABAG

Dear Honorable Chair and Honorable President:

The Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) released a draft preferred land use scenario toward the development of Plan Bay Area 2040. The Draft Preferred Scenario represents a regional pattern of household and employment growth by the year 2040, and includes a corresponding transportation investment strategy.

We are writing to express concern that the draft Preferred Scenario is deficient in several ways:

1 – It does not achieve the physical activity and health goals set by MTC and ABAG. The Healthy and Safe Communities target that Plan Bay Area strives for was revised last year. The target affirms the need of the Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) to reduce adverse health impacts associated with air quality, road safety, and physical inactivity by 10%.

However, all the draft scenarios assessed in the Plan Bay Area process fall far short of that goal. Of the five scenarios considered, two provide no progress at all on this goal, and the other three provide only a decrease of 1 percent. The preferred scenario achieves this 1 percent, and is therefore literally better than the scenarios that provide no progress at all, but this is still woefully short of the goal affirmed by MTC and ABAG.

2 – The target for bicycle and pedestrian mode share, and the investment needed to achieve it, needs to be much stronger. Even with very modest investment, California saw a doubling of bicycling and walking between 2000-2012, according to the California Household Travel Survey. The Caltrans Strategic Management Plan released in 2015 set a goal of tripling of bicycle mode share and doubling walking and transit mode shares by 2020. With more significant investment in creating safe, connected active transportation systems, those numbers would substantially increase. The Bay Area must commit to a much bolder vision for active transportation as part of a multi-modal system in the Bay Area, and more significant investment in active transportation, both infrastructure and non-infrastructure.

Implementation of the Plan

To support the recommendations above, MTC will need to develop a detailed implementation plan as part of Plan Bay Area 2040 to achieve active transportation, physical activity and public health outcomes. The plan should include:

A. Stronger support for the Regional Safe Routes to School Program in OBAG, the Spare the Air Youth program, and MTC's Complete Streets policy. There have been proposals over the past couple of years to transfer funds from these valued programs. The proposals were ultimately reversed, but with the region's lackluster performance on goals related to traffic safety and physical activity, there is a clear need for proactive efforts to increase investments in programs that directly support these goals.

B. Support for our regional trail system and green infrastructure:

i. Support and fund the completion of the Bay Area regional trail network and expand our system of urban trails, parks, and bikeways to serve the Bay Area's diverse population.
ii. Expand "Transit to Trails" programs to enhance access to open space and reduce vehicle miles traveled and greenhouse gas emissions.
iii. Establish a Regional Bicycle and Pedestrian Metrics Program to gather bike/ped usage data region wide (on-street and trails) and aggregate that data with local biking/walking data on a public web portal.

C. Increase Staffing Dedicated to Active Transportation: In addition to increased investments in the programs themselves, MTC requires additional staffing to ensure active transportation programs and policies are effectively carried out, evaluated, and supported, as well as to help devise strategies to expand and build upon the success of these programs. Currently, MTC has only one staff position dedicated to active transportation, and that one position has multiple responsibilities. We strongly recommend MTC increase its staffing capacity for active transportation, including the hiring of at least one additional staffer.

We hope that with additional investments in active transportation and increased capacity within MTC, Plan Bay Area can come closer to achieving its Healthy and Safe Communities target. We look forward to meeting with staff to discuss these recommendations further.

Marty Martinez
Northern California Policy Manager
Safe Routes to School National Partnership

Laura Cohen
Western Region Director
Rails-to-Trails Conservancy

Nicole Ferrara
Executive Director
Walk SF

Amy Jolly
Youth Leadership Development Manager
Center for Climate Protection

Alisha O'Loughlin
Executive Director
Sonoma County Bicycle Coalition

Shiloh Ballard
President and Executive Director
Silicon Valley Bicycle Coalition

BUILDING INDUSTRY ASSOCIATION
1350 Treat Blvd, Suite 140
pcampos@biabayarea.org

To: MTC Planning Committee
ABAG Administrative Committee

From: Paul Campos, BIA Bay Area

Date: October 13, 2016

Re: **Joint MTC/ABAG Meeting October 14, 2016: Agenda Item 5.a**

Dear Committee Members:

BIA Bay Area appreciates the opportunity to comment on the Draft Preferred Scenario. We hope to draw your attention to an important issue that has not received adequate discussion as the scenario development process has proceeded: the extent to which the region will offer the prospect of economic security and opportunity through home ownership.

While the amount and general location of the region's new housing have been widely discussed during the scenario development process, the relative share of the new housing that is for-sale vs. rental has not. The Draft Preferred Scenario targets 82% of the 820,000 new units needed through 2040 as rental units, with only 18% targeted as for-sale (both attached and detached). The No Project Scenario, by contrast, is projected to have just over 50% of the new units as for-sale, with rental slightly below 50%. Importantly, the No Project Scenario is based on local general plans and projects the future housing mix that would likely occur if Plan Bay Area and its policy interventions are not adopted. In other words, the dramatic decrease in future homeownership opportunities in the Bay Area appears to reflect a policy choice in the Draft Preferred Scenario.

This policy choice has profound implications for the region's ability to reduce the kind of regional/middle-class displacement that has seen so many households and families move to other regions and other states to find affordable home ownership opportunities. A Bay Area that adds precious little to the stock of ownership housing in the region is likely to see that trend accelerate rather than reverse.

