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MTC May Force Hostile Takeover Onto ABAG

By Josh Stephens on 29 November 2015 - 3:21pm

[Regional planning](#)

If there's anything more confusing than one regional government bureaucracy, it's two regional government bureaucracies.

This is an axiom that cities in the Bay Area have gotten to know all too well over the past 45 years living under the Association of Bay Area Governments and the Metropolitan Transportation Commission. Calls to merge the two or eliminate one have resounded roughly as long as both have been around. At last, thanks in part to the regional planning mandate set forth by Senate Bill 375, the MTC may finally succeed in a hostile takeover of the much smaller ABAG.

The Bay Area is the only one of California's 18 regions that has a metropolitan planning organization that is different from its council of governments. ABAG, founded in 1961, is a council of government dedicating to regional planning and cooperation among its 101 member cities and nine member counties. Founded in 1970, MTC is designated by the federal government as the region's MPO and its state equivalent, a regional transportation planning agency. It oversees regional transportation and, importantly, controls a portion of federal funds and local toll revenues.

"We never would have designed these two separate regional planning agencies if we were going to start from scratch," said Egon Terplan, regional planning director with the think tank San Francisco Urban Research, or SPUR. "We're not benefitted by having different bodies."

Both organizations have regional planning departments that, in many respects, have overlapping concerns and do overlapping work. In recent years, MTC has contributed \$4 million annually to ABAG's planning efforts (out of ABAG's total agency budget of \$23.6 million). These funds gave MTC leverage to, in June, demand the merger of the two planning departments. MTC threatened to withdraw funding, essentially forcing ABAG into a hostile takeover. MTC's annual budget is around \$750 million.

“What happened in June when MTC made this proposal suddenly forced this issue again,” said Terplan. “It forced the issue by putting the funding piece on the table.”

MTC’s move was seen by some as a trick played on an unsuspecting ABAG.

“It was sprung on us at the beginning of the fiscal year,” said ABAG Executive Director Ezra Rapport. “They voted just to give us half the fiscal year. We had no idea that they were planning to do that. That was used as a guillotine over the organization unless we voluntarily cooperated with them.”

Rapport fears the region’s smaller cities may feel left out in the absence of ABAG representation. ABAG’s board consists of 38 representatives from member cities and counties. MTC’s 21 board seats included dedicated seats for each county and for the large cities, as well as seats for groups of smaller cities and one seat for ABAG.

As well, ABAG officials question whether MTC has enough clout among cities. Any plans that it produces will be voluntary, so the agency will need buy-in that, Rapport said, only the ABAG sensibility can provide.

“The problem with that is that ABAG has the relationship with the cities and counties, where the actual land use planning means something, because that’s where the authority lies,” said Rapport. “We at ABAG have all come from local government so we understand that those long Tuesday nights in front of community groups, planning commissioners, etc. are not replicated by regional planners.”

Others insist that the move was entirely predictable.

"This notion of bringing together these two organizations...has been under discussion by policymakers in the form of legislation for decades," said MTC Director of Legislation and Public Affairs Randy Rentschler. "To a certain extent I would say to some people, just because it's new to you doesn't mean it's new." Rentschler noted that the agencies some board members sit on both boards.

Since June, cooler heads have prevailed. Rapport said that ABAG now supports a full merger, with a single governing board, but only after careful deliberation.

In October, the ABAG board voted to hire a consultant to study the prospect of a merger of not just the planning departments but also the entire agencies. The two agencies will continue to operate independently in the interim. In the absence of a mutually

agreeable result, the merger of the planning departments will proceed by default.

Even so, it will likely be a new day in the Bay Area.

“They either both go away or something new gets formed,” said Terplan. “You don’t entirely fold one into another. When you merge they become something new. What that looks like is the question of the next six months.”

Numerous reasons, aside from sheer fatigue, have brought the agencies to the brink. On the purely practical front, they have recently moved into a new shared office building, meaning that there is no physical distance between the two. More important, however, may be the mandate to implement SB 375’s Sustainable Communities Strategy.

The agencies are working jointly on an update to Plan Bay Area, the region’s SCS (see prior CP&DR coverage [here](#)). But, with only one final product and the need for a single common vision for the region’s transportation and land use patterns, the planning departments must effectively operate as one.

"SB 375, to a certain extent, changed the game. It brought together transportation, housing, and land use and greenhouse reductions under one state rubric," said Rentschler.

Past failures to communicate between the planning departments have led to some potentially perverse outcomes. Terplan noted that the MTC planned for the new Bay Bridge to terminate at sea level — expected, by ABAG planners, to be underwater when climate change causes the sea level to rise.

Officials at both agencies say that, whether there’s a wholesale merger or just a planning merger, they do not expect major ideological clashes. The two offices already work closely, and the two boards have significant overlap.

“It’s one pool of elected officials who generally have the same political values based on where they’re located in the region,” said Rapport. "I haven’t seen any divergence in ideology.”

Rentschler noted that ABAG’s support for individual cities — regardless of their size or needs --is both a blessing and a curse of planning culture in California.

"How can we do things regionally and still respect this deeply held culture in California about participation, where everyone has a voice?" said Rentschler. "That's the challenge that the board has to deal with. And it’s a formidable one."

Contacts & Resources

[MTC-ABAG Merger Page on ABAG Website](#)

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