



Service Matters

ABAG-MTC Joint Policy Committee to Address Regional Planning

A permanent Joint Policy Committee (JPC), consisting of representatives from ABAG and MTC Boards, will be created. This was the cornerstone of the agreement reached by the ABAG-MTC Task Force, issued in their final report in December 2003. The purpose of the JPC is to advance integrated regional planning, with authority to comment on and review any substantial regional plans or strategies that are prepared by either agency. It will report directly to the policy bodies of each agency.

Results of ABAG-MTC Task Force Meetings

Over the course of six meetings which began in June of 2003, the task force comprised of seven ABAG and seven MTC Board members (from ABAG— Councilmembers Gwen Regalia, Jane Brunner, David Cortese, Steve Rabinowitsh; Mayor Mark Green; Supervisors Pete McHugh, Rose Jacobs Gibson; and from MTC— Councilmember Sue Lempert; Mayors Jim Sperring, Shelia Young, and Vice Mayor John McLemore; Supervisors Steve Kinsey and Mark DeSaulnier; and mayoral appointee Jon Rubin) agreed to put aside their disagreement on the issue of merger. They agreed to develop, in the short term, a better structure to do regional planning together, which the JPC represents.

ABAG has had a longstanding policy of supporting merger of the agencies, and MTC has favored continued independence of the two agencies. While there remains a

difference of opinion on this issue, there was consensus that the pressing regional issues couldn't wait and that the Joint Policy Committee structure could result in substantial real progress in resolving longstanding regional problems.

The JPC will be comprised of seven representatives each from the ABAG Executive Board and MTC, have its own dedicated staff resource, and will be led by a planning manager retained by the ABAG and MTC Executive Directors with input from the JPC. MTC has agreed to provide funding for up to two years for the Planning Manager position.

With final work program and budget still to be determined, there was consensus that the JPC would consider the following:

- Implementing the Regional Smart Growth Vision
- Development of a list of (1) incentives, (2) financial strategies, (3) model codes and other strategies, and invite and work with local agencies to create and implement them as best management practices.
- Developing a legislative agenda, working with other state and regional agencies to further regional planning goals.
- Considering a regional investment strategy and incentives that reinforce the Smart Growth Vision.
- Coordinating and evaluating other regional plans dealing with incentives, transportation, land use, housing, jobs, environment, economy and equity with the view of coordinating revisions and updates to coincide with the 2008 Regional Transportation Plan.

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"How Fast Can We Turn the Corner?"

“The Bay Area’s economic recovery is slow, but improving,” said **Paul Fassinger, ABAG Economist and Director of Research**, during ABAG’s regional economic outlook conference, “*Focus 2004-2005: How Fast Can We Turn the Corner?*” in January. According to Fassinger, “the improving economic picture shows 17,000 new jobs in 2004 and 33,000 in 2005, with an income growth of about 1% in most areas.” These projections, which addressed the state of the Bay Area’s economy and other budget concerns affecting local governments, were discussed by representatives of local government, regional agencies, and business. Held in Oakland, this was ABAG’s sixteenth annual regional economic forecast.

Fassinger told the 100 conferees that the timing of the Bay Area’s economic recovery remains a concern. “Given the current levels of production capacity and available labor force, the Bay Area is lagging the U.S. recovery. There is, however, improvement projected for the next two years, but it is limited. Incomes will grow slightly more than inflation and inflation is not expected to grow rapidly.” He added that the Silicon Valley’s growth and recovery remain particularly slow.

During the conference, **Chief Economist Howard Roth of the California Department of Finance** examined California’s outlook within the backdrop of the state budget deficit and national and international economic influences. On the upside, he noted that the national economy is looking much better with a pickup in business investment and growth in manufacturing. “California’s economy is also better with encouraging signs of life in manufacturing and growth in exports, taxable sales, and personal income. California consumers are starting to

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show more confidence,” he said. There was a 5.9% growth in 2003 California personal income tax withholding returns, as compared to the 4.8% decrease evident in 2002.