The Bay Area needs as many new rental units as feasible through 2040. But the region should not, through discretionary policy choices, significantly reduce the prospect of economic security and opportunity offered by home ownership. It should be possible for the region to approve significantly more ownership housing through 2040 inside existing urban growth boundaries than the Draft Preferred Scenario targets. Failure to do so not only will accelerate the hollowing out of the region's middle-class, but also the resulting increase in per-capita GHG emissions as these households move to outer regions and other states in search of more affordable ownership opportunities.

October 13, 2016

Dave Cortese, Chair
Metropolitan Transportation Commission
Julie Pierce, President
Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Re: Draft Preferred Scenario for Plan Bay Area 2040

Dear MTC Chair Cortese, ABAG President Pierce, and Commissioners:

Thank you for this opportunity to comment on the draft Preferred Scenario for Plan Bay Area 2040.

The Bay Area is unique in its natural beauty, globally important landscapes and waters, vibrant farm and ranchlands, parks and open spaces. Bay Area residents and employers recognize the value of these natural and working lands and consider them essential contributors to the high quality of life, health, and economic prosperity of the region.

We applaud the steps that ABAG and MTC have taken to better integrate land-use and transportation planning to protect our region's treasured open spaces and address interconnected regional challenges of climate change, transportation, housing affordability, displacement, and shared economic prosperity to create a more environmentally sustainable, socially equitable, and economically prosperous region.

ABAG and MTC have made notable strides in advancing the protection and stewardship of our natural resources in recent years. Plan Bay Area 2013 affirmed a regional commitment to grow smartly and avoid development on our open spaces. The update to the Priority Conservation Area program and the recent $16 million contribution to the Priority Conservation Area grant program are exciting actions to support this vision. The ongoing development of a Regional Advanced Mitigation Program also has the potential to significantly improve conservation planning and execution across the Bay Area.

The development of the Preferred Scenario for Plan Bay Area 2040 provides the opportunity to build on these past accomplishments for a more healthy, prosperous, and sustainable future for all Bay Area residents.

We are pleased that the draft Preferred Scenario appears to meet Target 4, which calls for "directing all non-agricultural development within the urban footprint (existing urban development and UGBs[1])." This is a significant and laudable commitment to focus growth and avoid sprawl development.

However, we are concerned that the current draft falls short in several important ways. As you prepare the Final Preferred Scenario for Plan Bay Area 2040, we urge you to incorporate the following recommendations:

1) Redirect growth away from "edge jurisdictions" with natural and agricultural lands

Compared to the original Plan Bay Area, the draft Preferred Scenario allocates far more housing growth to jurisdictions at the outer edges of our region.

Some of the most notable examples of this trend include the following:

- Brentwood's household allocation is nearly six times the amount envisioned in Plan Bay Area with 12,900 new households.
- Rio Vista's household allocation is more than 13 times higher than it was in Plan Bay Area, with 6,700 new households.
- Unincorporated Solano County's household allocation is more than 4.5 times higher than it was in Plan Bay Area with 7,800 new households.
- Gilroy's household allocation is nearly twice what it was in Plan Bay Area with 5,600 new households.

These communities are surrounded by important farms, ranches, and natural lands that provide a wealth of benefits, from storing carbon to protecting our local drinking water supplies to producing fresh fruits and vegetables. Directing such substantial amounts of growth to these areas puts unnecessary pressure on

[1] MTC and ABAG staff have explained that the "urban footprint" for Plan Bay Area 2040 is defined as land within Urban Growth Boundaries and Urban Limit Lines or within city limits where such a boundary does not exist.

our region's natural resources and undermines the plan's environmental, climate, equity, and economic goals. At the same time, there are communities in the core of the region that are well served by transit and jobs that would benefit from the integration of additional homes in infill locations in a compact, walkable pattern to better address the region's significant housing crisis, improve our regional jobs/housing imbalance, and reduce lengthy commutes on our congested roads.

We recommend that the final Preferred Scenario address this significant shortcoming by reallocating growth from outer edge communities to infill areas near transit and jobs and include additional policies and programs to encourage and support this more focused growth pattern. This will help protect important natural and agricultural lands and preserve the many benefits that they provide. It would also offer a host of other co-benefits, including shorter commutes and avoided Vehicle Miles Traveled (VMT); reduced infrastructure costs; increased rates of walking, biking, and transit; and greater access to opportunity for people across the income spectrum.

2) Improve the draft plan's social equity outcomes

We are concerned that the draft Preferred Scenario falls short of many of MTC and ABAG's adopted targets for social equity, particularly in regard to housing affordability and displacement.

The region's housing affordability challenges are creating a tremendous financial and emotional toll on Bay Area families, especially low-income residents. Housing unaffordability is also a problem for the future of our natural and agricultural lands. When people are no longer able to afford to live in communities near jobs and transit, they often move to less-expensive neighborhoods at the edges of the region and beyond. This can create new sprawl pressure in these edge communities, threatening the greenbelt lands that benefit us all and increasing VMT.

The final Preferred Scenario should include stronger measures to achieve our region's interrelated goals regarding open space conservation, environmental health, housing affordability and displacement, equitable transportation, and middle-wage job growth to improve the lives of all Bay Area residents. In particular, it should include new tools and strategies to ensure that people across the income spectrum can afford a place to live within our existing cities and towns.

3) Prepare a regional roadmap to implement the plan's conservation vision

It will take bold regional leadership to protect, steward, and restore the Bay Area's natural and agricultural lands. Fortunately, the Bay Area's residents and businesses have long expressed a commitment to invest in and safeguard these lands and a network of public agencies, non-profit organizations, and community-based groups are well positioned to support this endeavor.

