

BayArea Plan

TO: MTC Planning Committee, ABAG Administrative Committee

DATE: November 1, 2013

FR: Executive Director, MTC, Executive Director, ABAG

W.I.

RE: Plan Bay Area Implementation: Regional Priority Development Area Planning (PDA) Program Update and Next Steps

At its November 2012 meeting, the Commission directed that \$20 million of the \$40 million Regional PDA Planning Program be included in the OneBayArea Grant (OBAG) framework to the county Congestion Management Agencies (CMAs). In February 2013, the joint MTC Planning/ABAG Administrative Committee directed the remaining \$20 million regional funds to be allocated as follows:

- \$10 million to the Transit Oriented Affordable Housing (TOAH) Fund;
- \$8 million to Regional PDA Planning and PDA Technical Assistance; and
- \$2 million to ABAG.

This memo offers an update on each program component.

TOAH Fund: The TOAH Fund is a \$50 million revolving loan fund for affordable housing projects near transit in PDAs throughout the region. The initial investment in the TOAH Fund was generated through \$10 million from MTC, matched 1:4 by private capital from community development financial institutions, foundations and private banks.

When the Committee approved the allocation of an additional \$10 million into the TOAH Fund, the following conditions were to apply to the investment: 1) MTC needs to exchange the \$10 million in federal transportation funds for local funds because they cannot be used directly for housing investment; 2) Foundation or other sources of funding would be matched by MTC funds at least on a 3:1 basis to reach a minimum increase in the fund of \$40 million, and 3) the TOAH fund would be spent only in PDAs on projects that have the greatest potential to deliver affordable housing units with direct access to transit.

The TOAH Fund has closed loans on five projects that will provide 645 units of new housing. More than 75% of the units will be designated for residents with household income equal to or less than 80% of Area Median Income (AMI). Several additional projects are now moving through the TOAH pipeline toward closure. MTC's additional commitment of \$10 million to the TOAH Fund will expand the funding pool from \$50 million today to at least \$90 million by 2014.

PDA Planning and Technical Assistance: These program grants provide the planning support needed to achieve higher density land uses in and around transit stations and along corridors in PDAs throughout the region. Staff has reviewed and fine-tuned both programs since their inception – the PDA Planning (Station Area Planning) program in 2005, and the PDA Technical Assistance program in 2009. These grants have resulted in zoning for over 44,000 housing units, 60,000 new jobs and 24 million sq. ft. of commercial development in PDAs throughout the region.

In an effort to ensure that these regional programs continue to meet local jurisdictions' planning needs, staff administered a survey to cities with PDAs asking about their experience with the existing programs,

as well as their planning needs in the next 2-3 years. Results are provided in Attachment A. Survey results indicate that, overall, respondents were satisfied with regional administration of the programs, the existing planning elements funded through the programs, as well as new elements staff is considering adding to the programs. Respondents also indicated the need for more planning work to be completed in the near-term, identifying 26 Potential PDAs that are ready to be planned, and 18 Planned PDAs that need updating. Survey results were shared with congestion management agency planning staff to inform ongoing county PDA planning grant programs.

Based on the survey results, staff proposes to issue a call for projects in January 2014 for both the PDA Planning and PDA Technical Assistance programs. The call will include existing and new PDA Planning elements and targeted Technical Assistance categories to best reflect the jurisdictional needs identified in the survey results (development feasibility analysis, infrastructure planning and design, municipal funding mechanisms, parking policy and demand analysis, and TOD-supportive design and zoning), emphasizing those that are most likely to lead to housing and job production.

Staff recommends adding a new program component in the upcoming cycle that would assist local jurisdictions with staffing needs related to planning. Over the past several years, staff reductions have made it difficult for cities with PDAs to carry out neighborhood planning efforts critical to Plan Bay Area implementation. Nearly all survey respondents (93%) indicated that this form of assistance, adjunct staffing, would be of value to their jurisdictions. Staffing would be limited to projects that provide a clear transportation/land use nexus.

