

OCTOBER 7, 2015

ABAG
Regional Planning Committee

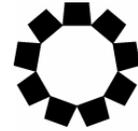
AGENDA, MINUTES AND ATTACHMENTS

ASSOCIATION OF BAY AREA GOVERNMENTS

REPRESENTING CITY AND COUNTY GOVERNMENTS OF THE SAN FRANCISCO BAY AREA

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

Regional Planning committee

Wednesday, October 07, 2015, 12:30 PM-3:00 PM (Lunch 12:00 PM)

Location:

Lawrence D. Dahms Auditorium
Joseph P. Bort MetroCenter
101 8th Street
Oakland, California

The ABAG Regional Planning Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

For information, contact Wally Charles, ABAG Planning and Research, at (510) 464 7993.

1. CALL TO ORDER / CONFIRM QUORUM

2. PUBLIC COMMENT

Information

3. APPROVAL OF SUMMARY MINUTES OF AUGUST 5, 2015

ACTION

Attachment: Summary Minutes August 5, 2015

4. ANNOUNCEMENTS

Information

5. SESSION OVERVIEW

Information

Miriam Chion, ABAG Planning and Research Director

Attachment: Staff memo

6. PLAN BAY AREA 2040 DRAFT SCENARIO CONCEPTS WORKSHOP

Information

Small group sessions to provide input on the development of three land use / transportation scenarios for Plan Bay Area 2040.

Attachment: Staff memo

Attachment 1: Scenario Planning Approach

Attachment 2: Scenario Concepts Narratives

Attachment 3: Scenario Development Process

7. REPORT ON MTC PROPOSAL TO TRANSFER REGIONAL LAND USE PLANNING STAFF AND ASSOCIATED FY 2015-16 PLANNING BUDGET

Information

Staff will provide an update on the Metropolitan Transportation Commission's proposal to transfer regional land use planning and research staff and associated funding from ABAG to MTC.

Attachment: Staff memo

Attachment 1: Summary of the Commissioners Responses

Attachment 2: Proposal for the ABAG Executive Board

Attachment 3: MTC Proposal

8. ADJOURNMENT

Next meeting: Wednesday, December 2, 2015

Submitted:

A handwritten signature in black ink that reads "Miriam Chion". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Miriam Chion
Planning and Research Director

Date: 9/29/2015

SUMMARY MINUTES (DRAFT)

ABAG Regional Planning Committee Meeting
Wednesday, August 5, 2015
Joseph P. Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER

Pradeep Gupta, Vice Chair and Councilmember, City of South San Francisco, called the meeting of the Regional Planning Committee of the Association of Bay Area Governments to order at 12:35 PM.

A quorum of the committee was not present.

Members Present

Jurisdiction

Susan L. Adams	Public Health
Desley Brooks	Councilmember, City of Oakland
Paul Campos	Senior Vice President, Government Affairs, Building Industry of America
Tilly Chang	Executive Director, SFCTA (County of San Francisco)"
Julie Combs	Councilmember, City of Santa Rosa
Diane Dillon	Supervisor, County of Napa
Pat Eklund	Mayor ProTem, City of Novato
Martin Engelmann	Deputy Executive Director of Planning, Contra Costa Transportation Agency
Pradeep Gupta	Councilmember, City of South San Francisco (Vice Chair)
Scott Haggerty	Supervisor, County of Alameda
Erin Hannigan	Supervisor, County of Solano
John Holtzclaw	Sierra Club
Nancy Ianni	League of Women Voters—Bay Area
Jeremy Madsen	Executive Director, Greenbelt Alliance
Nate Miley	Supervisor, County of Alameda
Karen Mitchoff	Supervisor, County of Contra Costa
Carmen Montano	Vice Mayor, City of Milpitas
Julie Pierce	Councilmember, City of Clayton (ABAG President)
Laurel Prevetti	Assistant Town Manager, Town of Los Gatos (BAPDA)
Harry Price	Mayor, City of Fairfield

Matt Regan	Senior Vice President of Public Policy, Bay Area Council
Katie Rice	Supervisor, County of Marin
Carlos Romero	Urban Ecology
Mark Ross	Councilmember, City of Martinez
Pixie Hayward Schickele	California Teachers Association
Warren Slocum	Supervisor, County of San Mateo
James P. Sperling	Supervisor, County of Solano
Jill Techel	Mayor, City of Napa
Egon Terplan	Planning Director, SPUR
Dyan Whyte	Assist. Exc. Officer, San Francisco Regional Waterboard
Monica E. Wilson	Councilmember, City of Antioch

Members Absent

Diane Burgis
Dave Cortese
Russell Hancock
Michael Lane

Mark Luce
Eric Mar
Anu Natarajan
David Rabbitt

Jurisdiction

East Bay Regional Park District
Supervisor, County of Santa Clara (RPC Chair)
President & CEO, Joint Venture Silicon Valley
Policy Director, Non-Profit Housing Association of Northern California

Supervisor, County of Napa
Supervisor, City and County of San Francisco
Director of Policy and Advocacy, MidPen Housing
Supervisor, County of Sonoma (ABAG Vice President)

2. PUBLIC COMMENT

There were public comments by Ken Bukowski, and Heather Hafer from City of Novato. A quorum was present.

3. APPROVAL OF REGIONAL PLANNING COMMITTEE MEETING MINUTES OF JUNE 3, 2015

Vice Chair Gupta recognized a motion by **Karen Mitchoff**, Supervisor, County of Contra Costa, and seconded by **John Holtzclaw**, Sierra Club, to approve the committee minutes of June 3, 2015.

There was no discussion.

The motion passed unanimously.

4. ANNOUNCEMENTS

Member Whyte mentioned that the San Francisco Bay Regional Water Quality Control Board (RWQCB) has had hearings over the last two months pertaining to our regional storm water permit. This permit has 76 permittees, including most local agencies, cities, and counties within Alameda, Contra Costa, Santa Clara, and San Mateo Counties, as well as the Cities of Fairfield, Suisun City, and Vallejo. There are new requirements proposed that will require permittees to develop a comprehensive green infrastructure plan, which must be approved at a high level within each agency. The RWQCB will be having a final hearing on the item on October 14th, with the hope of adopting the permit with these requirements.

Vice Chair Gupta introduced new Committee Member Carmen Montana, Vice Mayor of City of Milpitas.

5. SESSION OVERVIEW BY MIRIAM CHION, ABAG PLANNING AND RESEARCH DIRECTOR

Miriam Chion highlighted agenda items in the packet and gave an overview of the meeting. She also gave a briefing of the last Regional Planning Committee meeting with the following updates on the items from the last session:

- ABAG Staff is proceeding with the analysis of Priority Industrial Areas. They have developed a comprehensive land use inventory of industrial lands throughout the region and are developing an inventory of industrial businesses and industrial jobs. They will complete the first study by the end of the year which they will share with the Committee.
- On the East Bay Corridors, in response to a request that they engage more with the City of Fremont, ABAG staff has had conversations with the Fremont staff and they are very eager to join the East Bay Corridor. ABAG staff will be doing a field visit tomorrow to discuss some of the specific components of Fremont's Priority Development Areas.

Vice Chair Gupta said that the way they are proceeding with the Plan Bay Area update, they are looking at many different strands at the same time. While staff is talking about PDAs and PCAs today, they have also looked at economic modeling and forecasting. They are looking at the *People, Places, and Prosperity* report, which is like the glue that puts all of these together in the context of planning. He wanted to make sure that everybody has this road map in their head when they are listening to these individual presentations.

Ms. Chion introduced Item 6.

6. PEOPLE, PLACES, AND PROSPERITY REPORT

Information

Gillian Adams, Senior Regional Planner, presented an overview of the draft *People, Places, and Prosperity* report. To inform discussions about the Plan Bay Area 2040 update, this report highlighted efforts to implement *Plan Bay Area* and provided a comprehensive look at the ways in which economic, housing, and environmental issues relate to one another and how they are currently affecting local communities and the region as a whole.

Member Eklund pointed out it was a great summary of the report. She asked how it is intended to fold into Plan Bay Area. How do they differentiate the regional issues versus the local issues, which may or may not coincide with what has been identified here as regional issues, because there are differences. They need to respect those differences.

Ms. Chion said Member Eklund described the report in the way it was intended, which is to recognize where they need to have regional dialogues and how the regional dialogues can enhance and support the local efforts while recognizing the differences. More than trying to address the uniqueness of each place in this report, the intent is to see where we need to come together to address the specific challenges or where we find some strengths on some of the strategies. Would this be the specific template for Plan Bay Area? No. This is the starting point for the conversation. Is this a framework that can support the dialogue that we need to have? Are there additional questions that need to be placed at the table as we engage in discussions that can be substantial? It is not just about greenhouse gas targets, but it is how greenhouse gas targets relate to the quality of life, and to the efforts that are happening on the ground.

Member Eklund said the answer to her question is yes, the intent is to fold this into Plan Bay Area. But what if some of the regional issues that have been identified in some of the objectives are in conflict with what the local communities' own destiny is? How are they going to reconcile that? Also, she did not see very much on water availability, which is a key issue for any type of growth, whether it is economic or housing.

Ms. Chion said the intent is to respect and to recognize the specificity of the local challenges and the local strengths. Not all those pieces are captured here, and those differences will be recognized as they move into Plan Bay Area. In terms of the water issues, the challenge of this report is that you are not going to find a lot of anything. It is

not a housing report, it is not a water report, it is not an employment report, but the attempt is to see if they can connect those dots to address the comprehensive nature of regional strategies and the connection between the local efforts and the regional efforts. If there are specific areas where she believes they should strengthen the connection between water capacity and water quality to some of the other components, they will be happy to explore that and take her input.

Member Prevetti thanked staff for their hard work on this effort and the way the staff approached them by reaching out to local governments for their inputs. That was really quite helpful. This is a very valid framework for the discussion of Plan Bay Area. It is important that they lay out a vision that identifies the quality of what makes the Bay region special and there are going to be certain strategies and objectives that resonate with some of our communities and others will resonate with different communities. They do need to address local control very directly and this does not undermine or take away that local control. As a starting point, this is great, and really does promote a larger discussion; not just about how much growth, but where and how do they accommodate it and what are the qualities that need to be preserved as we move forward.

Ms. Adams acknowledged that they reached out to the Bay Area Planning Director Association Steering Committee, which is made up of planning directors from throughout the region, who provided some really valuable insight into the report. She acknowledged their contributions to what they created in this report.

Member Campos expressed concern about the policy recommendations which work at cross purposes; maybe increasing the cost of building housing and the ability for our region to really supply a lot more housing. For example, this includes recommendations calling for increasing the stringency of seismic building standards, increasing the energy efficiency of new housing, and increasing the water efficiency of new housing. He suggested taking into consideration what the recommendations might do to the cost of housing, and our ability to provide all types housing in the Bay Area.

Member Combs thanked staff for a clearly written report. She thinks not enough people will read the report. She would like to request a summary in a list format which would work really well in her community.

Member Adams introduced her new status of as Public Health representative for the Regional Planning Committee. She is working as Assistant Professor of Nursing at UC Davis. She would like to request that they look at what happens when they have food deserts, poor air quality, infrastructure that does not work for people, particularly in the low income communities. If they could find some way to capture the importance of how infrastructure and our built environment enhance the quality of health for residents, she would like to see that more fleshed out.

Member Spring asked Ms. Chion to please explain the use of public policy across the board.

Ms. Chion explained on the housing front that there are different partners including local jurisdictions, planning directors, and local elected officials that have been engaged to deal with some of the specific strategies. For example, there is a group that is convened to guide the Regional Housing Need Allocation process. Another example is on economic development strategies. This Committee and their Executive Board raised the issue that Plan Bay Area needed to deal more explicitly with the economic challenges that this region is facing, while they enjoyed strong economic growth. They should not take that for granted. They have an economic strategy working group with various representatives of different economic development organizations and local organizations to figure out what are some of the key priorities and who will be the actors to carry some of those actions. In general, they have a specific partnership depending on the tasks. Resilience is another situation where they have targeted areas where we identify the need, the strategies, and the actors that can carry the implementation.

Member Spering asked how they will identify the receptive parties. How are they going to identify those willing to participate and help with the housing crisis and the various other jobs issues? How are they going to identify the willing partners?

Ms. Chion said for example, in the case of resilience, they are completing the third workshop to deal with local hazard mitigation plans. Those plans are needed in order for a local jurisdiction to get the federal funding in case of a disaster. They contacted all jurisdictions and identified who is the responsible person within the jurisdiction for completing that plan. In some cases, within the planning department, in other cases, within the emergency services office, in other cases, it is public works. They send the announcements and identify what is the level of interest in getting some support for the development of that local plan. Based on that input, we did some more specific outreach to identify our specific needs, and that helped us design the three workshops. They have had a really substantial attendance and they are getting to a solid completion of these local plans that are more robust than in the last cycle. To your question, they do the outreach based on the task that they are addressing and then identify the specific actors that have some resources to engage. The challenge is that in some cases, there are actors that are interested and cities that might be interested, but they do not have the resources to engage and participate. Those are some of the gaps that get more difficult in figuring out how they still take the input and support those efforts when resources are not available.

Member Spering appreciated the answer, and liked the direction they are going. The communities that want to participate and do not have the resources need to start focusing the resources in those areas that will make a difference.

Member Whyte wanted to recognize and thank staff for specific mention of low impact development and green infrastructure in the report. That is very much consistent with what she foresees to be requirements that will be imposed on a lot of our municipalities. She mentioned water conservation and management, and foresees a much larger expansion of the use of recycled water within our region which could be emphasized more in that section of the report, especially the infrastructure needs that will be needed

to support that expansion. She thinks it is much bigger than what is mentioned in the report.

Member Eklund followed **Member Whyte's** comments about the importance of more emphasis on reuse of storm water by stating ABAG is well situated to try to provide the resources financially and identify how cities can reuse storm water. There is a lot of opportunity. Water that can be captured gets discharged everyday into our streams and rivers and into the Bay. She feels Federal and State regulatory agencies pushing that discussion is a good idea. Her experience is that it is difficult to get local support on this subject.

Member Combs said Santa Rosa has a remarkable water agency, and in the last four years, they had zero discharge, they recycle 100%. Information on what they are doing is available to share.

Member Chang asked if there was any consultation with the congestion management agencies who have implemented most of the 44 community-based transportation plans that were funded out of the 2000 Welfare-to-Work analysis that was focused on Communities of Concern. They had a good experience in San Francisco, they did seven plans and they were spread around the region. The idea was to help identify neighborhood-scale plans and eventually projects that could help close transportation gaps. Now, it could perhaps be expanded to the sort of complete communities context and not just deal with transportation. It might be worth reviewing the 44 community-based transportation plans.

Member Montano talked about the need for a stronger input on traffic congestion. Everyone wants to live in the Bay Area because of jobs, many are forced to move out to the valley like Modesto and travel two hours each way to go to work. This causes so much congestion. The cost of housing is so high due to supply and demand. This needs to be addressed very strongly.

Member Regan stated that the purpose of the Sustainable Communities Strategy or the "North Star" for the SCS is reducing vehicle miles traveled with the end objective of reducing our carbon production. It is a very metric-driven process. They have targets and numbers that they are supposed to meet for both housing and transportation, and within PDAs. This is a visionary document, but it does not seem to really focus on that North Star. It talks about a lot of secondary and tertiary issues. He does not think it really focuses enough attention on that objective. Then he mentioned Member Spering's comment earlier about how they apportion the funds available to them to encourage the right types of growth. Member Regan refuted the idea that the One Bay Area Grant funds to encourage the right type of growth and activity are funneled towards PDAs by stating that fifty percent of OBAG funding goes on a straight population block grant basis. They are rewarding bad behavior, as Supervisor Spering commented. He thinks moving forward, if they could look at some of the ways that they incentivize behavior through some of these grant funds, it would certainly get them to a much better place with the second Plan Bay Area.

Ms. Chion addressed some of the general comments. On specific water issues, ABAG staff will follow up and get some of the specific points. The point on the cost implications of addressing resilience or energy efficiency, that is a very good point and they will make sure that they flag that. It can increase housing cost and it is a difficult challenge. About congestion, they have a wealth of reports that are developed by their partners, the congestion management agencies, as well as some specific reports under MTC and they will link these references; there is a lot of discussion on the subject of congestion or accessibility in general, whether it is to jobs or in a broader sense. About the One Bay Area Grant, it is correct that it is not exclusive to Priority Development Areas. The driving force of the One Bay Area Grant was to see if they can support some of those jurisdictions that are making an effort to address some of the challenges. They understand that changes are happening in a broader spectrum of neighborhoods throughout the region, but the intent of the regional agencies was to identify some level of support to address that difficult challenge of bringing more housing and more services in areas close to transit. They will be taking all those comments and a report will be brought to the ABAG Executive Board. They will be contacting those additional partners or agencies that members have identified. They also will be putting together a website and they took note of the comment about having simple, short text or lists that can be included in the website, and members can just use it as a link for folks that could be involved.

Vice Chair Gupta thanked everyone for all the discussion. He addressed what Member Regan pointed out earlier, namely the metrics in terms of success of a program. What is the goal, what is success? On the local jurisdictional level, there are issues which go beyond the number, there are people involved, their lives are involved, and the city council has many meetings to solve these issues on the local jurisdictional level. He really encourages thinking about those issues before they put out concrete numbers and targets. He encourages this direction of ABAG to look at those problems which are real life problems. Who will be the people who will be interested in following up in terms of water, namely how we can reuse water to resolve our issues going from year to year? Regarding cost of housing the question is whether they are going to be discouraging new housing because of the additional attention paid to the environment, those are all very good questions and he is sure that the people who raised these issues will contribute as best as they can. He thanked staff for this good report.

Ms. Chion introduced Item 7.

7. PRIORITY DEVELOPMENT AREAS

Action

Christy Leffall, Regional Planner, provided an overview of the updated Priority Development Area (PDA) program and will introduce the 2015 PDA nominations recommended for Committee approval.

Member Haggerty asked who designates the place type for PDAs?

Ms. Chion said the city nominating the PDA.

Ms. Leffall, Member Eklund, Ms. Chion, Member Rice and Mr. Wong had a clarifying discussion about PDAs in Marin and their location on the maps in the agenda packet.

Member Montana asked how do they prioritize development areas? Do they have a formula? Is it just whoever gets their request in first? Can they expand on that?

Ms. Chion explained that it is an invitation to all cities and counties to identify what are the areas where they would like to accommodate housing growth close to transit. All cities, all counties, are able to propose any Priority Development Areas. In this last round, based on their contact with all the cities and all the counties, the only proposals that they received were those three proposals. At this point they have a really extensive network of Priority Development Areas. Most cities feel very comfortable with the areas that they have designated as locations that can accommodate the most change within that jurisdiction. That is the reason why you do not see many new applications. They have received some requests for adjustments in boundaries, so the boundaries better match the local plans. Overall, the set of 189 provide quite a comprehensive set of places.