We look forward to working with MTC and ABAG to shape a detailed implementation roadmap for how the regional agencies and their partners can advance the Plan Bay Area 2040 goal of open space and agricultural preservation. This implementation roadmap should be included as part of the final Plan Bay Area 2040 and result in a detailed work plan for regional agency staff to carry out. The roadmap should include commitments to develop specific policies and programs, including the following:

Funding strategies to support the region's open space needs

- Identify the regional funding gap for open space preservation and stewardship. Develop an integrated regional funding strategy, uniting the nine Bay Area counties, to close this gap. In developing this strategy, a variety of tools should be explored, including regional and sub-regional funding measures, Regional Conservation Investment Strategies, Transfer of Development Rights programs, and others.
- Condition regional transportation funds on local protection of open space, building on the One Bay Area Grant (OBAG) framework. For example, condition eligibility for OBAG funds on local adherence to the open space protection target in Plan Bay Area.
- Continue to expand funding for the successful Priority Conservation Area (PCA) grant program and move toward one regional PCA grant program with consistent rules and administration.
- Adopt a Regional Advanced Mitigation Program (RAMP) to coordinate funding for open space protection related to expected impacts from transportation projects. If the model is successfully established for the transportation sector, consider expanding the model for other infrastructure sectors in the future.

Policy support for local conservation action

- Increase policy support to local jurisdictions to advance open space protection and stewardship.
- Examples of needed regional actions include distribution of best practices in local open space protection policies, facilitating a strong conservation role for LAFCOs, enhancing urban greening within Priority Development Areas, and aiding in the development of local environmental justice policies to foster equitable access to parks and open space in keeping with SB 1000 of 2016.

Prioritization of our agricultural economy

- Ensure agricultural lands remain in active production by developing a regional farmland protection plan that identifies opportunities and potential funding, such as agricultural easement programs, for enhancing the economic viability of agriculture and permanently protecting agricultural lands to help secure our region's food supply.
- Include strong mitigation actions for farmland loss anticipated in the Plan Bay Area 2040 growth footprint. Enhance the mitigation ratios that were included in the EIR for Plan Bay Area 2013 to better reflect the value of agriculture lands.
- Integrate funding for regional agriculture programs in the Bay Area's forthcoming Comprehensive Economic Development Strategy (CEDS) and new Regional Economic Development District (REDD).

Support for our region's trails, recreational lands, and green infrastructure

- Support the completion of the Bay Area regional trail network and expand our system of urban trails, parks, and bikeways to serve the Bay Area's diverse population.
- Expand "Transit to Trails" programs to enhance access to open space and reduce vehicle miles traveled and greenhouse gas (GHG) emissions.
- Establish a Regional Bicycle and Pedestrian Metrics Program to aggregate data on walking and biking throughout the region, including segments of the regional trail system.

- Encourage policies and funding for nature-based solutions and green infrastructure in urban areas to incorporate natural systems into the built environment, address challenges such as flood control and water supply protection, and provide environmental, health, and safety benefits to Bay Area residents.

Integration of conservation data into decisionmaking

- Compile and integrate conservation-related datasets across the region. Provide a mechanism to allow public agencies and stakeholders to easily access and incorporate this data at all stages of decisionmaking.
- Establish new regional policies to factor in natural resources, working lands, and parks in infrastructure plans, programs, and project decisions. Include a full assessment of conservation impacts, such as water and energy use, farmland and habitat preservation, and carbon sequestration in future regional planning scenario assessments.
- Measure and report the GHG emissions that will be released from disturbance of the land base in the Plan Bay Area 2040 growth footprint and incorporate that information into the plan's mitigation measures.
- Develop a robust regional plan for sea level rise and climate adaptation, with an emphasis on strategies that protect and enhance our natural resources as a strategy for resilience.

Conclusion

Since the adoption of Plan Bay Area in 2013, the need to grow smartly and protect our natural and agricultural lands has become increasingly urgent, with an ever-growing body of data on the economic, environmental, health, and social equity benefits of choosing sustainable, equitable development patterns rather than sprawl.

We look forward to working with MTC and ABAG to refine the Draft Preferred Scenario for Plan Bay Area 2040 and ensure that the final plan positions our region for success.

Sincerely,

Matt Vander Sluis and Brian Schmidt
Program Directors
Greenbelt Alliance

Serena Unger
Senior Policy Associate
American Farmland Trust

Deb Callahan
Executive Director
Bay Area Open Space Council

Janet McBride
Executive Director
Bay Area Ridge Trail Council

Tim Frank
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Center for Sustainable Neighborhoods

Sandra Hamlat
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East Bay Regional Park District

Stephen E. Abbors
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Midpeninsula Regional Open Space District

Laura Cohen
Western Region Director
Rails-to-Trails Conservancy

Andrea Mackenzie
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Sibella Kraus
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Austin McInerny
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National Interscholastic Cycling Association

Marty Martinez
Northern California Policy Manager
Safe Routes to School National Partnership

Matt Gerhart
Program Manager, San Francisco Bay Area
State Coastal Conservancy

Elizabeth O'Donoghue
Director of Infrastructure and Land Use
The Nature Conservancy

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October 13, 2016

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Planning and Research
Association of Bay Area Governments
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Ken Kirkey, Director
Planning
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

SUBJECT: Comments on Preferred Scenario for Plan Bay Area 2040

Dear Miriam and Ken:

As an ABAG Executive Board member and a member of the ABAG Regional Planning Committee, I have closely followed Plan Bay Area since its inception. Following are my questions and comments on the draft preferred scenario released in September 2016.