Staff will invite jurisdictions to propose projects for the three program elements – PDA Planning, PDA Technical Assistance and Staffing Assistance. While all jurisdictions with PDAs will be eligible to apply, staff proposes to give priority to the top sixteen cities taking on two-thirds of the regional growth in Plan Bay Area. Similar to previous funding cycles, submittals will be evaluated on the following criteria: location of project in a community of concern, project impact, demonstrated commitment to developing transportation and land-use supportive policies, potential of proposed project to meet regional program goals, local commitment to proposed project and commitment to project implementation.

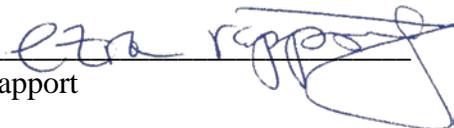
ABAG Funding

The \$2 million funding for ABAG (\$660,000 per year) will be used to support the administration of local planning grants and provide staff support for the implementation of Plan Bay Area. The administration of local planning grants is organized by counties with a regional planner assigned to each county to support local jurisdictions and coordinate with CMAs. The implementation of Plan Bay Area involves supporting local PDA strategies, integrating selected strategies from the Regional Prosperity Plan into ABAG's efforts, working with State agencies on entitlement streamlining and housing production, rehabilitation and policies, coordinating the alignment of PDA strategies with regional agencies, and addressing economic development and housing production and rehab with stakeholders.

Staff welcomes Committee discussion of the staff approach outlined above for the next PDA Planning funding cycle.



Steve Heminger



Ezra Rapport

Attachment A

PDA Planning and Technical Assistance Survey Results

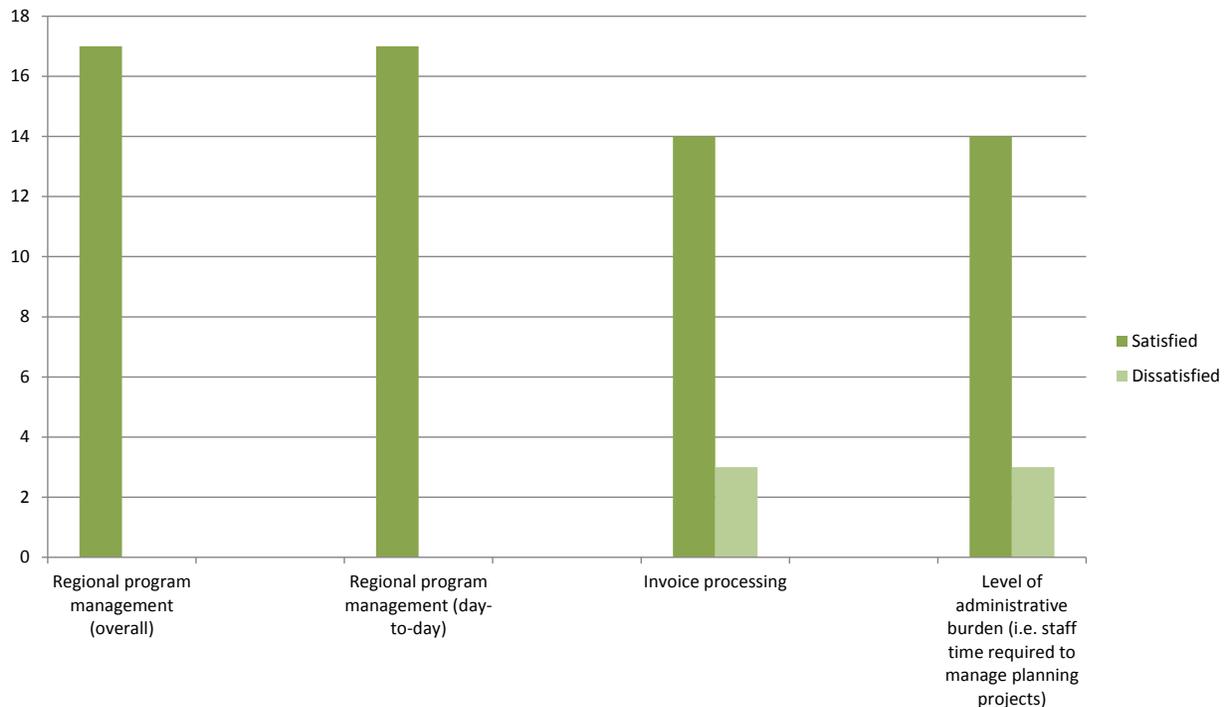
On behalf of MTC and ABAG, MTC administered a short survey to the 69 jurisdictions with PDAs in August. Through the survey, staff was seeking input in two areas – 1) feedback about previous regional PDA (or Station Area) Planning and Smart Growth Technical Assistance Program funding cycles, and 2) information about current and near-term planning needs over the next 2-3 years. Survey recipients had a one-month window to complete the 15-minute survey. Two reminder emails were sent in advance of the due date.

