OneBayArea

SCS HOUSING METHODOLOGY COMMITTEE
March 24, 2011 | 10:00 a.m. to 1:00 p.m.

San Francisco Bay Conservation and Development Commission
McAteer Petris Conference Room
50 California Street, Suite 2600, San Francisco, CA 94111

Lunch is Provided for Committee Members

	Estimated Time for Agenda Item
1. Convene Meeting (Doug Johnson, MTC) *Announcements, information, and summary of last meeting.*	**10:00 a.m.**
2a. SCS Initial Vision Scenario (Ezra Rapport, ABAG) *Overview of the SCS Initial Vision Scenario and details about how it distributes growth throughout the region.*	**10:15 a.m.**
2b. Allocation Formula (Paul Fassinger, ABAG) *Three possible options for aligning the RHNA methodology with the Initial Vision Scenario.*	**11:00 a.m.**
3. RTP Funding and RHNA (Doug Kimsey, MTC) *T2035 funds by source and type.*	**11:45 a.m.**
4. Rules for Transfers and Spheres of Influence (Paul Fassinger, ABAG) *Changes to the transfers rule.*	**12:15 p.m.**
5. Next Steps/Other Business/Public Comments	**12:45 p.m.**

Next Meeting:
Thursday, April 28, 2011 at 10:00 a.m.
BCDC, 50 California Street, Suite 2600, San Francisco 94111

The SCS Housing Methodology Committee (HMC) is comprised of local government planning staffs, elected officials and stakeholder groups. The HMC provides input to regional agency staff on the Regional Housing Need Allocation and related Regional Transportation Plan/Sustainable Communities Strategy work elements.

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Association of Bay Area Governments · Bay Area Air Quality Management District · Metropolitan Transportation Commission · Bay Conservation and Development Commission

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Date: March 22, 2011

To: SCS Housing Methodology Committee

From: Regional Agency Staff

Subject: SCS Initial Vision Scenario and Allocation Options for RHNA

Summary

Federal law requires that transportation investments of the Regional Transportation Plan (RTP), typically over $200 billion, support and align with the land use pattern adopted in the Sustainable Communities Strategy (SCS). In turn, the Regional Housing Need Allocation (RHNA) prepared by ABAG must be consistent with the SCS. This memo provides an overview of the SCS Initial Vision Scenario, and some of the details about how it distributes growth throughout the region. It then presents three possible options for aligning the RHNA methodology with the Initial Vision Scenario. At this time, without focusing on the actual numbers of housing units allocated to each jurisdiction, this memo presents alternative approaches to the RHNA at a basic conceptual level.

Initial Vision Scenario of the SCS

The Initial Vision Scenario is constructed by looking first at the Bay Area's regional housing needs over the next 25 years. It is not a forecast of the region, and does not take into account many factors that constrain the region's supply of new housing units, such as limitations in supporting infrastructure, affordable housing subsidies, and market factors. The principal purpose of the Initial Vision Scenario is to articulate how the region could potentially grow over time in a sustainable manner, and to orient policy and program development to achieve the first phases of implementation. Under the assumptions of the Initial Vision Scenario, the Bay Area is anticipated to grow by over 2 million people, from about 7,350,000 today to about 9,430,000 by the year 2035. This population growth would require around 902,000 new housing units. The Initial Vision Scenario proposes where these new units might be accommodated.

The Initial Vision Scenario is designed around places for growth identified by local jurisdictions. These places are defined by their character, scale, density, and the expected housing units to be built over the long term. Using "place types," areas with similar characteristics and physical and social qualities, ABAG asked local governments to identify general development aspirations for areas within their jurisdictions. These places were mostly the Priority Development Areas (PDAs) already identified through the FOCUS program. They also included additional Growth Opportunity Areas, some similar to PDAs and others with different sustainability criteria.

Based on local visions, plans and growth estimates, regional agencies distributed housing growth across the region, focusing on PDAs and Growth Opportunity Areas. ABAG in some cases supplemented the local forecast with additional units based on the typical characteristics of the relevant locally-selected place type. ABAG also distributed additional units to take advantage of significant existing and planned transit investment, and it assigned some units to locally identified areas that present regionally significant development opportunities for greater density.