Base Year for Households and Jobs Projections

The household and jobs base year (2010) numbers are different. Please explain how the base year calculations were arrived at when Plan Bay Area (PBA) was originally approved by ABAG/MTC in 2013; and, how the current base year calculations were determined for the preferred scenario.

It was my understanding when ABAG/MTC approved PBA in 2013, that the base year numbers would be used as a comparison over time. Some MTC staff has stated that local governments should not be concerned about the base year numbers, but only look at the delta on the projections. That response begs the issue – why not keep the base year approved in 2013 and reduce the projections to maintain the delta?

I understand that MTC may be using a different data source than what ABAG used in 2013. Please identify the data source used to determine the base year in 2013 and what was used in the draft preferred scenario issued in September 2016? Also, please explain the pros and cons of the different data sources; and, why MTC decided to use a different data source.

Priority Development Areas (PDAs) Growth

The draft preferred scenario reduces the growth in PDAs from 80% to 75% for households and from 70% to 50% for jobs. The reduction of job growth in PDAs does not coincide with the intent of SB 375 and PBA which is to reduce Greenhouse Gas Emissions (GHG) by focusing housing and jobs near transportation corridors and/or transit. What was the reasoning behind changing the growth patterns in the PDAs as proposed in the preferred scenario? In order to work towards achieving the objectives outlined in SB 375, the PDA percentages should remain at 80% for households and 70% for jobs.

The PBA is by definition a planning document that envisions what could be done to reduce the GHG emissions and meet the PBA performance targets. Planning documents – whether it is the PBA or a

General Plan – are visionary to identify the 'road map' to achieving our goals. I understand that MTC staff has indicated that the PBA should be more 'realistic' and not 'visionary' in which case the performance targets and strategies (assumptions for the preferred scenario) should be revisited since many of them are visionary and not realistically achievable before the next update in 2021.

Use of UrbanSim Model for Land Use Scenario and Household/Jobs/Housing Projections

For the first time, PBA is using the UrbanSim model for establishing the 2040 employment and household forecasts for each city/town and county which may not reflect the projected growth in our General Plans. It is our understanding that the UrbanSim model incorporates zoning tools, the most recent PDA assessment, and household, business, and developer choice models.

Please provide an explanation on:

1) How the employment and household forecasts for each city/town and county were established for PBA approved in 2013 and why that approach was not used for the PBA update in 2017. What were the reasons for using only the UrbanSim model vs using both approaches especially for comparisons?

2) What specific assumptions are used in the UrbanSim model and what specific comments have been received from the Bay Area cities/towns and counties on those assumptions?

3) Does UrbanSim include specific projections identified in the cities/towns and counties General Plans? Since many cities do not update their zoning maps once the General Plan is updated, there may be substantial differences between those projections.

Proposed PBA 2040 Assumptions (Strategies)

Some of the Proposed PBA 2040 assumptions are not realistic and may not be legal. Specifically,

a) Current urban growth boundaries (UGBs) are kept in place. Comment: If an UGB is adopted by the voters changing the boundary assumed in the growth forecast, will ABAG/MTC respect the voter adopted change?

b) Inclusionary zoning to all cities with PDAs, meaning that these jurisdictions are assumed to allow below market-rate or subsidized multi-family housing developments. Comment: Since at least 11 cities with PDAs have not adopted an inclusionary zoning ordinance, will ABAG/MTC be modifying the assumption accordingly? If ABAG/MTC does not change this assumption, will MTC be requiring jurisdictions to adopt an inclusionary zoning ordinance?

c) All for-profit housing developments are assumed to make at least 10 percent of the units available to low-income residents, in perpetuity (via deed restrictions). Comment: Not all jurisdictions require for-profit developments to include units for low-income residents (see above) and some require less than or more than 10% affordable as part of their inclusionary zoning ordinance. ABAG and MTC should survey the local jurisdictions and modify the assumption accordingly.

d) In some cases, PDAs were assigned higher densities in the future than are currently allowed. Comment: Not all jurisdictions agreed with the higher densities in PDAs requested by ABAG/MTC. This assumption should be changed to include only those local jurisdictions that agreed with higher densities in their PDAs since they were self-nominated.

e) The cost of building in PDAs and/or Transit Priority Areas (TPAs) is assumed to be reduced by the easing of residential parking minimums and streamlining environmental clearance. Comment: This assumption should be changed to reflect only those jurisdictions that have passed ordinances to 'reduce the residential parking minimums and streamlined the environmental clearances' in PDAs. Since local jurisdictions did not propose TPAs nor may not even know where the TPA's are located in their jurisdiction, TPA's should be removed from this assumption. Before TPAs are included, ABAG/MTC should identify and share the locations with the governing jurisdiction to ensure that the Council/Board of Supervisors (elected body) support the specific TPA locations.

f) Subsidies are assumed to stimulate housing and commercial developments within PDAs. Comment: This assumption is unrealistic especially given that local governments do not have the financial strength and no longer have the legislative tools (Redevelopment Areas) to provide subsidies to for-profit housing and commercial developments. ABAG/MTC should not include this assumption unless the specific financial subsidies will be provided by ABAG/MTC with the local governments' support. Most local governments do not have access to 'subsidies' for private housing and commercial developers; and struggle to help not for profit housing developers. In addition, most local governments do not have the financial strength to provide the services (e.g. police, fire, parks, recreations, street maintenance, etc..) needed for the anticipated household and job growth articulated in PBA.

g) Lastly, ABAG/MTC should consider an assumption which would include providing financial support to cities/towns and counties for general services including, but not limited to: police, recreation, stormwater, fire, water, wastewater, parks and general street maintenance for the housing and job growth in their jurisdiction.