Thirty-seven jurisdictions responded for a 54% overall response rate. Of the sixteen jurisdictions taking on two-thirds of the region’s growth in Plan Bay Area, eight responded (50% response rate).

Assessment of Existing Programs – PDA Planning

About two-thirds of respondents indicated that they had previously received either a PDA Planning or Technical Assistance grant. Those previously receiving a PDA Planning grant (62%) were asked whether they were satisfied with the regional program. Responses are shown in Figure 1.

Figure 1 – Assessment of Existing PDA Planning Program



Those previously receiving a grant were asked what was both helpful and challenging about the grant or grant process. A summary of the comments received include the following –

Helpful

- Having the source of funds available for planning (lack of resources at local level otherwise)
- Funding support for EIR
- Having funds that come with expertise and framework/scope

Challenges

- Requirements related to federal funds, especially for planners (vs. public works)
- Timeframe to complete the work (due to public input and political environment)
- Invoicing and working on deliverables basis (vs. “% completion option”)
- Grants do not cover enough staff time to manage grants

Staff will explore ways to address these challenges moving forward, but, in some cases, may be limited given the requirements related to federal funds, the source of funding for these programs.

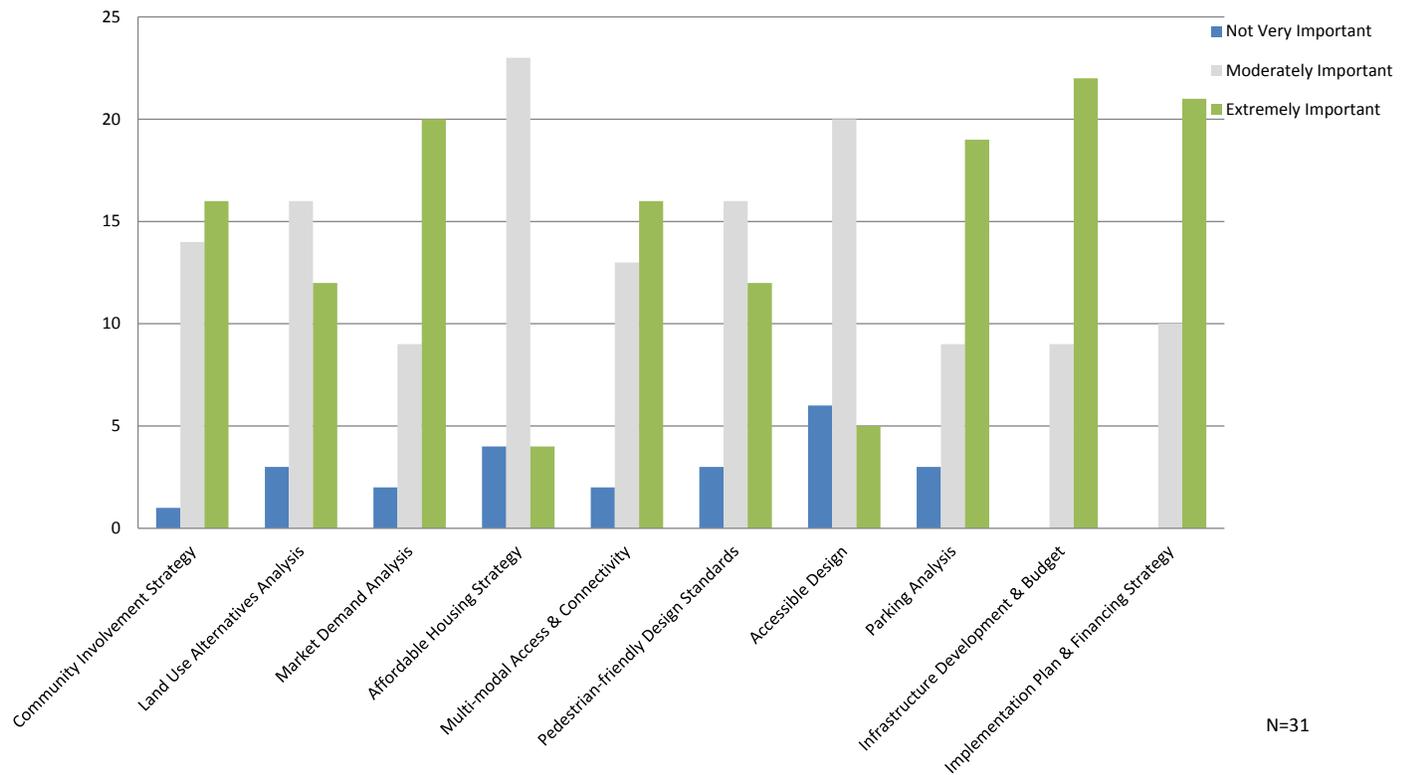
Respondents were asked if they had not applied for a PDA Planning Grant in the past, why not?

Responses included:

- Local planning process not advanced sufficiently to formulate meaningful proposal
- (Too much) Emphasis on housing development
- Timing of need did not align with funding availability