However, he emphasized that job growth is key to California’s economic picture, and for the most part there hasn’t been any growth this past year. Only the Riverside-

San Bernadino and Fresno metropolitan areas showed any signs of employment growth in 2003, with modest gains of 1.5% and .75% respectively.

Senior Regional Analyst Brian Kirking forecasted the San Francisco Bay Area taxable sales for 2004 and 2005. With the economic outlook and consumer confidence improving, it is expected that businesses will begin investing again with measurable impact on taxable sales growth. It is estimated that taxable sales in general increased 1.8% in 2003, and will increase 4.3% in 2004 and 4.8% in 2005. As part of sales growth, it is projected that retail sales will increase 4.5% in 2004 and 5.1% in 2005. Counties experiencing the greatest increases in taxable sales growth include Solano County with a 9.4% increase in 2004 and 2005, followed by Napa County with 6.4% and 7% increase in 2004 and 2005 respectively. Contra Costa and Sonoma Counties will experience a 5.4% sales growth both years with Sonoma showing a 5.5% increase in 2005. Alameda County and Marin County will show increases in the 4% range, with Santa Clara County increasing 3.3% in 2004 and 4.2% in 2005, San Francisco City/County increasing 3.5% in 2004 and 4.3% in 2005. San Mateo County trails in increased taxable sales growth with a 3.1% increase in 2004 and 3.8% in 2005. Kirking also noted that population growth was averaging about 1.25% annually for the Bay Area, with real income growth projected to be 1% per year (it had previously been negative).

In looking at the Bay Area’s housing market outlook for 2004 and 2005, **Brad Inman, founder of Inman News and HomeGain.com** and an Internet/real estate expert, spotlighted the high prices, increased sales, and the steady eight-year Bay Area housing construction increase. He explained how the housing market—powered by low interest rates—was one of the main forces supporting the economy last year. “The housing bubble is real, real estate is inflated beyond our wildest dreams. But the question is, will it pop? I can make a case for why it will and why it won’t: you be the judge,” Inman summarized. He added that with low inflation, “an anticipated rise in rates might crimp the real estate market, but would not seriously impact affordability, unless those increased rates reached 10 percent or more.”

ABAG’s conference provides a two-year regional economic outlook at the beginning of each calendar year and is the foremost regional conference for forecasting local government future revenue and planning budgets.

Water Notes: Grants and Resources

Local Assistance Grant opportunities for local governments are available through the California Department of Water Resources. The “Summary Table of Grants” provides a helpful review: <http://www.dpla2.water.ca.gov/grants-loans/matrix.html>. In addition, the Department of Water Resources offers local assistance Groundwater Management grant opportunities for projects associated with the development or adoption of a Groundwater Management Plan. For more information, review “Frequently Asked Questions” at <http://www.dpla2.water.ca.gov/grantsloans/pdfs/AB303FAQ.pdf>. For a local example of a Groundwater Management Plan: Santa Clara Valley Water District, visit <http://www.valleywater.org/media/pdf/Groundwater%20Management%20Plan.pdf>.

Water Use Efficiency Package Released: The Department of Water Resources has released a draft proposal solicitation package for \$30 million in grants for local agricultural and urban water use efficiency projects. The grants will be awarded in August. Specific details and the draft application package can be accessed at <http://www.owue.water.ca.gov/finance/index.cfm>.

New Federal Grants Announced: Interior Secretary Gale Norton has announced a \$4 million Challenge Grant Program to help fund conservation and water efficiency projects in Western states. The Bureau of Reclamation will be accepting proposals for matching grants from irrigation and water districts for programs that meet goals identified in the *Water 2025* initiative. Notice of the criteria, processes, and deadlines for applications are available at www.grants.gov. More information on *Water 2025* can be found at www.doi.gov/water2025.

