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Memorandum

TO: Commission

DATE: July 16, 2015

FR: Chair

RE: MTC/ABAG Relationship

As I informed the Commission in June, ABAG President Julie Pierce and I have hosted a series of ad hoc discussions about the MTC/ABAG relationship among a small group of commissioners who also serve on the ABAG Executive Board. Additionally, a commission deliberation ensued at our June 24th meeting, during which the Commission approved a six-month extension of the ABAG funding agreement through December 31, 2015 intended to coincide with consensus or some other form of resolution of our studies around joint planning issues.

During the last ad hoc meeting in June the group agreed to direct Ezra Rapport and Steve Heminger to provide a joint analysis of 1) How to improve planning integration without any structural consolidation of functions; and 2) How consolidation of planning functions under a single director or entity might be organized and how reporting to the MTC and ABAG would work under this kind of systemic change. We fully expected that this might result in continued disagreement as to how to proceed, nevertheless we were all in agreement that the comparison needs to be done. This analysis was intended to be conjunctive, not either/or.

Meanwhile, last week, we all received a copy of a July 2nd memo from President Pierce to the ABAG Executive Board. The memo seems to advocate delay and continued dialogue uninformed by formal analysis. The memo also appears to signal that ABAG's leadership is only interested in the status quo as an outcome of our discussions about structuring a more coherent and efficient planning process for Plan Bay Area 2040. Ironically, the next step for our ad hoc group was supposed to have been a comparison of the planning integration analysis once received from the two directors. Now that ABAG essentially has laid out the case for non-structural solutions, I have requested that MTC's executive director outline how a consolidated planning department might better serve both the MTC commission and ABAG executive board. He should continue to invite input from ABAG and emphasize our desire to collaborate. In this way we will have both organizational possibilities and arguments before us to evaluate, not one without the other.

Problem Statement

California's sustainable community law is being implemented by a *single* agency throughout all metro regions of the state, except in one place: the San Francisco Bay Area. Some have argued that the integrity of the ABAG planning process should hinge on ABAG paying for its own planning staff. However, for many years, MTC has funded its own planning department as well as ABAG's planning and research department. In essence, even though the planning departments are split under two agencies, the payroll is funded predominately by MTC. Perhaps that duplicative arrangement made sense at some point in time, but SB 375 has changed all that. As we all know it has required joint planning at a very literal and system-wide level. And this is a permanent, long term change. The advent of SB 375 (Steinberg) has highlighted the inefficiencies and inherent potential for conflicts of our bifurcated planning function. Many have noted that Plan Bay Area was in fact more costly, less timely, and more litigious than necessary because it was the product of the

organizational remnants of our past, two planning departments instead of one. Again, no other MPO in California attempts to function in this way.

Potential Solution

Accordingly, I have asked Steve Heminger to answer the original question posed by the ad hoc committee and to do so quickly. Time is of the essence and a timely focus by the Commission on this issue this Fall, immediately after the August recess, should assuage concerns posed by President Pierce and ABAG about meeting our next round of budget appropriation decisions well before December 2015. Again, the primary remaining question is:

How would consolidation of planning functions under a single director or entity be organized and how would reporting to the MTC and ABAG policymakers work under this kind of systemic change?

In particular, I've asked Mr. Heminger to include in a proposal for a consolidated planning function the following options for the Commission to consider along with any other options or alternatives he might suggest for consideration:

1. A single planning department of MTC and ABAG consolidated within the MTC organization.
2. An organizational chart that would have the MTC planning director oversee the consolidated planning department while continuing to report to MTC's executive director.
3. A funding relationship between ABAG and MTC that would have MTC retain the bulk of the $4 million in federal and state planning funds that it currently transfers annually to ABAG to be used to pay for the cost of the larger scaled single planning staff and functions.
4. A retention policy that would require MTC to offer employment opportunities to ABAG planning staff at commensurate salaries and benefits.
5. A reporting and approval structure to elected policy makers that would continue to require the work product of the consolidated planning department to be approved by the joint MTC Planning/ABAG Administrative committees and, as per past practice or legal requirement, by the MTC commission and ABAG executive board.
6. The existing statutory authority of the MTC commission and ABAG executive board would be respected and maintained.

In a nutshell, a proposal whereby one professional planning department would serve two or more commissions/councils/boards, much like what occurs in most cities and counties in California. I think this concept deserves the Commission's serious and thorough consideration. I intend to agendize that discussion for our September 23rd meeting. In the meantime, please feel free to contact me with any questions or concerns.

Dave Cortese

cc: ABAG Executive Board
Steve Heminger
Ezra Rapport