I would appreciate a detailed response so I am able to explain some of these discrepancies and help others to understand why ABAG and MTC are taking this approach. If you have any questions, please contact me at home.

Sincerely,

Pat Eklund
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sv@home

Leadership Board

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Keri Lung, Vice Chair
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Staff

Leslye Corsiglia
Executive Director

TRANSMITTED VIA EMAIL

October 13, 2016

Jim Spering, Chair, MTC Planning Committee
Julie Pierce, President, Association of Bay Are Governments
Bay Area Metro Center
375 Beale Street,
San Francisco, CA 94105

Dear Chairs Spering and Pierce,

Re: SV@Home Comments on Plan Bay Area's 2040 Preferred Scenario

Every day as we travel around Santa Clara County and to other parts of the Bay Area, we are constantly reminded of the jobs housing imbalance. Area freeways and roads are more and more crowded and the time to get from point A to point B is taking longer and longer.

This jobs housing imbalance has three causes-- the mismatch between the location of jobs and the location of homes (jobs housing balance), the mismatch between the cost of housing and worker wages (jobs-housing fit), and the addition of new jobs without consideration of where the new employees will live. If these causes are not addressed, our traffic congestion and our quality of life will continue to be negatively impacted.

While improvements to our transportation systems are one solution, there are several additional big picture solutions:

1. Further promote transit oriented residential development to make it easier to travel between housing and employment.
2. Ensure that areas that are housing poor and job rich have higher requirements for housing production, and that new job creation is matched by new housing development.
3. Provide funding and other incentives to ensure that the housing built is affordable to the people who work in the community.

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Plan Bay Area, a collaborative undertaking by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG), is the only region-wide effort that links local land use and transportation across the nine counties and 101 cities of the Bay Area. We appreciate that the process to develop a housing and transportation framework to implement Plan Bay Area is challenging and we commend you for your efforts and for your outreach. In particular, we thank MTC Planning Director, Ken Kirkey, for allowing us multiple opportunities to provide feedback on the draft Preferred Scenario.

We do, however, have serious concerns with the 2040 Preferred Draft Scenario. Many of SV@Home's concerns parallel those included in the letter from the Non Profit Housing Association of Northern California (see Attachment 3). We can't underscore enough the need to have a strong implementation plan that provides some teeth to Plan Bay Area. Our comments here respond to issues that are specific to Santa Clara County.

The Urban Sims model housing projections are inconsistent with current Regional Housing Needs Allocation (RHNA) requirements. For example, Los Gatos' projected housing growth amounts to 17 new homes per year, far less than the 77 homes required under the current RHNA period. In fact, Los Gatos' housing requirement under the plan for a 24-year period is lower than their current eight-year RHNA goal. All communities except for Gilroy, Mountain View, San Jose, and Sunnyvale would have a lower housing requirement than RHNA now requires. See Table 1, provided as an attachment, for more detail.

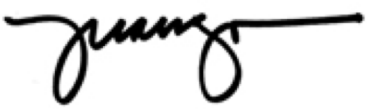
In some cases, housing projections are lower than housing plans currently approved or being considered by local jurisdictions. The Preferred Scenario's household projections fall below household projections established by local general plans for many communities in Santa Clara County. For example, the Preferred Scenario projects 30,800 households in Milpitas by 2040, when the City's General Plan plans for 31,680 households during the same period. The City of Palo Alto is now considering a plan that would create more new housing units than the number required under the Preferred Scenario.

The Preferred Scenario will exacerbate the existing imbalance between jobs and housing in Santa Clara County. The Preferred Scenario reinforces the current practice of providing far too few homes for the number of jobs being created in the County. Palo Alto, a community which currently has more than three jobs per employable resident it houses, is expected to have 8.15 new jobs for each new home it creates by 2040. Santa Clara, which currently has close to three jobs per employed resident, will have a ratio of 7:1 by 2040. See Table 1, provided as an attachment, for more detail.

The draft Preferred Scenario exacerbates the existing jobs-housing fit in the County. The County and its 15 jurisdictions have a very poor job and housing fit (measured as ratio of low-wage jobs versus affordable homes). Table B (Attachment 2) shows how, while communities failed to shoulder their share of affordable housing need, many exceeded their market-rate housing requirements. As a result, communities like Cupertino and Los Altos have at least 14 and 11 low-wage workers competing for EACH affordable home, respectively.

We urge the Joint Commission and staff to consider these concerns to ensure that Plan Bay Area does not inadvertently endanger efforts to strike a more equitable balance between jobs and housing across Santa Clara County communities.

Sincerely,



Pilar Lorenzana-Campo
Policy Director

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Table 1: Plan Bay Area 2040 Draft Preferred Scenario (August 30, 2016)