Member Montana thanked Ms. Chion for the explanation.

Chair Gupta recognized a motion by **Pat Eklund**, Mayor Pro Tem, City of Novato, and seconded by **Jim Sperring**, Supervisor, County of Solano, to recommend the following to the Executive Board: Adopt the final inventory of Priority Development Areas (Attachment 1), including the Golden Gate/North Oakland, Rumrill Boulevard and Sonoma Boulevard Priority Development Areas.

The motion passed unanimously.

Ms. Chion introduced Item 8 and explained updates that the Committee requested a year ago.

8. PRIORITY CONSERVATION AREAS

Action

Laura Thompson, Bay Trail Project Manager, provided an overview of the updated Priority Conservation Area (PCA) program and introduced the 2015 PCA nominations recommended for Committee approval. Staff requests that the Regional Planning Committee recommend the following to the Executive Board: Adopt the 68 Priority Conservation Areas recommended in the staff report and listed in Attachment Three.

Vice Chair Gupta called for public comments.

There were public comments by Jane Mark, Planning Manager at MidPeninsula Regional Open Space District, and Heather Hafer, City of Novato.

Member Haggerty asked staff to explain why protected open space in Alameda County is not showing on the map.

Ms. Chion said they can have a map of the protected open space which would be different from the Priority Conservation Areas. What they are showing with the Priority Conservation Areas are only the areas that were proposed by our local jurisdictions, so if they were not proposed as a Priority Conservation Area, it will not show on the map. However, it is easy for staff to provide a map with all the protected areas.

Member Haggerty replied that would be very helpful. He asked how many applications were there from Alameda and were any of the Oakland applications chosen?

Ms. Thompson answered there were seven applications from Alameda County, 6 from Oakland and 1 from Livermore, and all the Oakland application were chosen.

Member Haggerty asked for some clarification about Oakland's PCA applications and he asked what was the previous funding and what the funding will be now that 68 new PCAs will be added.

Ms. Thompson said last OBAG PCA program was \$10 million, \$5 million in the North Bay and then \$5 million for the other counties. She explained that it is now a separate process. Those conversations are happening right now. Right now, the latest proposal is \$16 million.

Member Haggerty said that if the committee votes on accepting the 68 new PCAs, the committee also needs to have a discussion on the funding.

Ms. Chion replied that they will take note, but wait for the committee to make a proposal to see how they can coordinate with MTC.

Member Pierce asked staff to clarify the number of PCAs.

Ms. Thompson said in 2008, 101 PCAs were adopted. In 2013, three more PCAs were adopted for a total of 104. San Francisco has nullified four so that brings us down to 100 and we have 68 additional to add. If you take action today, there will be a total of 168 PCAs.

Member Pierce said the reason for the PCAs was to designate areas that were endangered or to protect areas from potential development. It was not necessarily to fund them although that may become necessary in order to protect them. PCA designation indicates that it is a priority for conservation, but it is not an official planning designation. We really do not have any effective method of protecting them unless we buy them, correct?

Ms. Thompson replied that is correct. PCAs are essentially a list of areas that are important to the region. Each area has potentially different measures that need to happen to implement the goals of that local jurisdiction or the region. They may not be able to fund everything but what it does is it helps funding agencies understand the priorities in the region.

Member Pierce recommended a map with all PCAs as well as all other protected open space areas to be graphically informed of all protected areas.

Member Eklund said PCAs are not only to protect from development, but to help promote the relationship between people and the environment. She asked have the applicants been notified of all the other funding sources and has ABAG helped those

applicants to apply for money for those PCAs? Were any applications denied by ABAG staff?

Ms. Thompson replied that was a very good summary of the primary purposes of the PCAs, to provide connection between people and nature, as our region grows and becomes denser in urbanized areas. About the applicants being notified of funding sources, that is a fantastic idea. We have in mind an updated website which will provide information on what the PCAs are and also the lands that we have already protected in the area, as well as the funding sources that are available. All applications were accepted.

Member Madsen thanked staff for all the work which went into this program. He agreed with Member Eklund's point about how people, nature, agricultural lands, and recreational lands all work together. They are fulfilling one of the promises of not just the PCA planning process, but the overall concept of regional planning through this program. How do PCAs benefit people who are in low-income housing, people with disabilities or urban greening with our cities and towns? As to Member Haggerty's point, funding is important and necessary. How do they take that \$16 million and leverage it many times over?

Member Regan said they all agree that providing the appropriate balance between open space and developed land for housing is what makes a region an attractive place to live. He asked staff, whether there has been any kind of unwanted development in the 104 existing PCAs in the last four years that conflicts with their conservation status.

Ms. Thompson answered not to her knowledge, but they have not tracked it in detail.

Member Regan asked can they assume that the PCA program is 100% successful, so far?

Ms. Thompson agreed

Member Regan said that OBAG funds are not supporting the PDA program to be a 100% successful.

Member Campos said PDAs are priority areas which cities, local governments have chosen as a priority. Support for PCAs can be confusing because their consensus is more from the community. Funding comes mostly from transportation money and should be carefully considered.

Member Haggerty explained that Alameda County just passed a full cent sales tax and will generate 150,000 jobs and \$8 billion over the next 20 years. He appreciated the discussion about where money comes from, but that is if you only look at one source. If they want to increase funding, they can go look for other sources. They can secure grants and they can find federal money that works with PCAs and open space.

Member Eklund made a motion to support staff's recommendation to accept the PCA applications. She also expressed the importance of the funding discussion for the PCAs.

Vice Chair Gupta suggested that the vote on the PCA applications by Eklund's motion be held until after the first round of committee members' comments.

Member Ross asked if it is one community applying for a PCA, does that mean that it is all entirely in that community's sphere of influence. Does it spill over the sphere of influence?

Ms. Chion answered that they can always add more layers of assessment, but when they discussed this last year, there were very specific requirements about public notification and resolutions that they did not have before. What they are getting is a lot of work from their local staff presenting input about why this is important. Ms. Thompson indicated that they did not reject any Priority Conservation Area and they should acknowledge that what they are getting now is the result of work by their local staff providing data, going through maps, and a providing specific input about why this is important. They did a lot of analysis to justify the PCAs. Ms. Thompson discussed some of those issues in collaboration with two of the partner agencies in a lot of detail. They were concerned about some PCAs. That leads to a lot of discussion to get to a resolution.

Member Ross said that PCAs should be vetted in a way that funders can choose from projects that have regional significance. He suggested that the process be modeled after the Surface Transportation Program (STP) process so it has credibility.

Vice Chair Gupta also said that the PCA designation should carry a certain qualification that will give some positive impression to someone who is looking at it.

Member Miley asked about property owner notification. The public does not understand that PCAs are not land use designations. They should better explain what PCAs mean and what they do not mean.

Ms. Thompson: We left it up to the local jurisdictions to notify property owners. What we required of them was a resolution, which was adopted in a public meeting. The PCA program itself did not require explicitly notification of property owners. We left that to the locals.

Member Rice expressed that she is comfortable with the fact that PCAs are part of a local designation process. They need more money to protect and maintain parks/open space. They need to clarify PCA designations. The list in the packet includes broad descriptions and should be narrowed down.

Vice Chair Gupta said ABAG should provide guidance for how local jurisdictions could use PCA designations for grant applications

Pat Eklund said she would like to move staff's recommendation to adopt the 68 new Priority Conservation Areas.

Member Spring asked to amend the motion to state that they approve staff's recommendation to adopt the 68 new Priority Conservation Areas and to look for additional funding for PCAs.

Member Regan: I think Supervisor Spring's amendment was to look for funding sources from non-OBAG funding sources.

Vice Chair Gupta recognized a motion by Pat Eklund, Mayor Pro Tem, City of Novato, and seconded by Susan Adams, Assistant Clinical Professor at UC Davis, to recommend the following to the Executive Board: Adopt the 68 Priority Conservation

Areas recommended in this staff report and listed in Attachment three, after exploring additional sources of funding.

The motion passed unanimously.

Member Eklund pointed out Supervisor Haggerty raised a good question that this committee needs to have a discussion about what is the appropriate funding level for Priority Conservation Areas.

Vice Chair Gupta said Miriam has taken your comment. They will be looking at that.

9. ABAG BUDGET DISCUSSION

Information

Julie Pierce, president of ABAG and Councilmember of City of Clayton gave an overview of current discussions on the proposed transfer of the ABAG planning department to MTC and the ABAG budget status.

Member Pierce: The agenda item in your packet was very lengthy. I will give you an update of where we are today. Subsequent to the ABAG Executive Board meeting last month, MTC Chair Cortese and I agreed that I would add a few more items to the list of things that he requested in his July 16 memo, which is attached at the very end of your packet. To summarize the issue quickly, a proposal was made prior to the adoption of the MTC budget for this current year, which also included funding for ABAG, to look at the potential consolidation of the planning and research staffs from the two agencies into MTC. Over the past few months, Chair Cortese and I have drawn together a small Ad Hoc Subcommittee of board members who serve on both MTC and ABAG or have served in leadership positions. They are fully aware of the breadth and the depth of the operations of both agencies. The subcommittee has discussed a potential reorganization and a process that might improve the integration of the work of the two departments. As many of you know, we were highly criticized in round one of the Sustainable Communities Strategy (SCS) for being a little clumsy sometimes when we handle things. We got off on a bad foot on our first round, but it was the first. We were inventing a process and we have learned from that and we think we have done a lot of clarifying of roles and responsibilities. But in anticipation of those discussions going forward, the MTC staff asked the MTC Commission in June to only allocate six months of funding to ABAG rather than the traditional full year as called for in our interagency agreement. The Commission did approve that recommendation. Commissioner Haggerty and I voted to oppose the six-month budget for ABAG, feeling like the discussions would need a little more time to reach fruition. As stated by Chair Cortese in his June 16th memo that you have in your packet, the Ad Hoc Subcommittee decided to ask the respective executive directors to provide the subcommittee with a joint analysis of how we can improve the planning integration without any structural consolidation of functions because we are two structurally separate agencies and how the consolidation of the planning functions under a single director or entity might be organized and how reporting to MTC and ABAG would work under some kind of systemic change. We also realize that this might not lead to 100 percent agreement. We are going to engage in this process to see what we can develop and at least analyze all of the impacts that this kind of a structural change might have. ABAG staff and I and our subcommittee remain committed to working

collaboratively with MTC on this matter. We are looking at a thorough analysis of both of the options suggested by Chair Cortese in his memo, including how consolidating functions under a single director might work from the ABAG point of view and understanding that the consolidation would have not only financial, but programmatic and governance repercussions for ABAG and that the local jurisdictions with whom we work are going to be very concerned about our ability to continue to function as a Council of Governments. We have asked the executive directors to document these issues in writing and give us a more thorough analysis of what that would mean. Many of you serve on either ABAG or MTC but many of you do not serve on either one so you may not be fully aware of all of the different things that ABAG is involved in. ABAG gets tens of millions of dollars of grants every year to do work on the ABAG PLAN and the POWER groups, the BayREN, and the San Francisco Estuary Partnership. We work on resilience planning. We are working in many, many areas that are funded almost completely by grants but those depend on the overall structure of ABAG as an administrative agency to be able to provide the oversight for those grants. We are concerned with six months of funding that this may impact our ability to get grants for the next year. We are hoping to resolve through this process relatively quickly some way of looking at how that will impact those activities. We are looking at how we would continue to maintain our local contact. As many of you know, we work very closely with all the local agencies on a great deal of different projects and particularly our smaller agencies who do not have staff rely on ABAG for levels of expertise that they do not have in house. We have the financial impacts, we have the programmatic impacts, and we have the structural impacts to the governance. How would this actually work? What is an organizational chart going to look like if we were to go forward with something like this? How would we continue to do our grant-funded work if we were to consolidate these two departments? What are the agency-wide financial implications to the elimination of any planning department funding or would it be partial, would it be complete? Those are the questions we are going to be asked, not to mention the fact that ABAG employees are union and MTC employees are not. That creates a wrinkle all its own that those of you involved in retirement issues understand very well. We are bringing together the Ad Hoc Subcommittee. We asked the executive directors to outline all of these items in detail. What I would like to ask is that we all remain calm and hang in there while we do this analysis. If you have specific questions, please address them to Chair Cortese and myself. The ad hoc committee is Chair Cortese and I, Jim Spering who has been on MTC for a long time, immediate Past President of ABAG Mark Luce and Scott Haggerty. These are folks who have had leadership in both agencies and know how the agencies work. If there are any questions, I would be happy to answer them.

Member Adams said she fully supports looking at where they can have efficiencies and then improving collaborative efforts. What she does not understand is why MTC is going to give ABAG only six months of their funding. The funding could have been for the full year and then set timelines for the discussion and proposal.

Member Pierce answered she can only speculate that it was in conjunction with the move to the new building and that the integration of the two agencies was part of it and that six months was plenty of time to get this accomplished. Some of us do not agree with that. That was the reason we voted against it but there is an opportunity to bring this back in September, if we can determine that it needs sufficiently more time to bring that up for reconsideration at the MTC Commission. The money is in the budget for the full

year. We will ask that that be added in the September meeting to help us with obtaining other grants that are dependent on that.

Member Prevetti thanked Member Pierce for adding this to the agenda. It is very important that we all have an understanding of the discussions to date. She especially appreciates Member Pierce's work with the supervisor and the ad hoc committee to fully identify the questions that need to be answered and then to answer them as objectively as possible from the perspective of both agencies. It is important that the full breadth of what the planning and research entity does be on the table to be considered. It goes far beyond the SCS which has been the focus of some of the memoranda, not just PDA implementation but so many other programs. Many are anxiously waiting for our next Regional Housing Need Allocation process. She is trying to imagine that from a transportation perspective. For smaller agencies, particularly there are going to be a lot of questions about how that would actually work. She also appreciates not just the technical services but the acknowledgment of the governance and the role of the general assembly representing all of our communities here in the region. Should those functions migrate to another agency, what would the accountability be to all of the communities, because as you so correctly say, a lot of us smaller agencies just do not have the resources to do the forecasting and other work that the planning and research group does here at ABAG. Member Prevetti is looking forward to the analysis and the continued outreach.

Member Eklund said her concerns have been shared by previous speakers. The governance is really a very important issue because the MTC Commission does not have the appropriate city representation. In the San Francisco Bay Area, we have 101 cities, nine counties. If you look at the MTC Commission, the balance of cities is not there. ABAG, it is a Council of Governments, and has members from the cities and the counties throughout the San Francisco Bay Area. She suggested that part of the memo that is being developed by both MTC and ABAG should include an option of transportation planning being put into ABAG as you see in other Councils of Governments throughout California.

Member Pierce said they are trying to keep this an intelligent discussion, keep it calm, keep it rational, and keep it professional because they really do have to examine all of the implications.

Member Romero agreed to stay calm and look at those various options, either through a restructure or potentially through reasserting and understanding the relations between the two organizations, so they can come up with a more effective way of pursuing those regional goals that all of us are embracing, whether in the private sector or public sector. ABAG is a more democratic structure, let us make that very clear. He thanked Member Haggerty and Member Pierce for their work and leadership.

Member Terplan said this is really about what is best for the region, what is the best way to plan, what is the best way we think forward for decades. He asked whether MTC is looking at a range of scenarios, including some that feature reforms or modifications to MTC, or just moving ABAG planning functions to MTC. Is this conversation on the table?

Member Julie Pierce answered everything is on the table.

10. ADJOURNMENT

Vice Chair Gupta adjourned the Regional Planning Committee at 2:55 PM

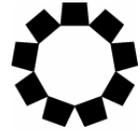
The next meeting of the Regional Planning Committee will be on October 7, 2015.

Submitted:

Wally Charles

Date: September 25, 2015

For information or to review audio recordings of ABAG Regional Planning Committee meetings, contact Wally Charles at (510) 464 7993 or info@abag.ca.gov.



Date: September 29, 2015
To: Regional Planning Committee
From: Miriam Chion, ABAG Planning & Research Director
Subject: Overview Session October 7, 2015

For the October session we are engaging in the **scenarios development for the update of Plan Bay Area 2040**. We will have a workshop session to gather input on the concepts, strategies, and investments that would be combined to define the three draft scenarios. While we have a solid foundation from the first *Plan Bay Area* adopted in 2013, the intense pace of growth in some parts of our region over the last few years combined with changes in local plans, demand some adjustments in our regional strategies.

This upcoming workshop builds upon the discussions in August on the ***People, Places, and Prosperity*** report and the new set of **Priority Development Areas (PDAs)** and **Priority Conservation Areas (PCAs)**. The *People, Places, and Prosperity* report is now available in print as well as online (<http://reports.abag.ca.gov/ppp/2015/>). All of the proposed PDAs and PCAs were adopted at the September ABAG Executive Board meeting, per our committee recommendation. We have a total of 188 PDAs and 165 PCAs. This is the official set of PDAs and PCAs for the Plan Bay Area to be adopted in 2017.

As part of the Plan Bay Area scenario development process, we are also sending a packet to our local planning partners to gather input on scenario concepts, recent changes in local plans, and an expected range of growth by PDA and city. We are also initiating the dialogues with our local councils to brief them on the Plan Bay Area update and to get their input on land use strategies, housing policies, and transportation investments. The second round of scenarios will be released in March 2016 in preparation for public workshops in April 2016, and the approval of the Preferred Scenario will be in June 2016.

In addition to the Plan Bay Area scenarios workshop, this October meeting will also include an update on the current MTC proposal to transfer land use planning from ABAG to MTC. We are including in this packet the memo from MTC staff and the response from ABAG. For more information on this topic you can go to: http://abag.ca.gov/media/2015_merger/

We have another two major efforts that are moving at a good pace: the regional forecast and the industrial land and jobs assessment. We will be sending you preliminary reports

on those efforts over the next month. The regional forecast will be adopted by the ABAG Executive Board in January 2016.

On the resilience front, at the last ABAG Executive Board meeting, we recognized that Napa and surrounding communities recently observed the **one year anniversary of the earthquake which damaged much of downtown Napa and Vallejo**, as well as surrounding homes and vineyards. Since then, the Regional Resilience Program has achieved a number of noteworthy milestones to better prepare the Bay Area for natural hazards: (1) Launched new multi-year partnerships with FEMA and the Rockefeller 100 Resilient Cities Initiative to support implementation of disaster and climate strategies in our member cities and counties; (2) Convened nine city and county staff workshops to update and develop local hazard mitigation and climate adaptation plans; (3) Released the 25th Loma Prieta Anniversary Policy Platform focused on safer buildings, improved infrastructure, and improved financing options (resilience.abag.ca.gov)



Date: September 29, 2015
To: Regional Planning Committee
From: Miriam Chion, ABAG Planning & Research Director
Subject: Scenario Planning Approach

ABAG and MTC are beginning the process of developing three land use and transportation scenarios to inform discussions about the strategic update of Plan Bay Area 2040. Scenarios show different options for how the Bay Area can grow and change over time in ways that help us meet our goals for a more prosperous, sustainable, and equitable region. A vital part of the Plan Bay Area 2040 strategic update, scenarios represent alternative Bay Area futures based on distinct land use development patterns and transportation investment strategies.