For more information on *Water Planning and Implementation Guides* contact Kathleen Van Velsor at KathleenV@abag.ca.gov.

Housing And Economic Prosperity Spring General Assembly – April 29, 2004

The need for Bay Area housing for residents in all income levels affects every aspect of life in the region, especially its economic health.

ABAG’s Spring General Assembly will examine this issue of **Housing and Economic Prosperity on Thursday, April 29, 2004**, from 8:00 a.m. to 2:30 p.m.

at the Oakland Marriott City Center. The Spring General Assembly will focus on the physical, political, and social environments that affect housing production and housing’s relationship to a healthy and prosperous economy. The annual Business Meeting will take place during the conference. Representatives from the region’s nine counties and 101 cities and towns are urged to attend. For more information, contact 510/464-7900. Participants can register online at www.abag.ca.gov and receive a discount.



Proposition 40 Project Awards Website

The California Resources Agency, working through the Department of Parks and Recreation, has created a public website where all departments administering Proposition 40 funds will report their project award information. Proposition 40 is the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002.

This website has been designed so that members of the public can easily obtain information about Proposition 40-funded projects in their community *in a single location*. The information can be accessed by city, county, zip code, as well as through more refined searches, including the use of key words. For more information visit:

<http://4050bonds.resources.ca.gov/>.

SURVEY

Service Matters’ Subscribers: Please Complete This Survey

To ensure that you receive your bimonthly issue of *Service Matters* in a convenient and accessible format, please fill out the information below.

1. How do you wish to receive *Service Matters*?

- By Mail (printed publication)
 Via E-mail (an attached PDF document)
My e-mail address is:

2. If you wish to be removed from the mailing list, please write your name below:

Please return this survey via fax to 510/464-7970 or e-mail KathleenC@abag.ca.gov.
Deadline: no later than April 1, 2004

MARK YOUR CALENDAR!

March 2004

March 3 1:00 p.m. **Regional Planning Committee Meeting**
MetroCenter, Auditorium

March 18 7:30 p.m. **Executive Board Meeting**
MetroCenter, Auditorium

March 15 9:00 a.m. - 12:00 noon **ABAG/CALFED Task Force Meeting**
MetroCenter, Auditorium

March 19 1:30 p.m. **Regional Agency Coordination Committee**
MetroCenter, Room 171

March 18 3:30 p.m. **Legislation & Governmental Organization Committee Meeting**
MetroCenter, ABAG Room 106B

March 18 5:00 p.m. **Finance and Personnel Committee Meeting**
MetroCenter, ABAG Room 106B

April 2004

April 21 12:00 noon **ABAG POWER Executive Committee Meeting**
MetroCenter, ABAG Room 106B

April 29 8:00 a.m. - 2:30 p.m. **Spring General Assembly**
Oakland Marriott City Center

Notable Numbers

3,416,100
people traveled to jobs in the nine-county San Francisco Bay Area in 2000. That is 11% more Bay Area commuters than in 1990.

320,100
people used public transit to commute to Bay Area jobs in 2000—10% more people than in 1990.

60%
more people used public transit to commute to Downtown San Jose in 2000 than in 1990.

45%
more people commuted by public transit to jobs in Downtown Oakland in 2000 than in 1990.

18%
more people commuted by public transit to jobs in Downtown San Francisco in 2000 than in 1990.

Source: "Census Transportation Planning Package" and Metropolitan Transportation Commission.

 Association of Bay Area Governments

Housing and Economic Prosperity

SPRING GENERAL ASSEMBLY


April 29, 2004
Oakland Marriott City Center
8:30 a.m. - 2:30 p.m.

For more information call 510/464-7900, 510/464-7922, 510/464-7986
510/464-7995 or 510/464-7965

Register online @ www.abag.ca.gov/events and save \$10

General Assembly registration materials will be mailed in March

• **SAVE THE DATE** •

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