Jurisdiction	Households				Jobs				jobs per household		new households per year	
	2010 assumptions	2010 actual	%	2040 PBA projections	2010 assumptions	2010 actual	%	2040 PBA projections	2010 actual	2040 PBA projections	2040 PBA projections	2015-2022 RHNA
Campbell *	16,550	16,950	102%	18,950	25,200	27,320	108%	31,800	1.61	2.75	80	117
Cupertino	20,900	20,181	97%	24,450	26,800	26,090	97%	53,100	1.29	7.41	118	133
Gilroy	14,000	14,175	101%	19,600	17,850	17,650	99%	20,800	1.25	0.53	187	136
Los Altos	10,500	10,745	102%	12,000	14,050	14,760	105%	16,750	1.37	1.80	50	60
Los Altos Hills *	2,850	2,829	99%	3,050	1,550	2,060	133%	1,750	0.73	1.00	7	15
Los Gatos *	11,900	12,355	104%	12,400	19,000	23,630	124%	21,250	1.91	4.50	17	77
Milpitas *	19,000	19,184	101%	30,800	42,000	45,190	108%	56,400	2.36	1.22	393	411
Monte Sereno *	1,250	1,211	97%	1,350	550	450	82%	550	1.21	0.00	3	8
Morgan Hill *	12,550	12,326	98%	15,500	19,250	17,570	91%	20,700	1.43	0.49	98	116
Mountain View	31,800	31,957	100%	58,500	48,500	47,950	99%	69,600	1.50	0.79	890	366
Palo Alto *	26,550	26,493	100%	29,150	102,000	89,690	88%	123,200	3.39	8.15	87	249
San Jose *	297,700	310,366	104%	440,600	387,700	377,140	97%	502,600	1.25	0.80	4,763	4,385
Santa Clara *	42,100	43,021	102%	54,900	102,900	112,890	110%	189,100	2.62	6.73	427	512
Saratoga *	10,650	10,734	101%	11,000	8,750	9,910	113%	9,500	0.92	2.14	12	55
Sunnyvale	52,600	53,384	101%	80,700	65,800	74,810	114%	116,000	1.40	1.79	937	682
Unincorporated Area	26,100	27,293	105%	33,600	29,500	39,150	133%	36,500		0.93	250	35
TOTAL	597,000			846,550	911,400			1,269,600		1.44	8,318	

Legend

- 2010 household growth that did not meet expectations
- 2010 job growth that exceeded projections
- Projected ratio that will likely exacerbate current jobs and housing imbalance
- PBA per year housing projections that are less than yearly RHNA requirement
- * Communities with local plans that exceed housing projections

2007-2014 Regional Housing Needs Allocation (RHNA) Progress

Jurisdiction	Very Low Income up to 50% ami			Low Income 51% to 80% ami			Moderate Income 81% to 120% ami			Above Moderate Income more than 120% ami			Total		
	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met
Campbell	199	32	16%	122	300	246%	158	67	42%	413	217	53%	892	616	69%
Cupertino	341	38	11%	229	31	14%	243	58	24%	357	657	184%	1,170	784	67%
Gilroy	319	29	9%	217	70	32%	271	65	24%	808	1,262	156%	1,615	1,426	88%
Los Altos	98	23	23%	66	22	33%	79	12	15%	74	784	1059%	317	841	265%
Los Altos Hills	27	25	93%	19	10	53%	22	5	23%	13	76	585%	81	116	143%
Los Gatos	154	2	1%	100	41	41%	122	5	4%	186	180	97%	562	228	41%
Milpitas	689	336	49%	421	109	26%	441	264	60%	936	6,442	688%	2,487	7,151	288%
Monte Sereno	13	6	46%	9	12	133%	11	3	27%	8	14	175%	41	35	85%
Morgan Hill	317	98	31%	249	100	40%	246	43	17%	500	1,286	257%	1,312	1,527	116%
Mountain View	571	237	42%	388	28	7%	488	4	1%	1,152	2,387	207%	2,599	2,656	102%
Palo Alto (C)	690	156	23%	543	9	2%	641	128	20%	986	787	80%	2,860	1,080	38%
San Jose (C)	7,751	1,774	23%	5,322	1,038	20%	6,198	144	2%	15,450	13,073	85%	34,721	16,029	46%
Santa Clara (C)	1,293	412	32%	914	111	12%	1,002	198	20%	2,664	5,952	223%	5,873	6,673	114%
Saratoga	90	-	0%	68	13	19%	77	5	6%	57	20	35%	292	38	13%
Sunnyvale (C)	1,073	572	53%	708	402	57%	776	1,204	155%	1,869	2,403	129%	4,426	4,581	104%
SCC Unincorp.	253	58	23%	192	396	206%	232	166	72%	413	422	102%	1,090	1,042	96%
County Totals	13,878	3,798	27%	9,567	2,692	28%	11,007	2,371	22%	25,886	35,962	139%	60,338	44,823	74%

Source: Association of Bay Area Governments, September 2015

Jobs and Housing Fit (JHFit)

Jurisdiction	LW JHFit Ratio (2011)	LW JHFit Ratio (2013)	LW JHFit Ratio (2014)	J/H Balance	% low wage jobs	% affordable homes
Campbell	6.67	8.31	8.06	1.60	22.7%	6.2%
Cupertino	11.89	14.20	14.05	1.71	15.5%	3.5%
Gilroy	3.41	4.32	**4.45**	1.09	31.9%	10.6%
Los Altos	12.21	14.60	**19.13**	0.95	20.1%	2.8%
Los Altos Hills	4.97	7.39	6.33	0.67	14.2%	4.6%
Los Gatos	10.62	11.05	**11.22**	1.34	23.2%	4.3%
Milpitas	9.85	9.82	8.98	2.18	19.3%	7.9%
Monte Sereno	6.93	7.62	5.95	0.32	30.5%	3.4%
Morgan Hill	13.08	11.32	7.45	1.04	23.4%	8.0%
Mountain View	4.03	5.26	**6.04**	2.66	9.6%	7.7%
Palo Alto (C)	6.32	6.82	6.71	3.83	10.4%	7.3%
San Jose (C)	3.98	4.37	**4.45**	1.25	20.0%	9.6%
Santa Clara (C)	6.72	8.39	**9.33**	2.38	12.8%	4.5%
Saratoga	3.50	3.59	**5.14**	0.72	26.1%	4.8%
Sunnyvale (C)	3.65	4.69	**5.44**	1.58	10.9%	8.7%