ABAG and MTC are requesting feedback about our draft scenario concepts to ensure they preserve the character of our diverse communities while adapting to the challenges of future population growth. After a short overview of our Plan Bay Area 2040 scenario development approach ([Attachment 1](#)), participants will have the opportunity to engage in small-group discussions around the initial scenario concepts ([Attachment 2](#)). Participants will be asked for their feedback on the draft scenario concepts, and to prioritize the policy and investment strategies that best shape each alternative.

Next Steps

Once refined, these scenario concept narratives will provide a framework for our scenario alternatives, which will be developed, modeled, and evaluated to understand the effects of different combinations of land use and transportation strategies on our shared goals and targets. The scenario planning process is summarized and next steps are identified in [Attachment 3](#).

Attachments: 1. Scenario Planning Approach
2. Scenario Concepts Narratives
3. Scenario Development Process



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Scenario Planning Approach

Background

In July 2013, MTC and ABAG adopted Plan Bay Area 2013 as the Bay Area's first Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The plan responds to State Law (SB 375) requiring the preparation of an integrated land-use and transportation plan to meet greenhouse gas (GHG) emission reduction targets. A lot has changed in the Bay Area since the Plan's adoption, as the region's economy is growing rapidly and housing costs continue to increase, and many communities have recently completed land use plans that envision how to accommodate future growth.

MTC and ABAG are required to update the RTP/SCS every four years. In spring 2015, MTC and ABAG began a limited and focused update of Plan Bay Area 2013, called Plan Bay Area 2040 (PBA 2040). From late April through May, a series of open houses were conducted across the region to introduce the public to the PBA 2040 update process, seek comments on goals and targets, and receive feedback on local priorities across a wide range of issue areas. The comments and feedback were compiled and shared with the Regional Advisory Working Group (RAWG) as well as MTC and ABAG other committees and working groups, in July 2015. Meanwhile, over the past several months, MTC and ABAG have presented information regarding PBA 2040's proposed Goals and Performance Targets, Regional Forecasts, and Project Performance Assessment to the RAWG, the MTC Planning and ABAG Administrative Committees, and various other committees and working groups. With the Goals and Performance Targets up for adoption this fall and the Regional Forecasts underway, the next milestone is to develop and evaluate regional scenarios that integrate land use and transportation strategies.

What is Scenario Planning?

Scenario planning is a common way for organizations such as MTC and ABAG to analyze and communicate the effects of different combinations of land use and transportation strategies on regional goals and targets. Scenarios can help articulate alternative future paths and provide information to help partner agencies, local jurisdictions, and the general public understand trade-offs. Scenarios can be constructed to modify the status quo, analyze and evaluate strategies that may be practically or politically challenging, and engage the region in a common dialogue about planning for our common future.

Constructing and communicating scenarios generally requires adherence to the following principles:

- **Develop a small number of scenarios.** A good regional planning process should advance a short list of coherent scenarios that can be clearly communicated. This can be challenging, because the strategies underpinning scenarios can be arranged in an infinite number of ways.
- **Construct a preferred scenario.** Since an infinite number of scenarios can theoretically be constructed, it is not appropriate to conduct a "winner takes all" approach to scenario planning. Rather, a "preferred scenario" can incorporate some of the best ideas from each scenario alternative. This can be challenging, because most people naturally gravitate toward voting for a favorite scenario out of the alternatives presented.
- **Balance sophistication with simplicity.** Scenarios should be meaningful for the most engaged and sophisticated observers, but also be easy to communicate to a broad spectrum of people around the region. This can be challenging, because scenarios may seem overly simplistic to some audiences or cryptic to other audiences.

Scenario Planning in Plan Bay Area 2013

For Plan Bay Area 2013, MTC and ABAG conducted extensive outreach to develop multiple rounds of scenario development and evaluation. This led to the development and adoption of the preferred land use distribution and transportation investment strategy (preferred scenario). Once the preferred scenario was adopted, another set of scenarios was developed and evaluated as alternatives within Plan Bay Area 2013's Environmental Impact

Report (EIR). These multiple rounds of scenario development required a tremendous amount of time and effort on the part of MTC and ABAG, partner agencies, local jurisdictions, working groups and committees. In retrospect, this process may also have created confusion due to the large number of scenario alternatives (13 alternatives in total). As a result, in early project scoping meetings for PBA 2040, MTC and ABAG proposed a simplified approach to scenario planning as described in the following sections.

Recommended approach to PBA 2040 Scenario Development

As described in a July 2014 memo to the MTC Planning Committee and ABAG Administrative Committees, MTC and ABAG's approach for this RTP/SCS will be to conduct a limited and focused update, building off the core framework established in Plan Bay Area 2013. One key difference between Plan Bay Area 2013 and its update – PBA 2040 – is that PBA 2040 does not include the Regional Housing Need Allocation (RHNA), which will be included again in the 2021 RTP/SCS. The RHNA process required a great deal of outreach and planning work that will not be necessary for PBA 2040. In addition, this will not be the region's first RTP/SCS, so we can build on lessons learned in the first integrated transportation and land use planning effort.

The MTC Public Participation Plan, adopted in February 2015, lays out PBA 2040's scenario development approach. This approach can be summarized as follows:

- One round of scenario analysis and evaluation will be conducted, and a maximum of three scenarios will be developed;
- The scenarios will be constructed in an effort to achieve PBA 2040's goals and performance targets;
- The scenarios will be designed to inform the selection of a preferred scenario; and,
- The same scenario alternatives will be carried over into the Environmental Impact Report (EIR) process.

Additionally, in order to analyze and evaluate the scenario alternatives, each scenario output will include, at a minimum:

- **Land use**
 - Total jobs by PDA and city;
 - Total housing units and households by PDA and city; and
 - Total population by PDA and city.
- **Transportation**
 - Investments by mode and purpose; and,
 - GHG and other travel model outputs for performance targets assessment.

Specific Process and Timeline for Developing and Evaluating Scenarios

The scenario development and evaluation process will occur over the next nine months, with MTC and ABAG adopting a preferred scenario in June 2016. MTC and ABAG, using input from the public workshops held in Spring 2015, partner agencies, working groups, and committees will develop and evaluate three alternative scenarios composed of land use and transportation strategies.

The scenario planning process will have three phases:

- **Scenario Development.** In October, MTC and ABAG staff will host scenario development workshops with the RAWG and ABAG Regional Planning Committee (RPC) to kick off the scenario planning process; gather input on the draft scenario concepts; and identify potential jobs, housing and transportation strategies to support the scenario concepts. These workshops will help shape the development of the three scenario alternative concepts and their respective strategies.

Following the October workshops, MTC and ABAG staff will present the draft scenario concepts in November to the MTC Planning and ABAG Administrative Committees, ABAG Executive Board, and other committees and working groups as appropriate, for additional feedback.

In February and March 2016, MTC and ABAG staff will present to the RAWG, RPC, the MTC Planning and ABAG Administrative Committees, and the ABAG Executive Board defined scenario alternatives that show

different options for distributing forecasted housing, population, and employment growth, as well as the high performing projects of the project performance assessment and the costs to maintain and operate our existing transportation system.

- **Scenario Evaluation.** Following the November 2015 joint meeting of the MTC Planning and ABAG Administrative Committees, MTC and ABAG staff will begin an iterative process of scenario evaluation and refinement of each scenario’s land use and transportation strategies to meet regional goals and targets. MTC and ABAG staff will use regional models, described in more detail in the following section, to develop and analyze the scenarios.

In March 2016, MTC and ABAG staff will present to the RAWG, the MTC Planning and ABAG Administrative Committees, and other committees and working groups as appropriate, the results of the performance targets and equity assessments for each of the three scenario alternatives.

In April 2016, MTC and ABAG will host public workshops to discuss the scenario alternatives and the results of their evaluation.

- **Scenario Adoption.** Following the April 2016 public workshops, MTC and ABAG staff will create a draft preferred scenario based on feedback from the public, local jurisdictions, MTC and ABAG’s partner agencies, working groups, and committees. The draft preferred scenario will incorporate strategies that best achieve the adopted PBA 2040 goals and performance targets and equity metrics.

In May 2016, MTC and ABAG staff will present the draft preferred scenario to the RAWG, the MTC Planning and ABAG Administrative Committees, and ABAG Executive Board. Their input will be used to refine the preferred scenario before the MTC Commission and ABAG Executive Board are asked to adopt the final preferred scenario at a joint June 2016 meeting.



Figure 1

Modeling Tools

MTC and ABAG staff will use modeling tools to assist in the development and analysis of scenarios. The integration of the regional land use and travel demand models allows for analysis of how land use policies will affect transportation outcomes and how transportation projects and policies will affect land use outcomes. The models allow us to perform our targets assessment for each scenario.

- **UrbanSim.** This regional land use forecasting model relies on regional control totals of jobs, housing, and population, developed and adopted by ABAG, to analyze the effects of land use and transportation strategies on the forecasted regional development pattern. The model simulates the interactions of households, businesses, developers, and governments within the urban market. The model will produce land use outputs, including the forecasted location of new jobs and housing for each scenario alternative. MTC and ABAG staff will evaluate the model outputs through an extensive planning process involving input by local jurisdictions.
- **Travel Model One.** The regional travel demand model relies on UrbanSim’s forecasted regional development pattern to analyze the significance of transportation impacts and estimate travel outcomes, including vehicle miles traveled, vehicle hours of delay, and accessibility for each scenario alternative.

Common Assumptions for All Scenarios

There are a number of core assumptions that will stay the same across different scenarios:

- **Regional Forecast – Total Jobs, Housing, and Population (Control Totals).** ABAG’s adopted regional forecast will set control totals for the total jobs, housing, and population in the region. This total number will not vary across scenarios.
- **Regional Housing Need Allocation (RHNA).** In 2013, ABAG adopted the *Final Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, including the final housing unit allocations, by income, to local jurisdictions in the region. The three scenario alternatives will reflect the adopted 2013 RHNA, and will not vary across scenarios. The next RHNA process will occur in coordination with the 2021 RTP/SCS.
- **Regional PDA and PCA Framework.** PDAs and PCAs are locally nominated and their geography will not vary across scenarios; however, the extent to which growth is emphasized in PDAs and land in PCAs is conserved may be considered as strategies.
- **Regional Transportation Revenue Sources.** MTC develops a revenue forecast that accounts for all reasonably assumed revenue sources to 2040. The total amount of revenues and sources will not vary across scenarios; however, certain revenue enhancements may be considered as strategies.
- **Regional Committed Transportation Network.** The committed transportation network represents the existing transportation infrastructure and proposed transportation improvements that are fully funded and under construction. The committed transportation network will not vary across scenarios.

Strategies Varying Across Scenarios

The differences in scenario alternatives will be driven by alternative distributions of strategies, which generally comprise a short set of land use and housing policies, transportation policies, and transportation investments. While not an exhaustive list, the strategies generally encompass the following actions:

- **Land Use Strategies** that change a community’s capacity for new development or incentivize a particular type or location of growth, such as changes to zoning, fees and subsidies, incentives and growth boundaries.
- **Transportation Strategies**
 - Transportation Investments- includes strategies for different types of transportation investments by category (expansion, maintenance, state of good repair, etc.), and mode (highway, transit, bike/ped, etc.), and programs.
 - Transportation Policies- includes strategies to manage transportation demand, systems operations, parking policies, and taxes and fees.
 - Climate Strategies- includes technological advancements (e.g. clean vehicles) and incentive programs to encourage travel options that help meet GHG emissions reduction targets.

It is important to recognize that the distribution of different strategies within initial scenarios does not constitute a staff proposal or recommendation. This distribution is done simply to illustrate tradeoffs between alternative growth patterns and infrastructure investments and serve as a building block for developing a preferred scenario.

Next Steps

Stakeholder engagement will help shape the strategies across each of the three scenario alternatives. The October ’15 scenario workshops are the first opportunity for input.



Figure 2



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Draft Scenario Concepts Narratives

ABAG and MTC are beginning the process of developing three land use and transportation scenarios to inform discussions about the strategic update of Plan Bay Area 2040. The following draft scenario concept narratives show different options for how the Bay Area can grow and change over time in ways that help us meet our goals for a more prosperous, sustainable, and equitable region. A vital part of the Plan Bay Area 2040 strategic update, these scenarios represent three alternative Bay Area futures based on distinct land use development patterns and transportation investment strategies. Once refined, these scenario concept narratives will provide a framework for our scenario alternatives, which will be developed, modeled, and evaluated to understand the effects of different combinations of land use and transportation strategies on our shared goals and targets.

Similar to Plan Bay Area 2013, locally-identified Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs) are the foundation for the scenario concepts. Growth is directed to PDAs in each scenario concept in recognition of the fact that PDAs have been identified by local governments as areas where new homes and jobs can be accommodated near transit. However, the extent to which population and job growth is emphasized in PDAs varies among the three draft scenario concepts, as does the amount of greenfield development expected. Of note, future growth is not assigned to areas that have been adopted as PCAs.

Scenario 1

Scenario 1 targets future population and employment growth to the downtowns of every city in the Bay Area to foster a region of moderately-sized, integrated town centers. As in the other scenarios, most growth will be in locally-identified PDAs, but this scenario offers the most dispersed growth pattern, meaning that cities outside the region's core are likely to see higher levels of growth and, within cities, more growth will be accommodated outside of PDAs than in other scenarios.

To accommodate this growth, investments, including resources for affordable housing, will be dispersed across PDAs, other transit-proximate locations outside PDAs, and underutilized transportation corridors across the region. This scenario comes closest to resembling a traditional suburban pattern, with an increase in greenfield development to accommodate the dispersed growth pattern. While an emphasis on multi-family and mixed-use development in downtowns will provide opportunities for households of all incomes to live near a mix of jobs, shopping, services, and other amenities, this scenario also assumes that many people will drive significant distances by automobile to get to work.

To support this scenario's dispersed growth pattern, transportation investment priorities will largely embrace new technologies and innovative strategies to manage travel demand. To accommodate increased reliance on automobiles for commuting, this scenario assumes a vast expansion of high-occupancy toll lanes on all regional highways, the institution of variable pricing, and highway widening at key bottlenecks. Additionally, the region will adopt transformational investments like automated buses and private vehicles. Bicycle and pedestrian infrastructure will create a network of regional trails and bike lanes, including a robust regional network of bike sharing. To support industry and goods movement, the scenario will focus largely on "smart operations and deliveries" — technology and operations to reduce congestion and increase safety on urban and rural roads.

To reach our climate goals, this scenario sees heavy investments in technology advancements, clean vehicles, and incentives and to pursue near-zero and zero emissions strategies wherever feasible. The mobility needs of seniors, persons with disabilities, and low-income communities will be addressed most centrally by "mobility management" solutions to link individuals to travel options that meet their specific needs, as well as the provision of demand-responsive strategies by the public, non-profit, and private sectors.

Scenario 2

Building from the final, adopted Plan Bay Area 2013, Scenario 2 targets future population and employment growth to locally-identified PDAs throughout the region, with an emphasis on growth in medium-sized cities with access to the region's major rail services, such as BART and Caltrain. Outside the PDAs, this scenario sees modest infill development, along with a small amount of greenfield growth. As these communities grow over the next 25 years, compact development and strategic transportation investments will provide residents and workers access to a mix of housing, jobs, shopping, services, and amenities in proximity to transit traditionally offered by more urban environments. Resources for affordable housing will be dispersed across the Bay Area, with some concentration in PDAs to support the development of affordable housing where the most population and employment growth is targeted.

To support this scenario's growth pattern, transportation investments will prioritize maintenance of existing infrastructure. The region's transit system will be modernized and expanded along key corridors to improve commutes and add capacity. Investments in bicycle and pedestrian infrastructure, including the regional bike sharing network, will support the creation of more walkable and bikeable downtowns. While this scenario would see limited expansion of the region's roadways, it will use travel demand strategies, including an expansion of the regional express lanes network to use existing roadways more efficiently. To support industry and goods movement, this scenario will support environmentally sustainable investments at our key global gateways to create local jobs, protect the community, and attract international commerce.

To protect the climate, this scenario prioritizes a number of innovative transportation initiatives, including car sharing and near-zero and zero emission goods movement technologies. The mobility and accessibility needs of seniors, persons with disabilities, and low-income communities will be addressed through continued investments in transit operations, transit capital, and a continued focus on "mobility management" solutions to link individuals to travel options that meet their specific needs.