- Small cities do not compete well against larger cities
- Lack of City Council interest
- Lack of staff to manage grant

All respondents were asked about the value of each of the planning elements funded through the PDA Planning program, include programmatic Environmental Impact Reports (EIR). All respondents indicated that funding EIRs was of value to their jurisdictions. Figure 2 illustrates how respondents ranked the importance of the other ten planning elements.

Figure 2 – Importance of PDA Planning Elements



N=31

Respondents were also asked whether any of the planning elements in Figure 2 should be removed from the program; over 80% replied “none,” which speaks to the interest in maintaining flexibility.

Staff asked for input on two new potential planning elements – urban design analysis and assessment of multi-modal level of service related to transit-oriented development. Eighty-five percent (85%) of respondents were supportive of these new planning elements. In addition to these potential elements, respondents suggested adding elements related to impacts on schools, sustainability planning (i.e. eco-districts) and simulation modeling.

Finally, regional agency staff recognizes that the economic downturn, along with the dissolution of redevelopment agencies, has reduced the number of staff planners in local planning departments. One survey question asked about a potential new program component that would provide local planning assistance in the form of staff resources to support local transportation and land use planning in PDAs. Ninety-three percent (93%) of respondents indicated that this would be of value to their jurisdictions. Most respondents (69%) would prefer on-call consultants for project-based work vs. temporary planning staff over a set period of time.