Source: UC Davis Center for Regional Change, October 2016. See notes below

Notes on Jobs and Housing Fit Data:

Data Sources:

Jobs data comes from the Longitudinal Employer Household Dynamics (LEHD) Origin-Destination Employment Statistics Dataset (LODES), Workplace Area Characteristics file, published by the U.S. Census and available for download here: http://lehd.ces.census.gov/data/ It includes all employment covered by the Unemployment Insurance system, along with Federal Government employment. It excludes self-employed workers. Since its reference point is essentially jobs held on April 1st each year, it undercounts seasonable employment in other times of the year. Housing data is calculated from the American Community Survey, 5-year files, also published by the U.S. Census. The data was downloaded from DataFerrett: http://dataferrett.census.gov/

Definitions:

For the purposes of this analysis: *Low-wage jobs* are defined as those jobs with earnings of $1250/month or less; *Affordable rental units* are defined as rental units with less than $750/month rent; *Affordable Owned Units* are defined as those owner-occupied or vacant for sale housing units valued at less than $150,000.

Methodology:

The definition for low-wage jobs of $1250/month or less of earnings is pre-determined by the LODES dataset, which only reports on job earnings in three categories: earnings $1250/month or less; earnings $1251/month to $3333/month; and earnings greater than $3333/month. In determining housing affordability, it was important for us to develop a threshold that was based on a multiple of this $1250 income threshold, rather than a measure of area median income (which is often used in affordable housing programs). This was because we want to be able to easily update the analysis on an annual basis and compare trends over time, and thus need a consistent measure of housing affordability that corresponds with the (unchanging) measure of low-wage jobs. $750/month corresponds to the equivalent of 30% of household income if 2 income earners in a household were both earning $1250/month. ($750 * 2 * 30% = $750). This is probably a generous estimate of affordability, since the average household in California has approximately 1.4 income earners. The threshold of $150,000 for an affordable owned home is based on a calculation of monthly principal and interest payments on a 30-year 4% fixed-rate mortgage of $120,000 (80% of home-value) plus an estimated 1.2% general property tax and municipal assessments rate, which comes to $723/month. This assumption doesn't take into account additional insurance costs or potential tax savings, and doesn't address where a 20% down-payment for the home might come from. Given these limitations in an assumption of owned-home affordability, our focus is on affordable rental units. *It is important to note that 'affordable housing' in this context does not refer to subsidized or deed-restrictured units, which is frequently the definition used in the affordable housing field. Rather it is a measure of actual rent based on all units, regardless of deed restrictions or eligibility for subsidy.*

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Friday, October 14, 2016

Jim Spering, Chair, MTC Planning Committee
Julie Pierce, President, Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Re: Item 5 Plan Bay Area 2040 Draft Preferred Scenario and Investment Strategy

Dear Chairs Spering and Pierce,

The Non-Profit Housing Association of Northern California (NPH) is grateful to both the ABAG Executive Board and the MTC Commission for being partners in crafting a Plan that can respond to the needs of the Bay Area's lowest income residents. We appreciate your responsiveness to our proposal for additional meetings to discuss feedback on the Plan and for staff's consideration of our concerns.

No one wants to live in a region where half the population spends nearly seventy percent of their income on housing and transportation costs. Nor is it desirable to live in a Bay Area with longer commutes and deteriorated roadways as our workforce is forced to look farther and farther away for homes they can afford. If Plan Bay Area 2040 to be a guiding document then we must plan for a Bay Area that is able to house all of its population including its young people, seniors on fixed income, teachers, medical assistants, and countless service workers who make the economy thrive but who cannot afford the region's astronomical housing costs. We must also work towards ensuring that our region's longtime residents, who have made the Bay Area what it is, can stay in the place that they call home. Unfortunately, the Draft Preferred Scenario fails to create the Bay Area that we want but instead depicts the Bay Area that we are headed towards without meaningful action.

NPH has two requests of the Joint MTC Planning and ABAG Administrative Committees: **1.) We urge staff to develop a meaningful and aggressive implementation plan to address the region's housing affordability and displacement crises that will result in a joint work program and action items for MTC and ABAG staff AND 2.) The Joint Planning and Administrative Committees should also be open to making policy assumptions and pushing for growth allocations for the Bay Area that may not necessarily be able to be modeled.**

1. Developing a meaningful and aggressive implementation plan to address the region's housing affordability and displacement crises:

Now is the time for bold action if we wish for the Bay Area to maintain any of its income diversity over the next 24 years. Alameda, Santa Clara and San Mateo Counties have

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already answered the call by placing over $2 billion worth of affordable housing subsidies on the November ballot, while San Francisco voters approved a $310 million bond in 2015 and with another on this year's ballot – it is time for the regional agencies to consider similar action to help address the yawning funding gap for affordable housing.

A final Plan Bay Area chapter should detail both the funding gaps and policy changes needed achieve the Plan's housing performance and anti-displacement targets at the desired levels. The chapter should also include a roadmap for filling in the subsidy gaps and for adopting the policy changes necessary for building and preserving affordable housing at scale as well as preventing further economic displacement of tenants. To make the Plan actionable, staff should simultaneously create a work program based on the roadmap to guide their joint work through the next iteration of Plan Bay Area in 2021. Both the implementation plan and the joint work program should be adopted at the same time as the final EIR.