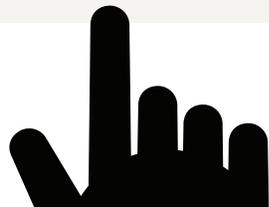
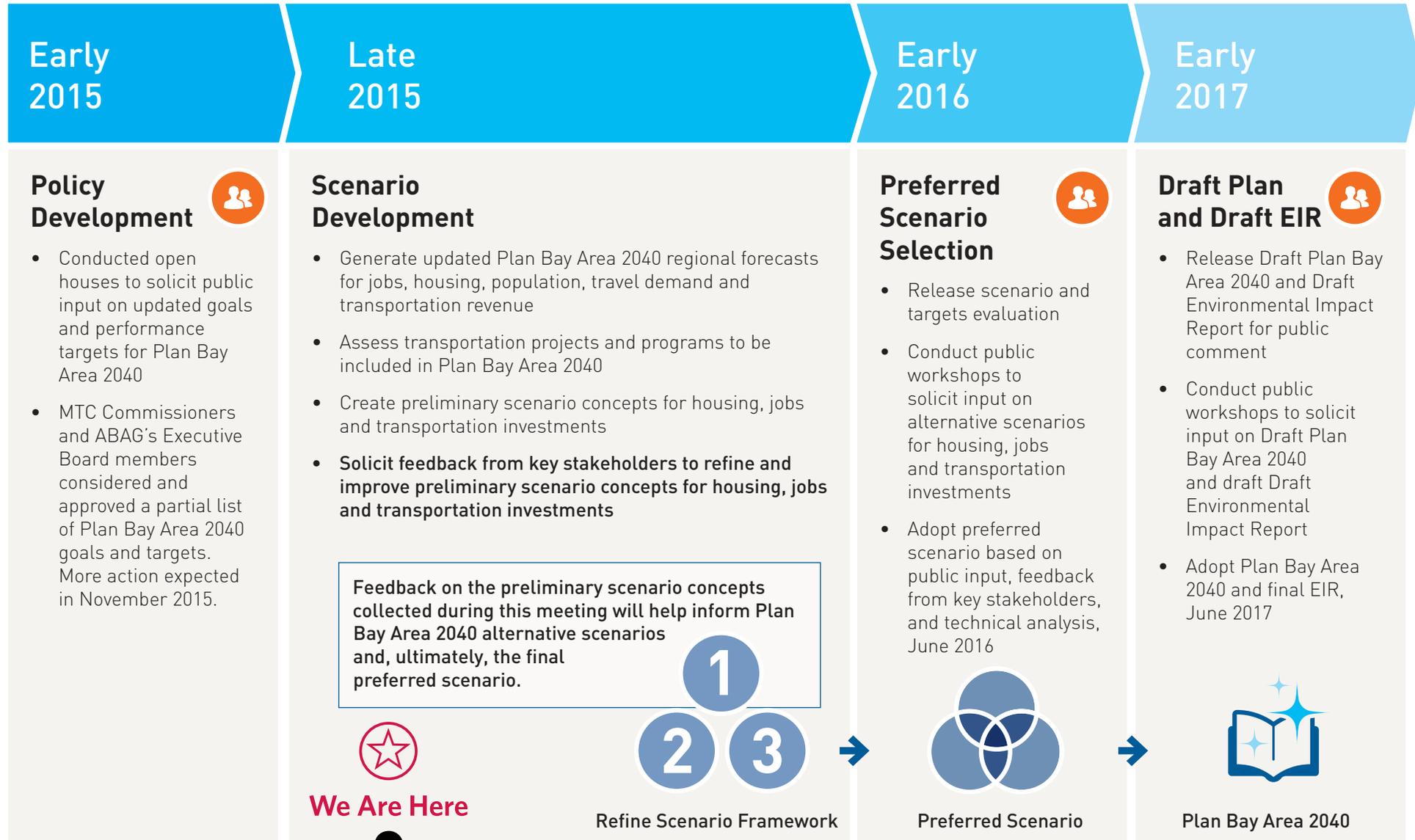
Scenario 3

Scenario 3 concentrates future population and employment growth in the locally-identified PDAs within the Bay Area's three largest cities: San Jose, San Francisco and Oakland. Neighboring cities that are already well-connected to these three cities by transit will also see increases in population and employment growth, particularly in their locally-identified PDAs. The amount of growth outside these areas is minimal, with limited infill development in PDAs and no greenfield development. Growth in the three biggest cities will require substantial investment to support transformational changes to accommodate households of all incomes. This scenario will prioritize strategies to make these existing urban neighborhoods even more compact and vibrant, and enable residents and workers to easily take transit, bike or walk to clusters of jobs, stores, services, and other amenities. Resources for affordable housing will likewise be directed to the cities taking on the most growth.

To support this scenario's big city-focused growth pattern, the transportation infrastructure within and directly serving the region's core will be maintained to a state of good repair, modernized to boost service and improve commutes and capacity, and expanded to meet increased demand. While these transit investments will take priority, the roadway network will also require significant investments, such as a regional express lane network to prioritize direct access to the three biggest cities and regional express bus service to increase connections to the region's core. Bicycle and pedestrian infrastructure will be dramatically expanded in these cities, including a robust network of bike sharing. To support industry and goods movement, investments at the Port of Oakland will be ramped up quickly to enable more efficiency and to mitigate the impacts of Port activities on nearby communities.

To reach our climate goals, this scenario will focus technological and financial incentive strategies in and around the three biggest cities, which will accommodate a significant increase in population and travel demand. The mobility and accessibility needs of seniors, persons with disabilities, and low-income communities will be addressed by directing resources for a robust increase in transit operations and capital within the region's core.

Scenario Development Process



ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: September 29, 2015

To: Regional Planning Committee

From: Miriam Chion, Planning and Research Director

Re: MTC Proposal to Transfer Regional Land Use Planning Staff and Associated
FY 2015-2016 Planning Budget

This is an update on the MTC proposal to transfer land use planning from ABAG to MTC and stop the interagency funding agreement. Since our last Regional Planning Committee both agencies have provided additional information on current challenges and alternative proposals to strengthen our regional planning work. We have also received substantial input from cities and organizations.

MTC staff released a full proposal on September 18, 2015 (See attachment 3). ABAG staff prepared a memo that assessed the proposal for the ABAG Executive Board. (See attachment 2). The MTC Executive Director presented the proposal to the MTC Commission on Wednesday September 23, 2015, which was followed by extensive public comments from over 40 speakers and commissioners' deliberation. ABAG staff prepared a summary of the commissioners' responses. (See attachment 1) You can find all documents related to this topic at http://abag.ca.gov/media/2015_merger/.

We are having substantial conversations, which we believe will allow us to arrive at a stronger process of collaboration going forward.

Attachment 1: Summary of the Commissioners Responses

Attachment 2: Proposal for the ABAG Executive Board

Attachment 3: MTC Proposal

Date: September 30, 2015

MEMO

To: ABAG Executive Board

From: Ezra Rapport, ABAG Executive Director

Cc: Steve Heminger, MTC Executive Director

Subject: Summary of September 23rd MTC Commissioner Comments Regarding Proposed Transfer of 15 Land Use Planners and Related Funding from ABAG to MTC

On Wednesday, September 23rd, the Metropolitan Transportation Commission (MTC) discussed a MTC staff proposal to terminate ABAG's planning grant on December 31, 2015 and transfer the regional land use planning function and 15 ABAG land use planners to MTC. The proposal is found on ABAG's website at http://abag.ca.gov/media/2015_merger/ as MTC staff memo to the Commission dated September 18, 2015.

There were several hours of public comments, with over 40 speakers, most of whom expressed concern regarding the MTC proposal's effect on the region, city participation in the regional planning process, ABAG employees and pensioners, and on ABAG's other programs and services. After discussion among Commissioners, the following requests (paraphrased) were made of the Director, Mr. Steve Heminger, by various Commissioners:

1. Examine how the MTC proposal impacts labor relations. ABAG planners are union represented; MTC is non-union. *Several commissioners, including Chair Cortese and Commissioner Campos, asked whether or not ABAG planners would be able to retain membership in their union, SEIU Local 1021, after a transfer to MTC.*
2. Examine the financial impact on ABAG from the loss of overhead funds as a result of the termination of funding and overhead associated with the transfer of 15 land use planners from ABAG to MTC.
3. Examine the potential impact of the MTC proposal on the pensions and other post employment benefits of ABAG employees and pensioners.
4. Provide more details on what formal regional land use authority the ABAG Executive Board would retain if this proposal were implemented¹.
5. Determine objectively whether or not ABAG governance will be impacted by the shift of planning services to MTC.

¹ Many elected officials feel their authority over a land-use and housing work program is directly related to their ability to hire and fire the staff responsible for carrying out that work program.

6. Examine potential loss of dues to ABAG if its members do not share MTC's belief that the loss of 15 regional land use planners will have no impact on ABAG's effective land use authority. *Commissioner Scott Haggerty said he felt that Alameda County would not want to pay its 180K/year in dues if ABAG loses its planning staff and direct authority over housing and land use policy.*
7. Provide a realistic timeline for transitioning ABAG planners to MTC if the decision is made to proceed with this proposal.
8. Look into hiring an experienced third party management consultant to look at combining the two planning departments under one agency and at merger options.
9. Recommend the best means to communicate with ABAG employees about this.
10. Schedule a field trip to observe how other Metropolitan Planning Organizations around the State handle land use and transportation planning.

In addition, a number of MTC commissioners expressed their concerns that a decision of this magnitude:

- a. should not be rushed
- b. needs greater outreach/discussion with local jurisdictions and key stakeholders
- c. needs milestones/deadlines to insure progress toward improvement and change
- d. should not hurt or disadvantage any current ABAG employees or retirees
- e. should reflect the fact that process does matter and is a critical component of any successful plan or planning effort
- f. should reflect a "bottoms up" approach for regional land use planning that achieves a strong "buy-in" or consensus from local jurisdictions.

Finally, a number of Commissioners, including Chair Cortese, appeared to be open to voting at the October MTC meeting to extend ABAG's budget through the full fiscal year (ending June 30, 2016) to alleviate the anxiety of ABAG staff and to provide sufficient time to thoughtfully examine the current MTC proposal and merger alternatives.

The Commission intends to take action at its next meeting on **Wednesday, October 28th at 9:30AM at the MetroCenter Auditorium, 101 Eighth Street, Oakland**. We will keep you posted of any significant developments and agenda items. For additional information (memos, letters, media coverage) related to this issue, please visit the ABAG website at http://abag.ca.gov/media/2015_merger/.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: September 22, 2015
To: ABAG Executive Board
From: Ezra Rapport, ABAG Executive Director
CC: Steve Heminger, MTC Executive Director
Subject: ABAG Executive Board meeting on Sept 17, 2015

At the ABAG Executive Board meeting on Sept 17, 2015, the Board voted to request that the MTC Commission fund the ABAG fiscal year 2015-16 budget, terminate the proposal to transfer ABAG Planning staff to MTC and engage in a discussion with ABAG about a restructuring or merger. The ABAG Board is committed to a thoughtful process of collaboration with MTC.

Subsequent to the ABAG Board meeting, MTC released a staff report detailing a unilateral staff transfer proposal. After careful evaluation of the report we find no resolution to the essential issues raised by the ABAG board. (See attached assessments of various aspects of the MTC report)

In this report, MTC states "like any other grant funder of ABAG, MTC has complete discretion over whether to continue or discontinue financial assistance."

This is the heart of the problem. ABAG is not a mere grantee. ABAG is a partner with MTC in approving the Sustainable Communities Strategy (SCS). ABAG was given this authority by the State Legislature precisely because it is the Council of Governments for the Bay Area. Failure to fund ABAG to carry out its statutory role will seriously jeopardize the timing and approval of SCS and the Regional Transportation Plan.

ABAG respects MTC expertise and decision-making on transportation funding. ABAG expects the same respect from MTC on land use and all related land use tasks. As the Council of Governments, ABAG is organized to develop a land use program in collaboration with cities and counties; MTC is not. No other region has taken regional land use coordination out of the Council of Governments. Furthermore, the MTC proposed reorganization shows a problematic fragmentation of land use, housing, sustainability and equity tasks.

Lastly, ABAG relied on MTC's funding agreement through 2021. MTC's sudden withdrawal of its funding eliminates over 40% of ABAG's overhead, and will risk ABAG's bankruptcy, destroying many valuable programs that address crucial environmental challenges and needed city services. This could ultimately result in the layoff of about 50 people and significant loss of pensions for all prior and current employees.

We can accomplish MTC's stated objectives and preserve ABAG's appropriate role and financial stability through a thoughtful restructuring or merger of the agencies. No such conversation is possible until MTC fulfills its funding agreement with ABAG.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: September 22, 2015
To: Ezra Rapport, ABAG Executive Director
From: Charlie Adams, ABAG Finance Director
Subject: Review of Financial Assumptions in MTC White Paper, Functional Consolidation of Planning Departments, September 18, 2015

Selected statements in the MTC white paper that merit a response to clarify the topic as seen from ABAG's perspective are quoted below, with our clarifying comments following.

MTC Statement: *"ABAG's membership dues currently are roughly half the size of MTC grant funding (\$1.9 million) and those dues constitute only 7% of ABAG's total budget."*

ABAG's FY 2015-16 budget is \$26.7 million, of which \$12.3 million is pass-through funds for programs such as BayREN and San Francisco Estuary Partnerships, leaving an operating budget of \$14.4 million. Membership dues of \$1.9 million are 13.2% of the operating budget. Membership dues are a critical component of the ABAG budget because they are the only fully discretionary funding of the Association.

"MTC would be responsible for any overhead and future pension liabilities associated with the increased staffing."

ABAG currently has an annual expense for unfunded pension liability of \$1.086 million and an annual expense of approximately \$761,000 for retiree health care benefits (OPEB). These are fixed costs and would not decline with a reduction of payroll from the transfer of planners from ABAG to MTC. The continuing cost to ABAG, after the transfer, would be approximately \$418,000 per year. The MTC proposal provides for an annual payment of \$200,000 to cover the OPEB, for an unspecified period of time.

The importance of ABAG continuing to make the full contribution to these unfunded liabilities is critical to not only the 15 planners to be transferred to MTC, but to all current and retired ABAG employees. Should ABAG not be able to sustain its funding of PERS plans, the benefits currently paid to retirees, and the value of vested benefits for non-retired employees would be significantly reduced. The CalPERS estimate of the reduction of benefits if the ABAG pension plan was forced to terminate is 60%.

"MTC has supported some staffing in the ABAG Communications and Earthquake departments that are not integral to the functional consolidation of the planning departments; and MTC has provided direct financial support for a portion of ABAG executive staff."

This statement by MTC is not correct. ABAG has billed MTC for the cost of the executive staff and other staff members not assigned to the Planning Department, only when these persons have provided services directly assignable to tasks specified in the interagency agreement. It is correct that there would be a financial impact to ABAG if these direct services to MTC were discontinued and not replaced with other billable direct services.

“We would suggest a short-term transition for this funding to avoid undue financial hardship and to allow ABAG time to identify replacement funds for the long-term. This MTC transition funding in combination with its own \$2.8 million in unrestricted reserves (base on ABAG’s FY 2013-14 audited financial) should provide ABAG the needed glide path.”

We certainly concur with MTC that the loss of MTC funding will create a financial hardship for ABAG. However, we have no basis on which to project the acquisition of replacement funding in the short-term. The removal of the primary function performed by ABAG, land use planning, will not only make the acquisition of replacement funding difficult, it will likely reduce the number of dues paying ABAG members.

The contention that ABAG has sufficient unrestricted reserves to provide a glide path to a new financial equilibrium is not supported by a critical examination of ABAG’s financial statement. It should be noted that we have been advised by our independent auditors that they will issue a going concern qualification on the ABAG 2014-15 financial statements if ABAG does not obtain a funding commitment from MTC prior to issuance of the audit report. One of the immediate effects of a going concern qualification will be the termination of ABAG’s bank line of credit of \$2 million.

It should also be noted that ABAG’s audited financial statement for FY 2014-15 will show a fund balance deficit of \$9 million. While the swing from a positive to a negative fund balance is the result of a required change in accounting standards, it is a more accurate and meaningful portrayal of an entity whose uninterrupted existence is not assured.

The “unrestricted reserves” under the accounting standards exist only under the assumption that operation would continue at the current level for the foreseeable future. The unrestricted reserves are not cash that can be used to pay current operating expenses such as payroll. Reserves include receivables that are collectible over an extended period and retentions that may only be collected upon completion of projects. The reserves represent prepaid expenses of \$200,000 that are not refundable and have value only as long as ABAG remains a viable entity. The reserves represent \$500,000 of undepreciated investment in capital assets, which have true economic value to ABAG as a going concern, but cannot be converted to cash to fund payroll or other current operation expenses. Should ABAG’s creditors lose confidence in ABAG’s financial stability, it is likely that the reserves that can be converted to cash will be quickly exhausted by creditors refusing to extend additional credit and demanding immediate repayment of existing payables.

Summary of Financial Analysis

(See Attachment C to September 2, 2015 memo to ABAG Executive Board, for detailed analysis.)

- a. The loss of MTC contribution to ABAG overhead would be approximately \$1.5 million, making it impossible for ABAG to continue operation of the programs, activities and services that currently exist. This is recognized by MTC and their short-term solution is to subsidize ABAG.
- b. The mechanism by which MTC would provide short-term subsidy is not specified by MTC in their proposal.
- c. The loss of MTC funding for ABAG's planning functions will have an immediate detrimental effect on ABAG's financial stability to include: a going concern qualification of its financial statements, loss of its \$2 million line of credit and draining of its current reserves and working capital.
- d. ABAG will not be able to maintain the required amortization of its unfunded pension benefit, with the likely outcome being the termination of the CalPERS pension plan. Termination of the pension plan would result in the pension benefits currently being paid to retired ABAG employees being reduced an estimated 60%. Also impacted would be the vested benefits of non-retired plan participants working for ABAG, MTC or any other employers.
- e. ABAG will also not be able to maintain the required funding of the retired employee health care plan, resulting in those benefits being significantly reduced or lost.
- f. Enterprise programs currently supported by the ABAG administrative facilities will be significantly disrupted and their budgets altered.
- g. ABAG grant revenues, not related to MTC, that have averaged \$9 million per year, excluding pass-through grant funds of \$12 million, will be jeopardized.

Date: 9/22/15

To: MTC Commissioners, ABAG Executive Board Members

From: Miriam Chion, ABAG Planning & Research Director

Subject: **Assessment of MTC Consolidated Planning Section Proposal**

This attachment provides an assessment of the proposal in the MTC staff report to transfer ABAG staff to MTC, creating a single planning department reporting to the MTC planning director and MTC executive director. We focus here on the benefit to the Bay Area from a planning perspective.

We support several objectives of the proposal, especially the desire for a more integrated approach to regional planning. However, the proposed process for achieving integration is not well-conceived and fails to ensure that local governments and a full range of stakeholders continue to have a meaningful voice in regional land use and housing issues. We welcome the opportunity to engage in a transparent process that combines the best of both planning departments, but this requires a good faith effort to explore a full range of options. Challenges identified in our assessment of the proposal are highlighted below.

1. Potential to Increase Fragmentation

Successful regional planning requires well-structured coordination across professional boundaries. The proposed organization of the new department into five units creates a problematic fragmentation of land use, housing and equity and sustainability. For example, housing is included under “Local Planning and Implementation” but not under “Regional Planning/Policy”, when it is clearly both a regional and local issue (Appendix 1). “Resilience” is mentioned in the “Equity and Sustainability” unit, but the ABAG Resilience team is not folded into the consolidated department (ibid). Similarly, the Bay Trail is not part of the proposed integrated planning department despite its essential role in regional-local collaboration around open space issues and the PCA program. In addition, the process by which the five planning units would produce coordinated work is unclear, leaving the possibility that a move intended to increase integration will actually reduce it.

Over the past several years, ABAG has effectively integrated land use and housing planning with related issues such as economic development, conservation and resilience by building staff expertise and deepening relationships with local staff and special districts. This is exemplified in ABAG’s recent *People, Places and Prosperity* Report. We should explore how to more effectively link this range of issues to transportation planning, but this requires a balanced, deliberate process that capitalizes on the expertise and strengths of both departments and agencies.