PDA Technical Assistance

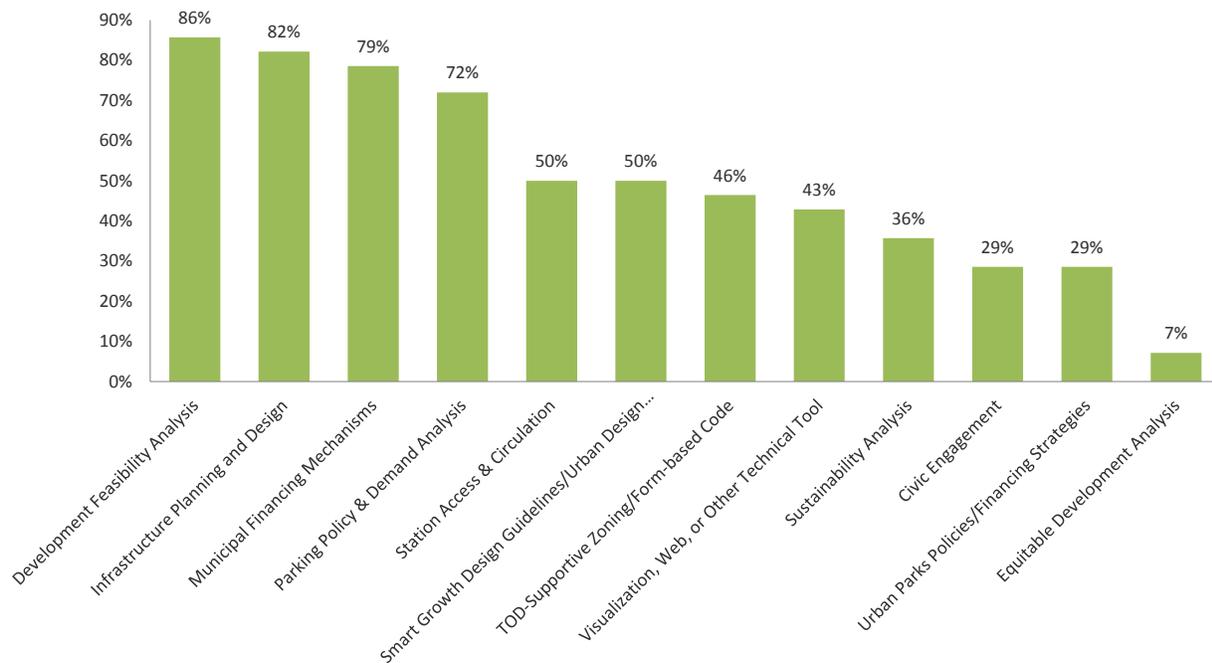
Only about seventeen percent (17%) of survey respondents had previously received a Technical Assistance grant compared to 62% that had received a PDA Planning grant. However, respondents were asked to list what grant they received, and, based on the responses, only one technical assistance grant had been funded by the regional agencies. There appeared to be confusion about the agency funding source for technical assistance grants that had been received.

Respondents were asked if they had not applied to the program in the past, why not? Responses included:

- Was unaware of the program (2)
- Staffing issues (2)
- No need (3)
- Redevelopment was utilized for these purposes in the past
- Timing of need did not line up with the timing of the funding
- Applied through other technical assistance programs.

The current Technical Assistance program offers twelve categories in which assistance is available. Respondents were asked to rank their top six categories. Figure 3 illustrates the results. The percentages reflect the number of times each category was selected as a top-six ranking divided by the number of respondents for this question (n=28).

Figure 3 – Ranking of Current Technical Assistance Categories



Respondents were asked whether they were currently considering any technical assistance projects that would assist with PDA plan implementation. Responses included:

- Parking (7)
- Complete Streets Planning/Design (6)
- Development Feasibility/Financing (2)
- Park design/financing/shadow study (2)
- Eco-Districts (2)
- Marketing Plan/Analysis (2)
- Infrastructure Financing (2)
- Anti-displacement for business (1)

In addition to the current technical assistance categories offered, respondents also suggested the following; PDA development project review, level of service analysis for a PDA corridor, capital funding strategies, design assistance (streetscape, parks, shadow analysis) and green building.