A Final Plan Bay Area chapter should at a minimum:

a) Detail how the Plan moves in the wrong direction in terms of housing affordability and displacement risk and present findings from UrbanSim as to why. Staff should ensure that the model is making realistic assumptions including taking into account proposed affordable housing bonds in Alameda and Santa Clara Counties and a sales tax measure in San Mateo County as well as modeling the effect of anti-displacement policies on local jurisdictions that have such proposals on the ballot. The Plan should also examine approaches to improving local jobs-housing fit.

b) Quantify both the funding and policy gaps for Plan Bay Area to achieve its housing affordability performance target at scale while also identifying available resources at the local, regional, state, and federal levels.

c) Establish a roadmap of specific housing policy actions to be taken in the near, medium, and long term to address funding gaps and shortcomings of the Plan's performance targets including identifying areas for which additional work is needed.

- *The roadmap would specify housing actions to be undertaken by ABAG and MTC.* These actions should include fostering the creative use of billions of discretionary transportation dollars to create OBAG-like programs that incentivize and support local action targeted towards affordable housing; a proposal for a Regional Housing Trust Fund that can help finance affordable housing development at a scale commensurate with former redevelopment agencies; creation of an ongoing Infill Infrastructure Grant (IIG) Fund for sites designated for 100% affordable housing developments in PDAs and PDA-like places.
- *Actions to be undertaken in partnership with stakeholders (local jurisdictions, other agencies, stakeholder organizations)* These should include programs to promote

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local adoption of residential development and commercial impact fees to fund the production of affordable units; adoption of community benefits agreements that lead to the creation of more affordable units; implementation of existing state law to yield more deed-restricted and naturally occurring affordable units (Surplus Land Act, Teacher Housing Act, Accessory Dwelling Units including Junior Accessory Dwelling Units.)

- *Actions to be advocated for at the state level.* These include advocating for an ongoing source of affordable housing subsidy at the state level, passing a new statewide affordable housing bond, Ellis Act reform, the "Palmer Fix" for inclusionary housing, etc.
- *Actions to be advocated for at the federal level.* Restoring funding that has been cut from crucial federal programs such as HOME and CDBG and fully funding both tenant-based and project-based Housing Choice Vouchers.

d) Commit MTC and ABAG to creating an "implementation plan" and a work program for the housing actions that are detailed in this final chapter to be adopted concurrently with the final EIR by both the ABAG Executive Board and the MTC Commission.

2. The Joint Planning and Administrative Committees should also be open to making policy assumptions and pushing for growth allocations for the Bay Area that may not necessarily be able to be modeled.

UrbanSim's complex simulations allow policymakers, stakeholders, and members of the public to better understand how land use decisions and policy assumptions are likely to impact development patterns in the Bay Area through 2040. The model is still a work in progress and, as such, the Draft Preferred Scenario has a number of flaws that must be corrected irrespective of UrbanSim's modeling capabilities. If UrbanSim is not able to appropriately model basic housing assumptions, we should not shy away from making off-model adjustments so that the region can benefit while the model is improved.

The Draft Preferred Scenario presently assigns unrealistically high growth projections to some jurisdictions while failing to meet even basic assumptions for others. The region's three large cities are expected to shoulder the lion's share of the region's housing growth (43%) while some suburban jurisdictions with access to high quality rail transit are projected to receive as many as 10 new jobs per new housing unit. For certain jurisdictions, the Draft Preferred Scenario projects less housing growth than what is called for in either the jurisdiction's own general plan (i.e. Palo Alto) or their 8-year RHNA allocation (i.e. Livermore, Los Gatos, San Carlos). The region must address such discrepancies even if they are "off-model" or we risk pursuing a disingenuous development pattern that exacerbates the region's displacement pressures, jobs-housing imbalance, and housing affordability crisis. NPH believes that all neighborhoods near transit and jobs should do their part to house the region's future population.

The Draft Preferred Scenario currently makes assumptions that, in some cases, may be inconsistent with the current state of the law. For example, one of the Draft Preferred

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Scenario's major assumptions is a 10 percent inclusionary requirement on all new residential development in the Bay Area. Such requirements, outside of the context of a developer agreement or community benefits program, could be legally challenged due to the erroneous ruling in *Palmer v. Sixth Street Properties* from 2009. Because UrbanSim is unable to model future housing growth by tenure this assumption becomes doubly problematic as new inclusionary zoning requirements can only be applied to for-sale housing units while, if development trends hold, much of the region's new housing stock will be rental units. At the very least staff should also specify the income levels for whom these inclusionary units are projected to be affordable even if those numbers are likely to be halved.

Much as the model takes into account local zoning and proposed transportation funding measures, the Draft Preferred Scenario should be recalibrated to take into account proposed and adopted local housing policies. The model should include the proposed general obligation housing bonds in Alameda and Santa Clara Counties (Measures A1 and A respectively) and San Mateo County's proposed sales tax extension (Measure K). The Draft Preferred should also consider all local residential and commercial development impact fees that are targeted towards the provision of affordable homes. It should also analyze the impact of local anti-displacement policies (rent stabilization and just cause eviction ordinances) that have both been adopted and proposed.

We look forward to continuing to work with both the MTC Commission and the ABAG Executive Board as well as regional staff in the coming months to ensure that Plan Bay Area 2040 is truly the best Plan for the region. We appreciate your responsiveness to and engagement with NPH and are grateful for your work to date.

Sincerely,

Amie Fishman
Executive Director
Non-Profit Housing Association of Northern California (NPH)