2. Potential Reduction in Meaningful Dialogue

Plan Bay Area 2013 involved an unprecedented level of dialogue with local government, stakeholders, and regional agencies. The MTC proposal emphasizes the benefit of a more efficient regional planning process that removes the potential for spending “too much time arguing over matters ranging from high-level policy to low level minutiae” (p. 2) that currently exists as a result of two planning departments. A single department reporting to the MTC Executive Director would create a more streamlined decision-making process, but could also reduce the breadth of meaningful dialogue on regional issues such as displacement or housing growth. As the MTC staff report notes, the SCS required MTC to transition from the well-defined process that characterized the RTP to an iterative process requiring substantial coordination with ABAG. This introduced the complexity of land use and housing planning, which often requires additional deliberation. Land use plans are rarely successful unless they have been shaped by meaningful community engagement and achieved community buy-in. This takes time and effort and can often be seen as inefficient, but is essential to the success of a regional plan that can only be implemented by the local governments with land use authority.

3. No Clear Benefit to Local Governments

In California metropolitan areas, regional land use planning is housed in a Council of Governments (COG). As staff at the Bay Area’s COG, ABAG planners are directly responsible to the region’s 101 local jurisdictions and nine counties. Currently, an ABAG planner is assigned as a liaison to each Bay Area county, providing the local services proposed in the MTC memo—“engag[ing] directly with cities, counties and individual communities as appropriate” (p.4)—as well as producing plans and analysis for ABAG Regional Planning Committee and Executive Board, coordinating with special districts and economic development organizations, and acting as points of contact for local ABAG delegates. As letters from the Bay Area Planning Directors (BAPDA) and multiple Bay Area cities indicate, ABAG planners are considered valuable resources to local governments and considerable anxiety exists surrounding the proposed transfer to MTC.

The MTC staff report argues that transferring ABAG planning staff to a consolidated department would “strengthen the link to local agencies related to important policy areas and related to the development and implementation of Plan Bay Area and other major plans and initiatives” (p.4). It is unclear how this would happen. ABAG staff would become the only regional planners in California employed by a dedicated transportation agency, and would no longer be accountable to the region’s Council of Governments (required engagement would consist of providing reports and recommendations to the ABAG Board). The potential reduction in local engagement created by the proposed consolidation speaks to the importance of a more transparent, inclusive process; one that considers a full range of options without diminishing the ability of either the COG or MPO to complete its statutory responsibilities.

4. How is Inefficiency Defined?

At the core of the proposal is the argument that the current process of collaboration between ABAG and MTC is inefficient and that a single department within MTC would make better use of taxpayer dollars. The MTC staff report does not, however, provide any specific examples of

inefficiencies on the part of ABAG. Since an eight year inter-agency funding agreement was established between MTC and ABAG in 2013, ABAG has provided detailed quarterly progress reports to MTC documenting completion of tasks in a joint workplan that is revisited annually. During this time, MTC has not registered concerns about the substantive or financial performance of these tasks. A third party audit completed in June 2015 did not find any irregularities in ABAG expenditure of planning funds.

The MTC staff report also suggests that there is currently “significant duplication” (p.2) between the ABAG and MTC planning departments. This is simply not accurate. ABAG and MTC staff performs complementary tasks defined in the workplan, drawing upon relevant professional backgrounds and training. In cases such as the regional planning grant program provided through OBAG, MTC and ABAG staff work collaboratively, with MTC administering the financial aspects of grants and ABAG performing day to day engagement and technical assistance to grant recipients. ABAG welcomes the opportunity to address concerns about duplication; however, this has not been raised to date in discussions between MTC and ABAG staff—despite the opportunity to do so during the review of quarterly reports and the development of joint workplans.

5. Understanding of Basic Land Use Planning Issues

It is worth noting that the MTC staff report inaccurately characterizes a number of basic land use and housing processes. This calls into question MTC’s understanding of fundamental planning issues, which could have an adverse effect on the ability to make informed decisions and coordinate effectively with local governments. Several examples from the memo include:

- **Local Government Bodies:** “The role of staff in the integrated regional planning department would be analogous to the role of local planning departments with staff supporting both a Planning Commission and a City Council or Board of Supervisors” (p.3.)

Note: A Planning Commission plays an advisory role to a City Council or Board of Supervisors. In contrast, ABAG and MTC are responsible for adopting discreet policies such as RHNA and the TIP and share responsibility for adopting the SCS.

- **RHNA Process:** “A key workload variable will be how many counties accept delegation of the intra-county negotiation among cities for allocating housing need... If more counties pursue the delegated path in the 2021 RHNA cycle, there will be even less work for any regional staffing function to perform” (p. 15.)

Note: Significant work will still be required if additional RHNA sub-regions are created. One of the reasons that the sub-RHNA process (which ABAG helped establish through state legislation) has been successful is that ABAG develops a region-wide methodology that assigns an allocation to every jurisdiction—even those participating in a sub-RHNA. As a result, the county-level sub-RHNA negotiations are informed by the fact that governments know exactly what their allocation would be under the regional RHNA if the county-level negotiations were to fail. In addition, San Francisco cannot form a RHNA sub-region (as suggested in the MTC staff memo).

RHNA Schedule: “[T]he new regional planning department would be a full-service operation for both MTC and ABAG, which means that it would staff the quadrennial Regional Housing Needs Allocation (RHNA) process“ (p. 15).

Note: *RHNA occurs every eight years, not every four.*

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: September 22, 2015

To: Ezra Rapport, ABAG Executive Director

From: Brian Kirking, ABAG Director of Information Services and Human Resources

Subject: Human Resources Issues From MTC 9-18-15 Staff Memo

It's not difficult to imagine the questions that are running through the minds of ABAG staff and retirees and the anxiety that surrounds this proposal. There are questions for the 15 employees who might move to MTC. There are questions for the 50+ employees *not* identified in the proposal. And there are questions for the numerous retirees over the years. Many of these questions are outlined in ABAG staff reports and were articulated at the September 17 meeting of ABAG's Executive Board. These are heavy questions about job security, pension certainly, union representation, and the future of the work on which we've invested our careers.

While the MTC staff report provides some information to help address these questions, there are three over-riding concerns that remain.

1. MTC salaries are higher than ABAG salaries. Figure 5* provides a comparison for equivalent job titles. However, it's unclear where ABAG Planners would be placed in the MTC salary structure. The third bullet on Page 9 states that "MTC would determine the classification level and salary grade for each MTC position that most closely matches each planner's current ABAG salary". This is very different from matching current job title, responsibilities, background, and experience.
2. In Appendix 2 it's asserted that unfunded pension and OPEB liabilities "belong to ABAG". The problem with that statement is that the ability to fund these liabilities is tied to ongoing operations of the agency. As functions and staff are removed, funding of these liabilities falls on a smaller pool of remaining positions. A share of these liabilities were generated over the years by both past and current employees of the Planning and Research Department. If that department disappears, a proportionate share of the agency's ability to fund those liabilities goes with it, and the liabilities have to be covered by the other departments that remain. This is a significant -- possibly unbearable -- financial burden for those departments/programs.
3. Employees in support functions like Accounting, HR, IT, and Office Services know that the Planning and Research Department is the core of ABAG and that much of the support they provide is to that department. Even with a short-term financial payment from MTC, these employees know that there will have to be staffing cuts.

In addition to highlighting these three concerns, I want to provide information regarding Social Security. As noted on Page 9 of the MTC staff report, MTC does not participate in Social Security. This means that employees who move to MTC could be unable to collect Social Security retirement benefits, even though they paid into the system at ABAG or elsewhere. Here are the two relevant provisions:

- a. To be eligible for benefits, an employee must work 10 years for a participating employer. If someone has worked 9 years prior to moving to MTC, they are not yet eligible for Social Security benefits. In other words, they are not yet vested. If they work for MTC the rest of their career, they do not receive Social Security benefits.
- b. An employee who has 10 years of Social Security service and is eligible for benefits but who also works a significant portion of their career at a non-participating government agency like MTC will have their Social Security benefits reduced. The reduction is based on something called the Windfall Elimination Provision (WEP) and/or the Government Pension Offset (GPO). The reduction can be substantial. More information is available at <http://www.ssa.gov/planners/retire/gpo-wep.html>.

The potential of missing out on Social Security benefits sounds severe. Employees should be aware of the situation. However, in my opinion, it's not catastrophic. In order for the provisions outlined above to kick in, an employee would have to work many years for MTC, and that employee will save many years of paying into Social Security. This essentially distills to foregoing Social Security benefits in exchange for not paying into the system. Employees can assess this trade-off for themselves in light of their particular circumstances.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

MEMO

To: Ezra Rapport
Fr: Kenneth Moy
Dt: September 22, 2015
Re: MTC Memorandum - *Functional Consolidation of Planning Departments*

I have reviewed the above-reference document dated September 18, 2015. My observations regarding the memorandum are organized as follows: An initial section setting the historical context for joint efforts by ABAG and MTC to comply with SB 375. This is followed by three thematic expositions of the MTC proposal. For each theme, I have cited passages from the MTC memorandum, proposed responses on behalf of ABAG and posed questions that should be addressed to the MTC policymakers and staff.

A. Historical Context

- 2008: SB 375 requires ABAG and MTC to jointly prepare an Sustainable Communities Strategy (SCS) for the region which greatly expands the interaction between regional planning for land use and for transportation and the interactions between ABAG and MTC. No funding is provided to ABAG for this state mandate.
- 2008 – 2012: MTC funds ABAG for regional land use planning under the previous ‘funding formula’.
- September 2012: MTC adopts a policy, the Funding Formula negotiated by policymakers from ABAG and MTC. The Funding Formula is eventually expanded to cover the period from FY 2012-13 to FY 2020-21.
- July 18, 2013: ABAG Executive Board and MTC Commission jointly certify the EIR and adopt Plan Bay Area (PBA 2013), the region’s SCS.
- August 2013 – October 2013: 4 lawsuits filed against PBA 2013 = 2 settled + 2 positive court decisions + 1 appeal by the Post Sustainability Institute.
- April 2015: Beginning of official timeline for PBA 2040 - the four year update of PBA 2013 required under SB 375 – ABAG and MTC conduct open houses .
- June 2015: MTC votes to not fund ABAG for entirety of FY 2015-16 based on accounting concerns.
- July - September 2015: MTC takes position that (a) funding for ABAG’s portion of the PBA 2040 be terminated effective December 31, 2015, (b) preparation of ABAG’s portion of PBA 2040 be transferred to MTC and (c) PBA 2040 be submitted to ABAG policy bodies for approval.
- September 2015: ABAG Executive Board rejects proposed transfer of staff, demands funding through to the end of FY 2015-16 and requests joint discussions of restructuring/merger.

B. Roles of the Councils of Government (COG) and Metropolitan Planning Organization (MPO)

1. MTC states in “Functional Consolidation of Planning Departments” dated September 18, 2015: (a) SB 375 caused changes; *[w]hat had once been a sequential planning process became an iterative one. What had once been a transportation plan reacting to past trends became a kind of integrated regional growth strategy in which the RTP attempted to influence as well as respond to the pressures of change. And what had once been a plan adopted developed and adopted by one agency became a Sustainable Community Strategy (SCS) prepared by two.* (page 2)

(b) *[I]n every other metro area in California SB 375 is being implemented by the metropolitan planning organization (MPO) alone.* (page 2)

(c) [Describing how ABAG and MTC could coordinate the exercise of their respective statutory authority for adoption of PBA 2040, MTC offers] *an MTC resolution that clearly sets forth the work program and staff support principles. After consultation with ABAG, the resolution could be adopted annually and identify work products of the integrated planning department that would support the ABAG Executive Board and its SCS and related planning responsibilities.* (emphasis added) (page 12)

(d) *[T]he fact that MTC financed the entire enterprise -- while frustrating at the time --also contains the seeds of a different approach to designing Plan Bay Area 2040 Like any other grant funder of ABAG, MTC has complete discretion over whether to continue or discontinue its financial assistance.* (pages 2 and 10)

(e) *. . . the most often discussed alternative to the current bifurcation of the MPO and COG function in the Bay Area is to merge MTC and ABAG into a single agency a change in state law would be required for MTC as a statutory entity, but would be insufficient to accomplish a full merger because ABAG was formed by voluntary act of Bay Area local governments Thus, a merger also would require ABAG’s consent. Past efforts to merge MTC and ABAG typically have fallen apart over which elected officials would sit on the successor board. ABAG has a much larger board than MTC, and it is difficult to conceive of a way to reconcile that disparity without defaulting to the larger size. And a 38-member MPO board could become extremely unwieldy in attempting to conduct the diversified and complex \$2 billion a year business that MTC currently oversees.* (pages 15-16)

2. ABAG responds:

(a) SB 375 explicitly grants to ABAG, region’s COG, the sole authority to prepare the mandatory land use elements of the SCS. The SCS is not complete without ABAG’s policy approval of these elements.

(b) ABAG has chosen to do so by using planning and research staff directly employed by it and reporting to its senior management with policy oversight by the ABAG policy bodies, including the Regional Planning Committee and the Executive Board.

(c) ABAG’s Executive Board has stated that it will not give up or dilute its statutory authority by transferring its planning and research staff to MTC.

(d) MTC’s defunding ABAG for its work on the SCS on January 1, 2016 threatens the region’s ability to meet the requirements of SB 375 and complete PBA 2040 in a timely and efficient manner. Without a close working relationship between the ABAG Executive Board and the staff performing regional land use planning, there is a real risk that the land use planning elements of the PBA 2040 will not meet the policy objectives of ABAG.

Why should the region be exposed to the potential disruption the work currently being conducted on PBA 2040 that will be caused by the proposed transfer of staff and restructuring of MTC’s planning department?

Why should the region run the risk that the land use elements of PBA 2040 prepared by MTC will not be approved by ABAG?

Is MTC relying on brinksmanship: that ABAG would not dare to imperil the region's ability to complete the RTP in 2017 by exercising its policy-based statutory authority to not approve an SCS prepared solely by MTC?

Is MTC using the proposed staff merger as a means of avoiding the policy-level and political discussions and compromises that would be necessary to achieve true efficiencies in carrying out SB 375 by restructuring our relationship or merging?

C. Regional Land Use Planning and Regional Transportation Planning

1. MTC states that:

(a) ABAG's approach to regional land use planning is "discussion-focused and policy-based". *[ABAG and MTC] simply spent too much time arguing over matters ranging from high-level policy to low level minutia because there was no ability to break ties other than by one agency bowing to the other's point of view.* (page 2)

(b) Therefore, regional land use planning for PBA 2040 should be transferred to MTC which is supposedly *action oriented and project-based.* (page 2)

2. ABAG responds:

(a) If there is disagreement between the COG and the MPO, the MPO should defer to the COG on land use planning and funding and the COG should defer to the MPO on transportation planning and funding. ABAG has consistently deferred to MTC on transportation issues and on CEQA, based on their avowed expertise in these areas.

(b) The major disagreements between ABAG and MTC over the construct of the SCS occurred in 2010 - 2013 when the agencies were preparing PBA 2013. The agencies agree that PBA 2040 should be a focused update and not a major revision of PBA 2013. MTC's proposed solution is a radical shift in political and policymaking power that appears out of proportion to the problems articulated.

What are the current disagreements that drive MTC's proposed transfer of staff?

How are those disagreements resolved or avoided merely by transferring staff to MTC?

D. Differences that Matter and Unintended Consequences

1. MTC states:

(a) . . . *MTC has a long history of linking regional planning and effective technical assistance in support of local communities [the] Transportation for Livable Communities (TLC) program funded numerous transit-oriented development projects played a key role in the development of the FOCUS Program and the Priority Development Area (PDA) and Priority Conservation Area (PCA) framework [MTC's] One Bay Area Grant (OBAG) program [provides] incentives to those jurisdictions working to address the region's housing shortage The proposed integration of the MTC and ABAG planning departments is a structural change that would build upon these and other innovative planning efforts that MTC has implemented to date, and broaden the agency's portfolio toward the integrated approach that is central to SB375.* (page 3)

(b) MTC proposes that the consolidated planning function under its control *be supported by the following five units: Regional Planning and Policy, Local Planning and Implementation, Equity and Sustainability, Data and Analytical Services and Economic Development.* (pages 4-5)

(c) MTC proposes that other regional land use planning efforts such as RHNA, resiliency, the Bay Trail and water be left with ABAG.

(d) MTC proposes . . . a *retention policy that would require MTC to offer employment opportunities to ABAG planning staff at commensurate salaries and benefits.* MTC opines that this policy would result in a *modest \$0.1 million increase to account for some increases in salaries, benefits, overhead, and OPEB responsibilities.*

2. ABAG responds:

(a) MTC's involvement in regional land use planning has focused on the limited to use of transportation funds to support transportation-related activities. ABAG led the ground breaking land use planning that created, informed and implemented the region's FOCUS/PDA/PCA programs.

(b) For reasons to be articulated in detail by the ABAG planning staff, the units proposed by MTC are, from a land use point of view, unworkable.

(c) For reasons to be articulated in detail by the ABAG planning and finance staff, MTC's proposal to sever the SCS land use planning from the rest of ABAG's regional planning efforts erodes the collaboration that empowers and supports these other efforts and imperils ABAG's ability to finance them on a long term basis.

(d) For reasons to be articulated in detail by the ABAG senior management, MTC's proposal for transfer of ABAG staff to MTC contains major errors and ignores the consequences of such a transfer.

How does MTC, a statutory regional transportation planning agency, justify the significant expansion of its powers and mission absent legislation?

Why does MTC need to rush a near doubling of its planning staff, expansion of responsibilities and consequent reorganization, especially in light of the calls for a more deliberative and transparent process?

How can MTC justify the potential negative impacts on ABAG and its services for the region?



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Memorandum

TO: Commission

DATE: September 18, 2015

FR: Executive Director

RE: Functional Consolidation of Planning Departments

This white paper has been prepared in response to Chair Cortese's memo dated July 16th in which he requested an analysis of the potential consolidation of the ABAG and MTC planning departments within the MTC organization. In general, this paper is structured around the six parameters for the potential consolidation that the chairman outlined in his memo to the commission. It also addresses the issues and concerns raised in multiple memos from ABAG President Julie Pierce and ABAG Executive Director Ezra Rapport. At the outset, I have included some background information that I thought was relevant to the commission's consideration of this issue.

Background

ABAG and MTC have worked together for over 40 years, often in harmony but sometimes at odds with each other. ABAG was founded first in 1961 and MTC came along a decade later. ABAG was established by the cities and counties of the Bay Area, at least in part due to a prevailing fear that the State Legislature would impose a stronger form of multi-purpose regional government upon those local jurisdictions. MTC's statutory creation in 1970 rose from the ashes of one of those failed Sacramento efforts at a broader regionalism. The thinking went that if the Legislature couldn't establish a truly broad-based regional institution, at least it could form a beachhead in the policy area of transportation.

My predecessor Larry Dahms reports that the funding relationship between MTC and ABAG had already been established by the time he arrived in 1977. Of course, the two agencies were domiciled together and have been ever since. In those early days, the executive directors would meet annually in their offices at the Claremont Hotel to determine the scope of work for ABAG planning assistance to MTC and the consequent fee for that service MTC would pay. These negotiations often became quite contentious until -- in the late 1980's -- the parties established a formula-based funding arrangement that survives in modified form to this day. The ongoing formula took the place of the annual negotiation, and removed at least one irritant from the relationship.

