



ABAG

To: ABAG and MTC Commissioners
From: Julie Pierce, ABAG president
Re: MTC/ABAG relationship

Please Note: This memo is issued as an addendum to MTC Chair Cortese's July 16, 2015 and August 13 memos, attached.

Summary of issue:

A proposal has been made by MTC to consolidate the planning and research staffs of the two agencies, ABAG and MTC, into one work group reporting to MTC. Over the past few months, MTC Chair Cortese and I have brought together a small ad-hoc committee of board members who serve on both MTC and ABAG and who have or currently hold leadership positions to discuss how we might study either a potential reorganization or a process to improve integration of the two departments.

In anticipation of these discussions, on June 24, 2015, MTC staff asked the Commission to approve a six-month budget for ABAG planning and research rather than a full year as in past budgets. The Commission approved that recommendation with Commissioner Haggerty and myself voting to oppose to allow more time for these discussions to reach fruition.

As stated by Chair Cortese in his July 16 memo, this ad hoc committee had decided in June to ask the respective executive directors to provide for us "a joint analysis of 1) how to improve planning integration without any structural consolidation of functions; and 2) how consolidation of planning functions under a single director or entity might be organized and how reporting to the MTC and ABAG would work under this kind of systemic change." As the memo indicated, "We fully expect that this might result in continued disagreement as to how to proceed, nevertheless, we were in agreement that the comparison needs to be done. The analysis was intended to be conjunctive, not either/or."

ABAG leadership and staff remain committed to working collaboratively with MTC on this matter and to undertaking a thorough analysis of options described in the Chair Cortese's 7/16/15 and 8/13/15 memos, including how consolidation of planning functions under a single director might work from our point of view.

The consolidation option has financial, programmatic, and governance repercussions for ABAG and the local jurisdictions with whom we work as the Council of Governments. To facilitate discussion of this option, I've asked ABAG staff to outline and begin documenting these issues in writing so that both our members and agencies can fully understand them and make informed recommendations to the ad hoc group in early September. This memo is not intended to include the proposed resolutions to all of these issues, but to outline some of the questions we want ABAG and MTC staff to address in the reports to be completed over the next month.

Key issues:

1) Programmatic issues

ABAG planners do much more than work on Plan Bay Area (and SB375). They are the main points of contact for our local jurisdictions on, and a resource for, regional resilience and water issues, local land use, housing and open space issues. Our planners provide direct assistance to our local staff and elected officials, which is critical to implementing both regional and local strategies for sustainability. They staff the San Francisco Estuary Partnership, examine regional water issues, work on the region's Bay and Water Trails, and study economic development and regional equity issues.

Discussion Questions

- How would the current range of staffing and technical support functions continue under consolidation?
- How would ABAG maintain integration of planning staff with ABAG PLAN, POWER, BayRen, FAN, the SF Estuary Partnership and other programs?

2) Governance and Local Input

It is unclear how staff appointed and paid by MTC, particularly the planning director, would continue to be responsive to ABAG—which would have no budget or line authority over them. This arrangement could create obstacles to ensuring the level of engagement and input required to produce a robust SCS or RHNA that has the support of the ABAG Executive Board, which would ultimately remain responsible for adopting both but no longer have a direct relationship with staff.

Discussion Questions

- What specific mechanisms would be required to maintain the existing level of local contact and input?
- How would ABAG's authority over land use issues outlined in SB 375 and MTC's authority over transportation issues in the SCS and the RTP be structured?

3) Financial impacts

ABAG planning staff have secured over \$50 million in grants over the past five years to support planning critical to our region, including the SCS. In each instance, ABAG staff serves as the central grant administrator and coordinating agency. Many of these grants come to ABAG because of our central, statutory role in land use planning in the region, and our unique relationships with local jurisdictions as the Council of Governments. In addition to State grants to support implementation of Plan Bay Area, this includes substantial federal funds for restoration of the water quality grants that support local projects of regional significance, State funding for expansion of the regional Bay Trail and Water Trail, and CPUC funding for a regional energy efficiency program that is directly implemented by ABAG and local jurisdiction staff.

In addition, MTC's long established funding for ABAG's land use and planning work—which allows ABAG to carry out its statutory responsibilities—is a core component of ABAG's overall budget and financial stability. ABAG's service and grant programs rely on a critical mass of administrative

personnel in order to perform as a responsible grantee. Combined with its membership dues, the MTC grant to ABAG is considered foundational in providing adequate overhead to ABAG.

ABAG planners are part of SEIU and under a collective bargaining agreement, while MTC staff is not; this issue would need to be addressed as part of consolidation as well.

Discussion Questions

- How would ABAG's ability to continue its critical grant-supported work be impacted by this consolidation?
- What are the agency-wide financial implications of the elimination of planning department funding?
- Will ABAG's reduced budget, authority and staff be sufficient to sustain the current level of membership—which provides \$2 million in dues—and support ABAG's remaining Council of Government activities?
- How would the collective bargaining rights of ABAG planners be maintained by MTC under a consolidated department?
- What impact would the proposed transfer have on the ability to support the benefits of retirees if it compromises ABAG finances?

Next Steps

I agree with the MTC Chair's recommendation that the ad hoc committee begin meeting again this month to share the analysis and staff recommendations coming from both MTC and ABAG staff regarding the issues outlined in Chair Cortese's memo of July 16 and this addendum.

I hope this memo clarifies our intention to work collaboratively with Chair Cortese, the ad hoc group and MTC staff to undertake a thorough analysis of one or more consolidation options. I believe we will need at least August and part of September to complete our research, to undertake a well vetted analysis of the pros and cons of all the options identified by ABAG and MTC staff and to give the ad hoc group time to try to reach a consensus recommendation. Chair Cortese and I will provide regular updates to our respective boards, beginning in September.

I look forward to working with the ad hoc group and our colleagues at MTC. If you have questions or suggestions, please address them to both Chair Cortese and myself.



Julie Pierce
President