

# City of Lafayette Staff Report

**For:** Lafayette City Council  
**By:** Steven Falk, City Manager  
**Date:** September 24, 2015  
**Subject:** ABAG / MTC Merger

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## Introduction

Lafayette recently became aware of a proposal by the Metropolitan Transportation Commission (MTC) to transfer funding from the Association of Bay Area Governments (ABAG) to MTC, and presumably shift all current land use planning responsibilities to MTC. This action appeared without much notice and without direct feedback from cities and counties. Staff has provided a summary of the matter below, attached a sample letter of response for your review, and attached background information from both agencies to this memo.

## Background

The Bay Area is in the midst of a government power play that, if successful, could change how land use and other regional issues are managed and regulated for the foreseeable future. To understand how and why this is important, consider the history of regional planning in the Bay Area.

In 1961 the Bay Area Council of Governments created ABAG to serve as the San Francisco area's singular regional government. Since that time, however, as legislators have incrementally identified regional issues that need to be addressed they have created new single-issue regulatory agencies. As a result, after ABAG was formed, the Bay Conservation and Development Commission (BCDC) was made guardian of the Bay in 1969. In 1970, MTC was created to manage transportation planning and funding. And in 1995, the Bay Area Air Quality Management District (BAAQMD) was created to regulate air quality. Each of these agencies, along with many others – including the regional water quality control board, the Army Corps of Engineers, State Fish and Wildlife, Federal Fish and Game, etc. – have jurisdiction and promulgate regulations in Bay Area cities. The result is a veritable and often inefficient “Winchester House” of layered regulatory agencies.

Given that land use planning (ABAG) and transportation planning (MTC) are inherently and inextricably related, there is a growing consensus that those functions should be managed together. As a result, in 2003, ABAG and MTC formed a Joint Policy Committee to coordinate

their regional planning efforts, and subsequent actions by the state legislature have added BCDC and BAAQMD to this policy coordination. There have also been periodic conversations about merging ABAG and MTC as a way to better coordinate and fund a regional vision, but longtime differences related to history, structure, culture, and style have hindered that effort.

ABAG, for example, receives much of its funding from cities and its large executive board is made up entirely of city and county elected officials. MTC, meanwhile, has a smaller board that includes State and Federal representation, and it receives proportionately less funding from cities and more from the State and Federal governments. Perhaps as a result, ABAG – once viewed as an adversary by cities for its role in allocating housing targets – has adopted a relatively more bottom-up operation that takes into account the concerns of municipalities.

Thus, while many if not most observers have believed, for decades, that the region would benefit from a combined agency that addresses land use, transportation and all related functions regarding the physical growth of the region, it has been difficult for the two agencies and their respective cultures to come together.

With its recent action, though, MTC appears to be “calling the question.” If the MTC proposal is approved, as of December 31, 2015, MTC will no longer pay ABAG for its planning and research activities and instead will move ABAG’s planners to MTC. This would, effectively, gut ABAG and transform MTC into the Bay Area’s de facto regional government. According to ABAG Executive Director Ezra Rapport, the budget cuts proposed by MTC will be equal to 40% of ABAG’s overhead costs and as a result ABAG risks insolvency. As a consequence, the remaining programs and efforts managed by ABAG could be in jeopardy, including some that benefit the region, such as the San Francisco Bay Trail Project, SF Estuary Project, and ABAG’s other water quality, earthquake safety, and wetlands restoration activities.

### **Analysis**

Planners and other interested observers have long understood and promoted the merits of consolidating and unifying the Bay Area’s regional agencies, where planning is done in a true multidisciplinary fashion; where transportation serves desired land use patterns; where programs are collectively designed and balanced against local control concerns to address environmental and social problems. Talk of a potential ABAG/MTC merger isn’t new; it has been on the table for at least two decades. In that light, the current discussions about the possibility of a single regional planning agency for the Bay Area represents an historic opportunity.

That said, MTC’s approach has been clumsy, insensitive, and opaque. Its proposal to take only one aspect of ABAG and financially cripple the rest of the organization isn’t well thought out and leaves many questions and concerns unanswered. Its failure to engage cities has created deep concern regarding its long term interest in respecting local control.

The region would benefit, instead, from an agency merger that, at its end, delivers a comprehensive regional planning process that recognizes local control while still promoting an

optimal use of land in the region, supported by and closely coordinated with transportation improvements and funding. That can't happen, however, unless the merger is transparent and involves input from the broadest range of stakeholders, including cities. Only if this occurs can the new organization succeed.

Change works best when it is grounded in a solid policy framework; has buy-in from the public, stakeholders, policymakers, and staff; and includes metrics for evaluating the effort.

**Recommendation**

Staff thus recommends that the City Council send the attached letter to the ABAG and MTC governing boards.

September 29, 2015

ABAG Executive Board  
MTC Commissioners

Members of the Boards:

At its meeting on September 28<sup>th</sup>, the Lafayette City Council considered matters related to the consolidation of regional land use planning, and forward the following points to you for your good consideration:

The Lafayette City Council:

- Understands the merits of consolidating and unifying the Bay Area's regional agencies and supports an outcome where planning is done in a true multidisciplinary fashion; where transportation serves and is coordinated with desired land use patterns; where programs are collectively designed to address environmental and social concerns.
- Believes the region would benefit from an agency merger that delivers a comprehensive regional planning process that recognizes local control while still promoting an optimal use of land in the region, supported by and closely coordinated with transportation improvements and funding.
- Believes that discussions and decisions related to the consolidation should be transparent and involve input from the broadest range of stakeholders, including cities. Only if this occurs can the new organization succeed.

The Lafayette City Council therefore requests that MTC continue to fully fund ABAG through at least June 2016 while both ABAG and MTC to take the time necessary to properly engage stakeholders in a meaningful and open discussion regarding how to best proceed.

Thank you for your consideration.

Most sincerely,

Brandt Andersson  
Mayor