For most of our joint history, the nature of the planning work that ABAG did for MTC was very much sequential and at arm's length. ABAG would provide demographic projections of population and employment growth which MTC would later use in its long-range transportation planning and travel forecasting, including in the now quadrennial adoption of the Regional Transportation Plan (RTP). There was a clear division of responsibility, and the flow of work was very much a one-way street.

As Chair Cortese stated in his memo, "SB 375 has changed all that." What had once been a sequential planning process became an iterative one. What had once been a transportation plan reacting to past trends became a kind of integrated regional growth strategy in which the RTP attempted to influence as well as respond to the pressures of change. And what had once been a plan adopted developed and adopted by one agency became a Sustainable Community Strategy (SCS) prepared by two.

There have been numerous bumps along this new road. We can start with the fact that MTC and ABAG have no other example to follow, because in every other metro area in California SB 375 is being implemented by the metropolitan planning organization (MPO) alone. We can add the fact that the two planning departments doing the lion's share of the work hail from very different organizations. At the risk of generalization, I think it is safe to say that MTC is more action-oriented and project-based, while ABAG is more discussion-focused and policy-based. Neither of these orientations is necessarily good or bad, but they are different.

Unfortunately, these different organizational styles were more than a nuisance in the development of Plan Bay Area. The plan was adopted several months late and at far greater cost than we expected. Some of this you might chalk up to the novelty of adopting the Bay Area's first SCS. But as a veteran of the countless bilateral meetings between our two agencies, I can attest that we simply spent too much time arguing over matters ranging from high-level policy to low-level minutia because there was no ability to break ties other than by one agency bowing to the other's point of view.

Nonetheless, I don't think it's an indictment of either organization that our maiden voyage on the seas of integrated transportation and housing planning was so choppy. It's probably inevitable that two staffs with such different origins and orientations would have such a rough go of it. Fortunately, the fact that MTC financed the entire enterprise -- while frustrating at the time -- also contains the seeds of a different approach to designing Plan Bay Area 2040. That different approach can be boiled down to this single question: What if MTC paid for one planning department instead of two? The following sections of this paper respond to the six parameters for our analysis established by Chair Cortese.

1. A single planning department of MTC and ABAG consolidated with the MTC.

The current bifurcated structure between the MTC and ABAG planning departments leads to significant duplication and missed opportunities to serve the needs of the Bay Area and its local communities. MTC and ABAG staff meet on an ongoing basis in an attempt to get on the same

page. But efforts to coordinate across the agencies are time consuming and inefficient and stand in sharp contrast with the unified staffing structure that exists in every other major metropolitan region in California. A consolidated planning department incorporating staff from both existing departments could provide more support and technical assistance for cities and counties, clearer communication and coordination with local and county-level jurisdictions including Congestion Management Agencies (CMAs), and an improved ability to provide action-oriented recommendations on key topics facing the region now and in the future.

The role of staff in the integrated regional planning department would be analogous to the role of local planning departments with staff supporting both a Planning Commission and a City Council or Board of Supervisors. Moreover, this is not MTC's first foray into the realm of consolidated staff functions or serving multiple boards:

- Prior to 2012, MTC's current Planning Director served for several years as ABAG's Director of Planning and Research, building upon prior local jurisdictional level work related to land use, housing, land conservation, TOD and transportation-related issues.
- In 2014, MTC and ABAG consolidated analytical modeling teams into a single unit housed at MTC. Specifically, a former ABAG staff person responsible for developing, maintaining, and applying ABAG's simulation model of land development activity joined MTC's Analytical Services Unit – a part of MTC's Planning Section. Functionally, this team operates as a service bureau to both MTC and ABAG.
- Over the course of MTC's existence, the Commission has been designated either by statute or its own action to wear multiple hats as SAFE, BATA, BAIFA and BAHA. A single MTC staffing structure serves all of these independent boards without the duplication inherent in the ABAG relationship.

In addition, MTC has a long history of linking regional planning and effective technical assistance in support of local communities. Launched in 1997, our award-winning Transportation for Livable Communities (TLC) program funded numerous transit-oriented development projects around the region in all shapes and sizes. MTC also played a key role in the development of the FOCUS Program and the Priority Development Area (PDA) and Priority Conservation Area (PCA) framework. MTC's PDA planning and technical assistance efforts have served dozens of local jurisdictions seeking to plan their PDA neighborhoods as complete communities. The trail-blazing One Bay Area Grant (OBAG) program recognizes the significant challenges faced by local communities seeking to provide housing opportunities by providing incentives to those jurisdictions working to address the region's housing shortage. The proposed integration of the MTC and ABAG planning departments is a structural change that would build upon these and other innovative planning efforts that MTC has implemented to date, and broaden the agency's portfolio toward the integrated approach that is central to SB375.

With that past history as prologue, let's move on to examine the proposal on the table in more detail. To efficiently serve the nine-county Bay Area and the region's 101 cities, an integrated

regional planning department serving the policy boards of both MTC and ABAG would be established and consolidated within the management structure of MTC. The department would be supported by the following five units: *Regional Planning and Policy*, *Local Planning and Implementation*, *Equity and Sustainability*, *Data and Analytical Services* and *Economic Development*. A proposed outline of the responsibilities of each of the five units is as follows:

Regional Planning and Policy

The Regional Planning Unit would be responsible for guiding the development of Plan Bay Area (Regional Transportation Plan/Sustainable Communities Strategy); performance monitoring related to the Plan as well as ongoing performance monitoring efforts such as Vital Signs; the Regional Goods Movement Plan; major studies such as the Core Capacity Transit Study that address how job and housing growth can be supported through near- and long-term transportation investments; and regional policy development and analysis – a regional research agenda on high-priority policy issues affecting the Bay Area including transportation, land use, tax policy, and the regional economy.

Local Planning and Implementation

The Local Planning and Implementation Unit would provide planning support to cities and counties; bicycle and pedestrian planning technical assistance; housing policy and housing element technical assistance; PDA grants and technical assistance; technical workshops; coordination of PDA nominations and implementation; and facilitation of the Regional Housing Needs Allocation (RHNA) process. This unit would include liaisons to engage directly with cities, counties and individual communities as appropriate. This engagement would strengthen the link to local agencies related to important policy areas and related to the development and implementation of Plan Bay Area and other major plans and initiatives. The integrated planning department would host and provide ongoing support to the Bay Area Planning Directors Association and organize regular workshops and gatherings. In particular, the unit would include staff designated to better serve and address the considerable planning needs of job clusters such as Silicon Valley given the South Bay's large population, expected growth, and outsized role in the region's economy.

Equity and Sustainability

The Equity and Sustainability Unit would be responsible for various equity analyses and programming as well as the Climate Initiatives Program and resiliency efforts, in partnership with regional stakeholders and partner agencies including ABAG, the Bay Area Air Quality Management District (BAAQMD) and the Bay Conservation and Development District (BCDC). The unit would also coordinate Priority Conservation Area nominations, implementation and funding.

Data and Analytical Services

The Data and Analytical Services Unit would offer and leverage a broad range of analytical services related to land use and transportation modeling; housing, jobs and population forecast; and, provide a data service bureau offering local jurisdictions and the public with access to

regional data and research. This unit would be structured to serve the consolidated planning department as well as partner agencies, CMAs, and local governments.

Economic Development

Building upon the Bay Area Council Economic Institute's Regional Economic Strategy and the Bay Area Prosperity Plan, this unit would coordinate a unified and equitable approach to regional and sub-regional economic development in the Bay Area. The work would be in coordination with the business community, local governments, and regional and sub-regional economic development entities, and could advance efforts related to the creation of a Regional Economic Development District as discussed with the Joint MTC Planning and ABAG Administration Committee in July. A Regional Economic Development District would make the Bay Area more competitive for federal economic development funding and assist with sub-regional economic development efforts that build upon the strength of the region's diverse communities and workforce. Emerging sub-regional economic development efforts such as the Northern Waterfront Initiative in Contra Costa County could benefit from this strategic focus on economic development.

The benefits of the integrated regional planning approach would include the following at a minimum:

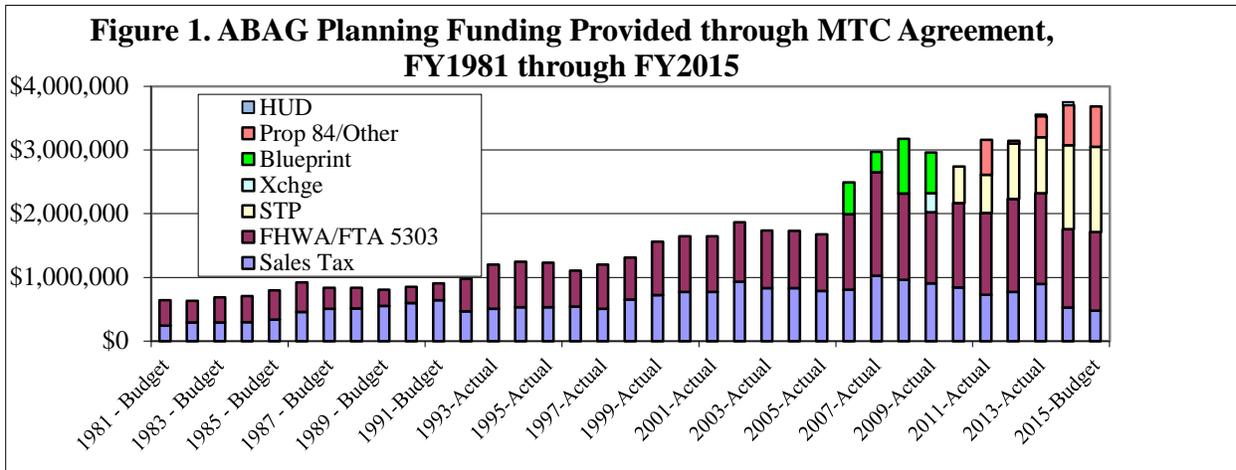
- Uses taxpayer dollars more efficiently by speeding up internal processes and improving the quality of external communications;
- Strengthens the development of a more comprehensive plan by integrating staff expertise on transportation, housing, economic development, and sustainability;
- Creates a "one-stop-shop" for effective technical assistance to local governments by providing expert planning services and data sharing;
- Better connects regional funding opportunities to local land use plans and projects along the lines of TLC and OBAG;
- Facilitates local elected officials, business leaders, and other key stakeholders speaking with a more unified voice on the most important state and federal policy issues affecting the Bay Area's future; and
- Bolsters staff resources on policy development and analysis to foster a more comprehensive approach to the region's legislative advocacy agenda.

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.

To illustrate the consolidation proposal, Appendix 1 shows the current 24 person MTC Planning Section highlighted in red, the current 15 person ABAG Planning and Research Department highlighted in red, and a consolidated planning department that would have the MTC Planning Director oversee the 39-person integrated regional planning unit 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.

While MTC and ABAG have a funding relationship that dates back to the 1970s, MTC’s financial records only date back to the early 1980s. Figure 1 below shows the funding transfer to support ABAG planning from FY1980-81 through FY2014-15, with a low of approximately \$600,000 in the early years and a high of nearly \$3.8 million in FY2013-14. Note that this chart doesn’t include more recent transfers related to MTC assuming the cost of tenant improvements (TIs) for ABAG at 375 Beale Street in San Francisco. Those TIs will end up costing MTC \$4.2 million.



For most of our agencies’ history, the funding transferred from MTC to ABAG was governed by a formula. Most recently and until the current multi-year funding framework was approved in 2012, the formula was comprised of the following percentages of MTC planning funds: 10% Transportation Development Act sales tax planning funding; 15% Federal Highway Administration (FHWA) planning funds; and 7.5% Federal Transit Administration (FTA) planning funds. As shown in Figure 1, there were swings in the funding and some volatility in this approach as the sales tax and federal planning funds ebbed and flowed.

The current level of MTC funding fully supports 15 ABAG planning staff, a portion of the cost for 5 additional staff as well as the executive team, their associated overhead costs, and modest consulting and travel expenses. It’s worth noting that MTC funding to ABAG has more than doubled over the last decade, with an increase of 116%. During that same period, ABAG’s membership dues increased by roughly 30%. ABAG’s membership dues currently are roughly half the size of MTC grant funding (\$1.9 million) and those dues constitute only 7% of ABAG’s total budget.

Turning to the MTC planning team, it is currently comprised of a staff of 24 employees costing roughly \$6 million in FY2014-15. As shown in Figure 2, the cost had hovered closer to \$5 million for the three-year period ending in FY2013-14, but consolidation of the analytical services unit within MTC plus other organic growth led to higher costs in FY2014-15.

Figure 2. MTC Planning Section Staff Costs

Year	Salaries	Benefits	Overhead	Total*
FY 2011-12	\$1,609,132	\$1,312,556	\$1,478,521	\$4,400,209
FY 2012-13	\$1,557,031	\$1,255,305	\$1,399,308	\$4,211,644
FY 2013-14	\$1,732,610	\$1,393,114	\$1,780,120	\$4,905,844
FY 2014-15	\$2,102,055	\$1,669,866	\$2,167,883	\$5,939,804

* Does not include temporary staffing.

Under the proposal described here, the nearly \$4 million that is part of the MTC/ABAG funding agreement would be combined with the \$6 million in funding for the MTC Planning Section to pay for the 39-person integrated planning department.

In addition to the employee compensation issues discussed below, MTC would be responsible for any overhead and future pension liabilities associated with the increased staffing. The potential overhead increase associated with the 15 ABAG planners, based on MTC's current approved rate, would be on the order of \$1.4 million. In addition, there would be an increase to other post-employment benefits (OPEB) contributions of approximately \$200,000 annually.

Figure 3 below compares actual annual expenses – through the inter-agency agreement – to potential annual expenses for MTC under the proposed consolidated planning department. As you can see, the bottom line figures are roughly the same, with a modest \$0.1 million increase to account for some increases in salaries, benefits, overhead, and OPEB responsibilities.

Figure 3. Current and Future MTC Expense Comparison

Expense	In Million \$	
	MTC/ABAG Interagency Actual	Consolidated Planning Department
15 Planners Salaries and Benefits	\$2.1	\$2.4
15 Planners Overhead	\$1.1	\$1.4
Other Planning Staff and Overhead Costs	\$0.7	N/A
OPEB	Included in benefits above	\$0.2
Total	\$3.9	\$4.0

For ABAG, the remaining unreimbursed near term cost would be \$1.5 million as detailed in Figure 4. More detail on the pension liability analysis is included in Appendix 2.

Figure 4. Expense and Revenue Changes for ABAG under the Proposal

Expense	Change	Net Budget Impact, Million \$
15 - Planners Salaries and Benefits	The cost and revenue for the planners are eliminated.	\$0
15 - Planners Overhead	The overhead cost for the planners previously billed to MTC remains at ABAG but the revenue is eliminated.	\$1.1
Other Planning Staff and Overhead Costs	The overhead and direct costs for the other planners and executive staff remain, but the revenue is eliminated.	\$0.7
Annual Pension Cost	PERS cost reduced proportionately; ABAG is relieved of the OPEB liability for the 15 Planners.	-\$0.3
TOTAL		\$1.5

We discuss potential strategies to mitigate this financial impact in the next section. It is worth noting at the outset that this \$1.5 million financial impact represents about 6% of annual ABAG revenue.

4. A retention policy that would require MTC to offer employment opportunities to ABAG planning staff at commensurate salaries and benefits.

There is a recent precedent for consolidating functions within MTC and offering commensurate employment opportunities to employees who had the responsibilities under another public agency. The example dates to July 2005 when Governor Schwarzenegger signed AB144 and transferred all financial and certain project oversight responsibilities for the toll bridge seismic retrofit program from Caltrans to the Bay Area Toll Authority (BATA). As such, BATA became responsible for an \$8.7 billion toll construction program, as well as over \$500 million in annual operating revenue beginning in 2007. This significant transfer of responsibility required a change in the MTC/BATA operating structure. Specifically, a total of 17 new positions were needed to meet the toll accounting workload that was shifted from Caltrans to MTC. MTC and Caltrans agreed on a process to allow for an orderly transition of Caltrans employees that chose to seek employment at BATA. Employees not wanting to apply remained at Caltrans and were shifted to other positions; there were no layoffs of Caltrans employees as a result of the transition.

We learned some lessons from the Caltrans experience. MTC staff would recommend a similar but slightly modified process for the ABAG planning consolidation. The primary proposed adjustment would be to forego an open recruitment process as this was confusing and unsettling for all employees involved as well as inefficient from a business process standpoint. Instead, all ABAG Planning and Research employees would be offered a “right of first refusal” for MTC positions doing similar work as they currently perform. The process, in broad strokes, would be as follows:

- MTC would no longer provide planning funding for ABAG (except for transition funding described below) and would instead retain the funds to pay for the same functions and scope of work within a consolidated planning department at MTC.
- ABAG would therefore separate the affected employees and MTC would create planning positions and offer these to interested ABAG separated staff. MTC and ABAG would work together to time these events to best ensure the ABAG staff move smoothly from one agency to the other.
- In terms of compensation and benefit packages, MTC would determine the classification level and salary grade for each MTC position that most closely matches each planner's current ABAG salary. MTC's salary package is superior and our benefits package is similar although not identical to ABAG's, as described in more detail below. We would recommend that, for the most part, MTC's benefit package would be offered to ABAG employees. Potential exceptions, similar to the toll accountant example, would be adjustments to vacation and sick leave accrual balances to recognize the tenure of ABAG staff.

Should an ABAG staff person decline the "right of first refusal" MTC offer of employment, we would assess whether to move immediately to an open recruitment or to defer the recruitment to better understand the resources needed within the consolidated planning function. The MTC Planning Director and Executive team would determine the best course of action on a case by case basis. In parallel, ABAG could attempt to identify other funding or employment opportunities for such employees at ABAG.

We recommend that the Commission adopt a general principle that no ABAG employee would be harmed financially in terms of compensation and benefits, should they choose to accept MTC's offer of employment. We note that MTC cannot continue employee Social Security contributions as MTC did not opt for that plan in its CalPERS structured pension plan, therefore additional accrual of years of service in the Social Security system would cease upon an employee's transfer to MTC. However, due to the fact that ABAG employees would no longer be contributing to the social security portion of FICA, there would be a modest gain in net pay to transitioning ABAG employees.

As illustrated in Figure 5, MTC's salaries and benefits in aggregate are substantially higher (about 35% on average for salaries only) than ABAG's for equivalent job titles. Appendix 3 provides a detailed summary comparison of the major benefits for both ABAG and MTC employees. There are more similarities than differences in the benefit packages. However, in some cases, ABAG employees have a lower cost share toward their pension and health benefits which is out of line with both private and evolving public sector standards. Nonetheless, the higher MTC pay scale would offset any additional contributions toward benefits.

In sum, it appears that MTC should be able to provide a fair and attractive compensation package within the roughly \$3.9 million that currently supports the ABAG Planning and Research team via the inter-agency agreement. In fact, it appears that the cost of shifting these positions to MTC would be on the order of \$2.4 million annually. The roughly \$1.5 million difference between the

cost of salaries and benefits for the current ABAG Planning and Research team (\$2.4 million) and the amount currently provided to ABAG annually (\$3.9 million) raises a few additional issues: 1) MTC has provided significant funding for ABAG overhead, estimated at about 45% of salary and benefit costs, or roughly \$1 million annually; 2) MTC has supported some staffing in the ABAG Communications and Earthquakes departments that are not integral to the functional consolidation of the planning departments; and 3) MTC has provided direct financial support for a portion of ABAG executive staff.

On the first issue, the overhead paid through the inter-agency agreement supports various staff functions that would be retained at ABAG under the proposed consolidation of planning departments at MTC. We would suggest a short-term transition for this funding to avoid undue financial hardship and to allow ABAG time to identify replacement funds for the long-term. This MTC transition funding in combination with its own \$2.8 million in unrestricted reserves (based on ABAG's FY 2013-14 audited financials) should provide ABAG the needed glide path.

On the second issue and third issues, in addition to MTC funding of \$0.4 million for communications and earthquake resiliency work and executive staff direct time, BATA also supports staffing for the Bay Trail through bridge tolls in the amount of \$0.7 million per year. While there is a case to be made that these related staff functions could also transition to MTC--especially since the Bay Trail is a major bicycle/pedestrian element of the regional transportation network--we are recommending a conservative approach limited to staff that are integral to a consolidated planning department for the development of the SCS and related local and regional planning efforts. Therefore, we propose that ABAG would assume full funding responsibility for communications, earthquake and executive staff in the long-term. BATA would continue to support the Bay Trail staff employed by ABAG.

Finally, a noteworthy difference between the two agencies is that the ABAG planning department is represented by the SEIU Local 1021 collective bargaining unit. MTC has a Committee for Staff Representation that negotiates a multi-year memorandum of understanding with management. Staff has consulted with Meyers Nave, outside labor counsel, which does not see any impediment to the proposal before you from a labor law perspective. As noted earlier, we successfully transitioned 17 SEIU-represented Caltrans toll accountants from state service to MTC employment a decade ago.

Like any other grant funder of ABAG, MTC has complete discretion over whether to continue or discontinue its financial assistance. This proposal goes considerably beyond that fundamental fact by featuring a retention policy that will ensure uninterrupted employment for all ABAG planners willing to make the transition to the new integrated planning department at MTC.

Figure 5. Comparison of ABAG and MTC Compensation (Salaries and Benefits) for Planning Classifications

ABAG				MTC			
Job Title	Base Pay Range	Benefit Range* (50%)	Total Pay and Benefit Range	Job Title	Base Pay Range	Benefit Range* (50%)	Total Pay and Benefit Range
Principal	\$99,440 - \$122,407	\$49,720 - \$61,203	\$149,160 - \$183,610	Principal Planner/Analyst	\$128,848 - \$171,672	\$64,424 - \$85,836	\$193,272 - \$257,508
Senior Regional Planner/Analyst/Environmental Specialist	\$79,593 - \$106,671	\$39,796 - \$53,336	\$119,389 - \$160,007	Senior Planner/Analyst/Program Coordinator	\$110,611 - \$141,591	\$55,306 - \$70,796	\$165,917 - \$212,387
Regional Planner/Environmental Specialist III	\$72,438 - \$88,059	\$36,219 - \$44,029	\$108,657 - \$132,088	Associate Program Coordinator	\$90,341 - \$115,644	\$45,171 - \$57,822	\$135,512 - \$173,466
Regional Planner/Environmental Specialist II	\$60,280 - \$73,266	\$30,140 - \$36,633	\$90,421 - \$109,899	Assistant Planner/Analyst or Program Coordinator	\$78,358 - \$100,305	\$39,179 - \$50,153	\$117,537 - \$150,458
Regional Planner/Environmental Specialist I	\$52,527 - \$57,989	\$26,264 - \$28,994	\$78,791 - \$86,983	Junior Planner/Analyst or Program Coordinator	\$67,960 - \$86,994	\$33,980 - \$43,497	\$101,940 - \$130,491
Administrative Secretary or Planning Aide	\$47,562 - \$50,236	\$23,781 - \$25,118	\$71,343 - \$75,354	Admin/Tech	\$55,994 - \$71,677	\$27,997 - \$35,839	\$83,991 - \$107,616

* Estimate

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.

The proposal outlined in this memo does not alter the role of the elected policy makers of ABAG or MTC. Using the major milestones of the Sustainable Communities Strategy for illustration, Figure 6 demonstrates that the MTC Commission and ABAG Executive Board would retain their authority unchanged. The only difference is that the staff work would be conducted by the integrated planning department. Given the committee-based structure of both boards, the main point of contact for the consolidated planning department would be the joint MTC Planning/ABAG Administrative Committee. That joint committee already is fairly well integrated itself: a quorum of the MTC Planning Committee is composed of Commissioners who also serve on the ABAG Administrative Committee.

Figure 6. Proposed Decision-Making Roles under the Proposal

Major Tasks	Decision-Making		
	MTC Planning Committee & ABAG Administrative Committee	Executive Board	Commission
	Joint	ABAG	MTC
1. Policy Element			
Goals	☑	☑	☑
Performance Targets	☑		☑
2. Regional Forecasts			
Population/Employment/Housing Forecasts	☑	☑	
Transportation Revenue Forecast	●		
3. Project Performance			
Call For Projects	●		
Project Performance Assessment	☑		☑
Operations & Maintenance Needs Assessment	●		
4. Scenario Analysis			
Define & Evaluate Scenarios	☑	☑	☑
Adopt Preferred Scenario [Land Use Distribution+ Transportation Investment Strategy]	☑	☑	☑
5. Draft and Final Plan			
Draft EIR	☑	☑	☑
Draft Plan	☑	☑	☑
Air Quality Conformity Analysis	☑		☑
Final EIR	☑	☑	☑
Final Plan	☑	☑	☑

- Input/Information
- ☑ Action/Decision

The mechanism for formalizing the staff support to both boards could occur through adoption of an MTC resolution that clearly sets forth the work program and staff support principles. After consultation with ABAG, the resolution could be adopted annually and identify work products of

the integrated planning department that would support the ABAG Executive Board and its SCS and related planning responsibilities, as detailed in Figure 7. The annual resolution would set forth a structure under which the consolidated planning department would provide service to the ABAG Executive Board with clear expectations and milestones.

6. The existing statutory authority of the MTC commission and ABAG executive board would be respected and maintained.

As discussed above, there are some planning responsibilities that MTC and ABAG share and some that each entity is solely responsible for by statute. MTC is responsible for the region's long-range transportation plan per state and federal law; ABAG is responsible for the Regional Housing Needs Assessment (RHNA) per state law; and MTC and ABAG jointly share responsibilities in the preparation of the Sustainable Communities Strategy under state law. The highlights of these primary responsibilities include:

- ***Regional Transportation Plan:*** The RTP is a road map to guide the region's transportation development for a 25-year period. Updated every four years to reflect changing conditions and new planning priorities, it is based on projections of growth in population, employment and travel demand coupled with financial assumptions. No transportation project in the region can qualify for state or federal money unless it is found to be consistent with regional goals, and thus included in the RTP. Also, directives contained in federal transportation and clean air legislation require that the RTP include only those projects that the region can afford and that, taken as a whole, the projects included in the plan must help improve air quality.
- ***RHNA:*** Pursuant to the Housing Element Law at California Government Code §§ 65580, et seq., ABAG as the Council of Governments in the Bay Area along with the California Department of Housing and Community Development (HCD) are required to determine the existing and projected housing needs for the region. ABAG determines each city's and county's share of the regional housing needs through the regional housing need allocation process (RHNA) unless through Government Code Section 65584.03 local governments have formed a subregion to perform RHNA for themselves. For the years between 2014 and 2022, RHNA specifies the number of housing units for which each jurisdiction must plan in order to meet the region's housing need at all levels of affordability. To better connect plans for housing and transportation, the RHNA must be consistent with the development pattern in the Sustainable Communities Strategy.
- ***Sustainable Communities Strategy:*** SB 375 (Steinberg, 2008) requires that each metropolitan planning organization in California prepare and adopt a Sustainable Communities Strategy (SCS). In the Bay Area's case, there is a unique section in the law that assigns responsibility for preparing the various elements of the plan to either MTC, ABAG or both, based on the traditional roles each agency has historically performed. Figure 7 summarizes that particular section of SB 375 (Government Code 65080 (b)(2)(B)), how it applies to the Bay Area, and how the existing statutory authority would be maintained for each agency under the consolidated planning model proposed herein:

Figure 7. SB375 Implementation: Current and under the Integrated Regional Planning Section Proposal

Government Code 65080 (b)(2)(B) subsection	Current Agency Responsible	Under Proposal	
		Planning Approach	Board Oversight
(i) identify the general location of uses, residential densities, and building intensities within the region	ABAG	Integrated Planning Department	ABAG
(ii) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth	ABAG	Integrated Planning Department	ABAG
(iii) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584	ABAG	Integrated Planning Department	ABAG
(iv) identify a transportation network to service the transportation needs of the region,	MTC	Integrated Planning Department	MTC
(v) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Section 65080.01	ABAG	Integrated Planning Department	ABAG
(vi) consider the state housing goals specified in Sections 65580 and 65581	ABAG	Integrated Planning Department	ABAG
(vii) set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the state board;	MTC and ABAG	Integrated Planning Department	MTC and ABAG
(viii) allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506)	MTC	Integrated Planning Department	MTC

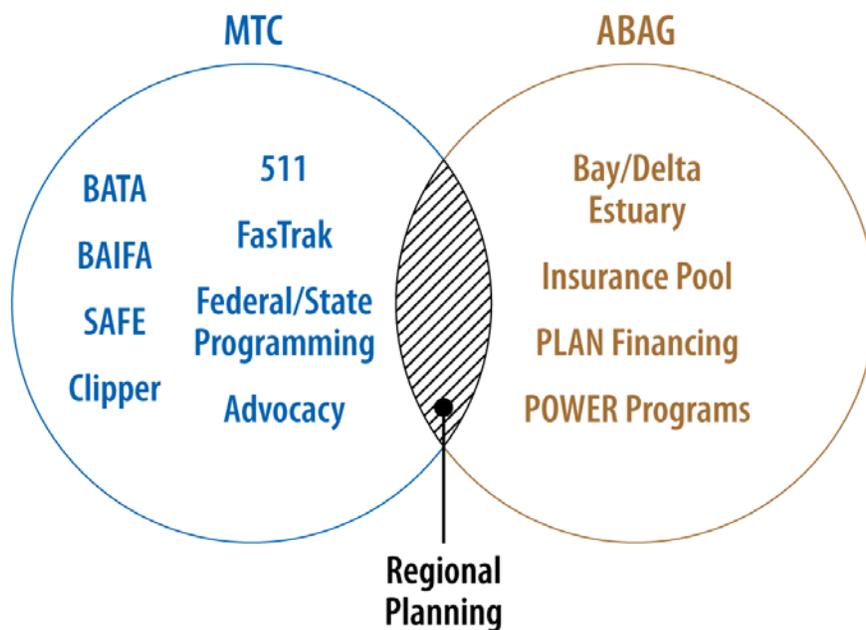
Conclusion

There are certainly alternatives to the functional consolidation described above, although I strongly believe that the status quo should not be one of them. So, in terms of potential remedies to the present dysfunction of our regional planning enterprise, what follows is a brief summary of three alternative courses of action:

- SB 375 Statutory Change – A single planning department nested within MTC but serving both the MTC Commission and ABAG Executive Board would streamline SCS development and implementation at the staff level. But it would still preserve the unique Bay Area arrangement under which SCS development is supervised by two separate boards. What happens if the two boards disagree? Wouldn't it make more sense for only the MPO to adopt and update Plan Bay Area, as is the case in every other metro region in California? To eliminate ABAG's role altogether in the preparation of Plan Bay Area would require amending state law, which always entails the risk of unintended consequences. It also would ignore the fact that – unlike all those other California MPOs – MTC does not serve as the Council of Governments for the Bay Area. ABAG does.
- ABAG Retains RHNA Staffing – The functional consolidation described above assumes that the new regional planning department would be a full-service operation for both MTC and ABAG, which means that it would staff the quadrennial Regional Housing Needs Allocation (RHNA) process. An alternative arrangement would be for ABAG both to staff *and* adopt RHNA. While State law requires MTC and ABAG to jointly prepare the SCS, MTC has no statutory role in adopting RHNA. In addition, the law requires that RHNA be consistent with the SCS, not the other way around. Thus, it appears workable that ABAG could staff the RHNA process as a stand-alone activity apart from the consolidated planning department. No matter which agency staffs RHNA, a key workload variable will be how many counties accept delegation of the intra-county negotiation among cities for allocating housing need. In the 2013 RHNA cycle, three counties – Napa, San Mateo and Solano – conducted this brokering process instead of ABAG. A fourth county – the City and County of San Francisco – essentially falls into the same category since the county and city boundary are coterminous. If more counties pursue the delegated path in the 2021 RHNA cycle, there will be even less work for any regional staffing function to perform.
- Institutional Merger – Of course, the most often discussed alternative to the current bifurcation of the MPO and COG function in the Bay Area is to merge MTC and ABAG into a single agency. Unlike the first alternative regarding SB 375, a change in state law would be required for MTC as a statutory entity, but would be insufficient to accomplish a full merger because ABAG was formed by voluntary act of Bay Area local governments. What the State Legislature did not create it cannot abolish. Thus, a merger also would require ABAG's consent. Past efforts to merge MTC and ABAG typically have fallen apart over which elected officials would sit on the successor board. ABAG has a much larger board than MTC, and it is difficult to conceive of a way to reconcile that disparity without defaulting to the larger size. And a 38-member MPO board could

become extremely unwieldy in attempting to conduct the diversified and complex \$2 billion a year business that MTC currently oversees. In any event, a full institutional merger “over-solves” the problem of dysfunction between the two regional planning departments. The remaining functions that MTC and ABAG perform really have little to do with the other agency, as shown in the Venn diagram in Figure 8.

Figure 8
Regional Planning Overlap



Having reviewed these alternatives, I would recommend that the Commission consider the second alternative but reject the first and third. It may just be that the functional consolidation model is a bit like how Winston Churchill described democracy – it’s the worst form of government, except for all the rest.

In concluding this analysis, let me say a word or two about timing. This item is before the Commission for information only in September. I fully expect that commissioners will have plenty of questions and concerns. If staff can respond to those issues in time for an action item at your October meeting, that would provide only a two-month implementation window prior to the end-date of our current funding agreement with ABAG on December 31, 2015. Accordingly, if the Commission chooses to proceed with the functional consolidation model as generally described above, it may be necessary to extend the ABAG funding agreement for another few months in order to assure as smooth a transition as possible.

Commission

Page 17

September 18, 2015

Let's also keep in mind that both agencies are scheduled to move to 375 Beale Street in San Francisco early in 2016. And the action really heats up on Plan Bay Area 2040 work next year. In short, there is a lot on our plates. Nonetheless, we should never be too busy to improve the way we conduct the public's business.



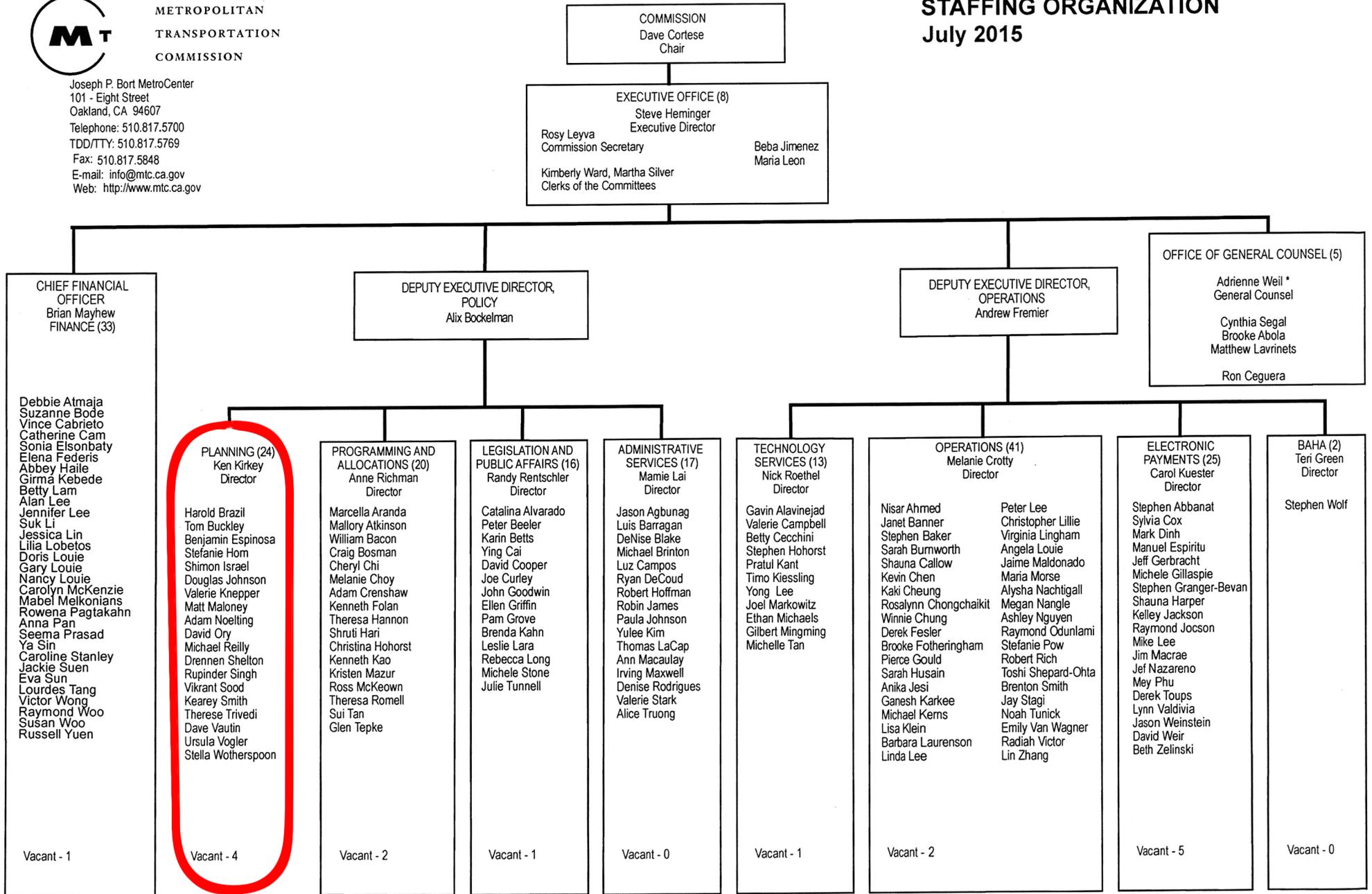
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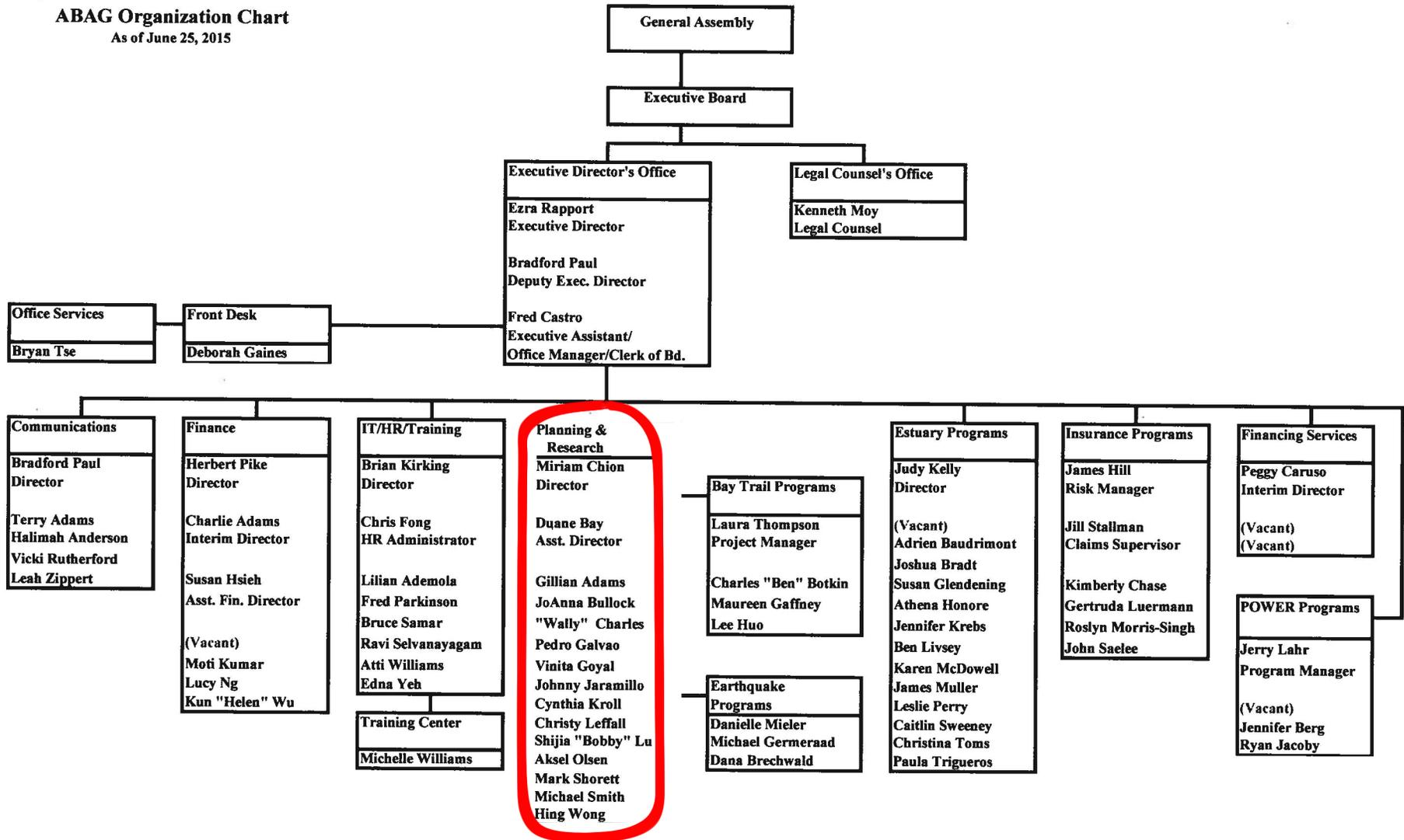


204 Positions

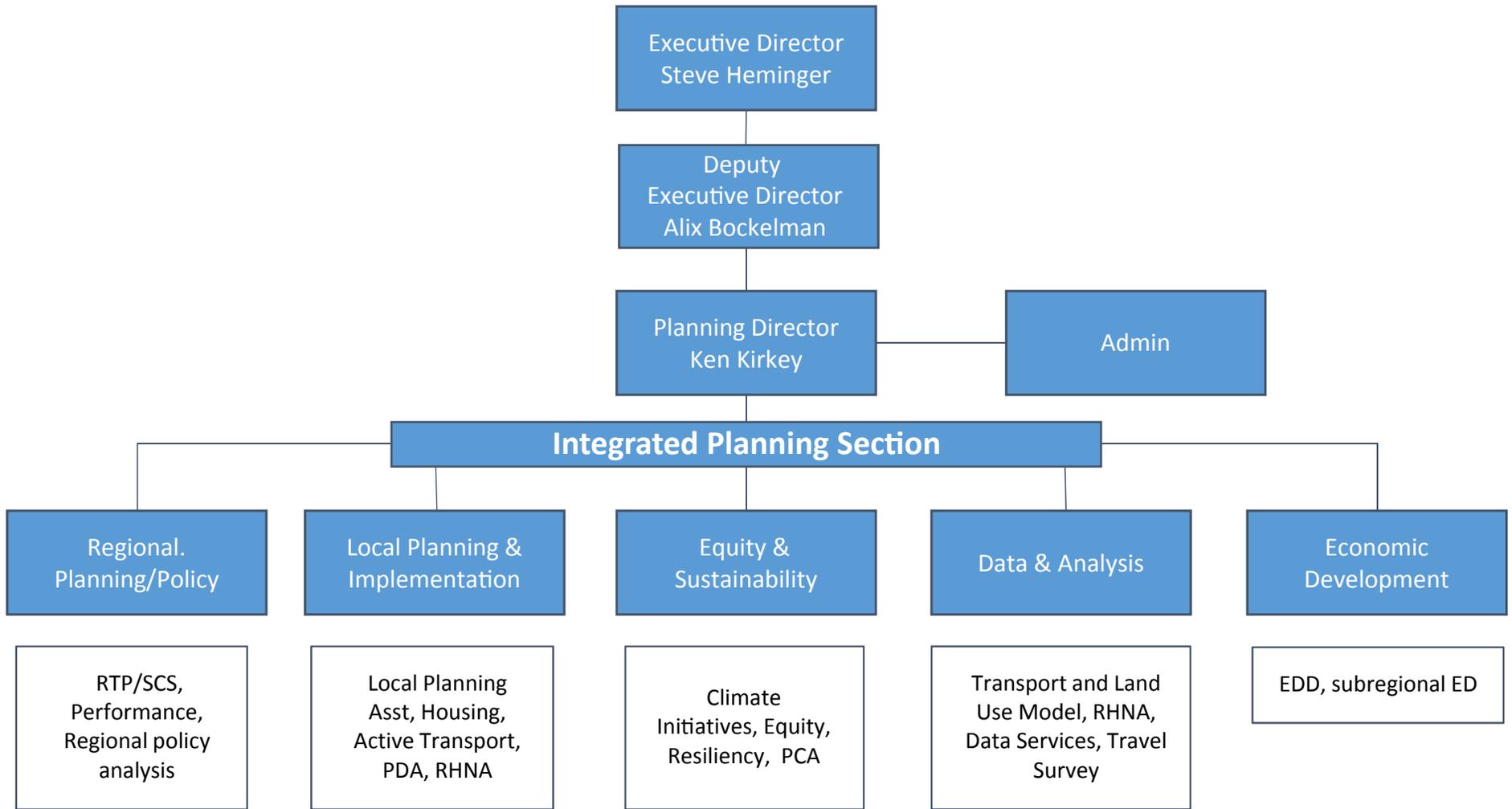
* Advises Commission Directly

Steve Heminger
Executive Director

ABAG Organization Chart
As of June 25, 2015



Integrated Regional Planning



Annual Pension Cost

- Annual pension cost should be reduced by \$250,000
- PERS and OPEB costs will be reduced proportionate to the reduction in payroll and staff
- Only the unfunded liability will remain
 - The liability belongs to ABAG
 - The amount is passed as a fixed amount
- The rates will go up as payroll goes down but the cost will actually be lower

Annual Retirement Costs			
PERS*	Current		Adjusted
Normal	\$ 637,442		\$ 531,202
Unfunded Liab	<u>1,085,876</u>		<u>1,085,876</u>
Total PERS	\$ 1,723,318		\$ 1,617,078
OPEB**	<u>869,000</u>		<u>724,167</u>
Total Retirement	\$ 2,592,318		\$ 2,341,244
Payroll	\$ 7,030,356		\$ 5,858,630
Rate			
Pers			
Normal	9.07%		9.07%
Unfunded Liab	15.4%		18.5%
Total Pers	<u>24.51%</u>		<u>27.60%</u>
OPEB	12.36%		12.36%
Total Retirement	<u>36.87%</u>		<u>39.96%</u>
Annual Savings			
Pers			\$ 106,240
OPEB			<u>144,833</u>
Total Savings			\$ 251,074

Appendix 3. Comparison of Benefit Packages

Benefit Category	ABAG	MTC
<p>Pension and Retirement Programs</p>	<p>Public Employees Retirement System (PERS); employee contributes a portion of gross salary on a pre-tax basis.</p> <p>ABAG in CalPERS public misc. pool plan.</p> <p>Classic plan members, 2.5% at 55; Jan. 1, 2015 employees pay 1.00% of plan 7.00% employee contribution rate; Jan 1, 2016, employees will pay 2.00%; Jan 1 2017, employees will pay 3.00%.</p> <p>New plan members, 2.0% at 62, pay full employee rate which is 6.25%.</p> <p>No survivor benefit options; 2% retiree annual COLA.</p> <p>All employees participate in Social Security. The employer and the employee are required to make contributions. The current employee contribution is 6.20% of salary.</p> <p>ABAG has a two tier medical retirement plan.</p> <p>For Legacy Employees, hired before and by June 30, 2009, ABAG pays 100% of Kaiser Supplemental Medicare rate; for employees with 5+ years of service with ABAG at retirement, ABAG pays for two party Kaiser Supp. Medicare rate; reimburse for Medicare Part B deductible.</p>	<p>Public Employees Retirement System (PERS); employee contributes a portion of gross salary on a pre-tax basis.</p> <p>Classic plan members, 2.5% at 55, 7/1/15 employees pay 5.73% of plan 8.00% employee contribution rate; share employer contribution increase each FY 50%/50% until employees contributing full 8.00% employee rate.</p> <p>New plan members, 2.0% at 62, employees required to pay full employee contribution rate which is 6.50% for MTC.</p> <p>Survivor benefit options; 3% retiree annual COLA.</p> <p>MTC does not participate in Social Security.</p> <p>MTC is subject to California Pension Reform and as of January 1, 2013 will offer two pension plans. The plan employee will receive will be based on the individual's historical pension plan membership.</p> <p>MTC is a PEMCHA equal method participant for retiree medical benefits; retirees pay the same premium cost-shares as active employees (responsible currently for 5% of premium for all enrollment choices).</p>

Benefit Category	ABAG	MTC
	<p>In addition, ABAG pays 100% of the premium for retired employees who are not yet Medicare eligible for either the Kaiser employee only or employee plus one dependent options.</p> <p>For employees hired on or after July 1, 2009, ABAG contributes \$100 per month into a MARA (retirement medical savings account); other than PEMCHA required minimum, no further obligation to retiree medical.</p>	
Health and Dental Benefits	<p>Medical insurance through the Public Employees' Retirement System; currently six HMO and three PPO Medical Plans.</p> <p>For 2015 – 2017 calendar years, ABAG pays up to an agreed to amount; amount goes up 2016 and 2017 1.5%; reopen if Kaiser premium is higher than ABAG's contribution levels or if Blue Shield Access+ goes up 7% or more.</p> <p>Cash in lieu for employees hired on or before of 10/07/04.</p> <p>Dental and vision insurance paid fully by ABAG for employee and their dependents.</p> <p>No cash in lieu for dental or vision.</p>	<p>Medical insurance through the Public Employees' Retirement System currently six HMO and three PPO Medical Plans.</p> <p>Premiums are shared between agency and employee at 95%/5% split; thru June 30, 2018, current MOU period. Cash in lieu of \$965 for calendar 2016.</p> <p>Dental insurance (premium for employee paid by MTC; dependent coverage shared by the employee and MTC; employee pays \$6.30 monthly for 1; \$19.13 monthly for family).</p> <p>Vision care insurance (premium for employee paid by MTC; dependent coverage is paid in full by employee at \$7.29 monthly for 1; \$25.93 monthly for family).</p> <p>Cash in lieu available for both dental and vision.</p> <p>MTC provides access to and administers retiree dental and vision insurance plans. The retirees pay</p>

Benefit Category	ABAG	MTC
		100% of premiums. CalPERS deducts premiums and pays MTC from retiree pension payments as a benefit to retirees.
Salary Administration	<p>Four support grades with five steps; five professional grades with five steps; for classified union positions.</p> <p>For calendars 2015 – 2017 3.00% COLA.</p> <p>Merit is move to next step while still in range each year for satisfactory performance; Executive Director has ability to grant bonuses and extra step increases.</p>	<p>Nine support grades with eleven steps; five management grades with minimums and maximums.</p> <p>Annual COLA increase to all salary grades July 1 of 2.6% through June 2018.</p> <p>Merit salary increase options per performance until at top of grade range.</p>
Insurance	<p>Life/AD&D Insurance – ABAG pays 100% of premium; benefit is two-times salary for all employees.</p> <p>Short-Term Disability – ABAG participates in state program (SDI) which means also participate in state Paid Family Leave (PFL). 60 days.</p> <p>SDI and PFL benefits are 66 and 2/3ds salary.</p> <p>Long Term Disability – ABAG provides LTD, premium paid 100% by agency (benefits taxable upon use).</p>	<p>Life/AD&D Insurance – MTC pays 100% of premium; benefit is one-times salary for management employees.</p> <p>Dependent coverages included; voluntary life available at employee cost.</p> <p>Short-Term Disability – MTC provides private Short-Term Disability (STD), premium paid 100% by agency (benefits taxable upon use). 90 days.</p> <p>MTC allows staff to use sick leave for PFL equivalent leaves (sick family, paternity leave, etc.)</p> <p>STD benefit is 66 and 2/3ds salary.</p> <p>Long Term Disability – MTC provides Long Term Disability, premium paid 100% by agency (benefits taxable upon use).</p>

Benefit Category	ABAG	MTC
<p>Holidays, Vacation, Sick, and other Paid Leaves</p>	<p>Holidays – eleven paid holidays per year; three floating holiday days</p> <p>Vacation –</p> <p>1-3 years – 5/6ths days/month</p> <p>3-6 years – 1.25 days/month</p> <p>6-10 years – 1.42 days/month</p> <p>10+ years – 1.66 days per month (approx. 20 days/year)</p> <p>Accrues to two-times annual two-year credit limit; excess paid out as of Dec 31 each year.</p> <p>Accruals payable upon employment separation.</p> <p>Sick Leave – one day per month worked up to a cap of 240 days (1,920 hours).</p> <p>Not payable upon employment separation.</p> <p>CalPERS contracts (classic and new) allow for accrued sick leave to count towards service years upon termination/retirement.</p> <p>Can use for self and for sick immediate family members defined as parent, spouse or child.</p> <p>Can integrate sick leave</p>	<p>Holidays - eleven paid holidays per year.</p> <p>Personal Business Days – three days per year.</p> <p>Vacation -</p> <p>Eight hours per month accrued per pay period.</p> <p>Starting at employment for the first year, an additional day is added up to a maximum total accrual level of 25 days per year.</p> <p>Accrual caps at 500 hours.</p> <p>Can cash out once a year for balances above 320 hours up to cap of 500 hours.</p> <p>Accruals payable upon employment separation.</p> <p>Sick Leave - one day per month paid sick leave with no limit to the amount of sick leave that can be accrued.</p> <p>Up to 240 hours of accrual payable upon employment separation.</p> <p>Can use for self and for sick immediate family members (extensive definition list using current CA FMLA and CFRA definitions).</p> <p>Can integrate sick leave with STD and LTD benefits.</p> <p>Catastrophic Sick Leave Program</p> <p>Employees may contribute accrued sick leave hours accrued above 240 hours to a Catastrophic Sick Leave Bank.</p> <p>Employees may be eligible to</p>

Benefit Category	ABAG	MTC
	<p>with SDI benefits.</p> <p>Jury Duty Leave – allows open-ended leave on continued pay.</p> <p>Funeral Leave – 3 days paid for California, 5 days paid for out-of-state.</p> <p>Other mandatory leave benefits.</p>	<p>request sick leave from the Catastrophic Sick Leave Bank.</p> <p>Jury Duty Leave – allows open-ended leave on continued full pay.</p> <p>Funeral Leave – 3 days paid; can use sick leave for longer leaves.</p> <p>Other mandatory leave benefits.</p>
Transit and Parking	<ol style="list-style-type: none"> 1. Public Transit – up to \$200 a month per IRS regulation 2. Employer paid parking – after move to San Francisco, employer provided parking to be used in combination with public transit use. 3. Carpooling – while in Oakland, fully subsidized parking in employer lot for verified carpools (two or more). <p>\$20 pre-tax subsidy for bicycle commuting.</p>	<p>MTC provides a five option transit subsidy benefit:</p> <ol style="list-style-type: none"> 1. \$214 benefit monthly to be used for public transportation purchases (WageWorks or Clipper Direct); pre-tax as allowable by the IRS for transit and parking. 2. Subsidized parking in the MTC lot for \$18.50 a month pre-tax. 3. 100% subsidized parking in the MTC lot for legitimate carpools. 4. \$20 pre-tax a month for eligible bicycle commuting. 5. \$20 taxable subsidy month cash-in-lieu
Deferred Compensation	STARS/UTC 457 and/or ICMA-RC Retirement Plan (Voluntary)	<p>Two 457 deferred compensation plans; CalPERS and ICMA-RC. Employee deferral only; no employer contribution. (Voluntary – opt in)</p> <p>Roth IRA option. (Voluntary – opt in)</p>
Flexible Spending	Pre-tax options for eligible health care and dependent	Employee-paid pre-tax dependent care and health care flexible

Benefit Category	ABAG	MTC
Accounts	care expenses (Optional)	spending accounts both at IRS allowable maximum levels. (Voluntary – opt in)