The criteria used were:

1. Locally identified growth in Priority Development Areas or new Growth Opportunity Areas
2. Additional housing units based upon a jurisdiction's selected Place Type for a PDA or Growth Opportunity Area
3. Greater housing density proximate to significant transit investments (Existing Transit or Resolution 3434 Transit Expansions)
4. Major mixed-use corridors with high potential for transit-served, infill development

As a result, Priority Development Areas and Growth Opportunity Areas in the Initial Vision Scenario contain about 70 percent of the total growth (643,000 households). Thus, a vast majority of the total regional growth is consistent with the SB 375 sustainability policy frame and achieves most of the 2035 climate, housing, health, safety, economic and transportation efficiency targets. Regional agencies with local partners, however, will further revise this scenario as it does not directly incorporate the influence of employment location on travel.

RHNA Allocation Options

Two methods of distributing household growth were discussed at the last HMC meeting: applying the current RHNA methodology to the new determination of regional housing need and using the Initial Vision Scenario. A third option would be a hybrid that in the spirit of aligning the RHNA process with the SCS would recognize the Fair Share policy frame of the RHNA more directly while pursuing the sustainability features of the Initial Vision Scenario in their entirety. These allocation options are described below:

1. Prior RHNA Allocation Model

The prior RHNA methodology allocated growth to each jurisdiction based on a formula that contained several weighted factors: household growth (45 percent); existing employment (22.5 percent); employment growth (22.5 percent); household growth near transit (5 percent); employment growth near transit (5 percent). The selected factors were expected to result in:

- Housing units directed to communities where local governments were planning housing growth;
- Housing and job growth being planned together and existing jobs-housing imbalances being addressed;
- Housing development directed to communities with transit infrastructure; and
- Fewer housing units directed to outlying areas, thereby reducing development pressures on open space and agricultural lands.

More growth in existing urbanized communities translates into less development pressure on the region's environmental and agricultural resources. Growth in infill areas encourages development at higher densities that can support increased transportation choices, e.g., walking and public transit, especially if development is planned near transit, services and existing jobs. Cities or counties with planned job growth were responsible for planning housing for the additional jobs added to their communities. The transit factor gave extra weight to the state and regional objective of promoting more growth along major transportation corridors and at transit stations.

2. Initial Vision Scenario Land Use Framework

This method would take the land use pattern established in the Initial Vision Scenario and apply it to the RHNA. In this method, a jurisdiction would receive approximately one third of the household growth it was assigned in the Initial Vision Scenario, to account for the difference between the 25-year time frame of the SCS and the 8-year RHNA period. The use of this allocation framework would be subject to an analysis of how it meets the statutorily required RHNA factors.

In the Initial Vision Scenario, as stated earlier, approximately 70 percent of future household growth has been distributed to PDAs or Growth Opportunity Areas. Growth in these areas reinforces the region's sustainability policies, and using this as the basis for the RHNA allocation helps to meet the requirement of consistency and convergence between the SCS and RHNA.

The remaining 30 percent of future household growth that is located outside PDAs and Growth Opportunity Areas reflects forecasted growth in these areas, unrelated to sustainability or Fair Share policy considerations and may be construed as a residual. Since this development occurs outside identified PDAs or Growth Opportunity Areas, it is not necessarily in a location that reduces automobile dependency.

The performance of the IVS against the 2035 SCS targets is as follows:

GOAL/OUTCOME	#	TARGET	RESULT
CLIMATE PROTECTION	1	Reduce per-capita CO_2 emissions from cars and light-duty trucks by 15%	12% reduction
ADEQUATE HOUSING	2	House 100% of the region's projected 25-year growth by income level (very-low, low, moderate, above-moderate) without displacing current low-income residents	100% housing need met
HEALTHY & SAFE COMMUNITIES	3	Reduce premature deaths from exposure to particulate emissions: • Reduce premature deaths from exposure to fine particulates (PM2.5) by 10% • Reduce coarse particulate emissions (PM10) by 30% • Achieve greater reductions in highly impacted areas	• Premature deaths reduced by 24%* • PM10 emissions reduced by 10% • Highly impacted area results not available at this time
	4	Reduce by 50% the number of injuries and fatalities from all collisions (including bike and pedestrian)	21% increase
	5	Increase the average daily time walking or biking per person for transportation by 60% (for an average of 15 minutes per person per day)	11 minutes per day
OPEN SPACE AND AGRICULTURAL PRESERVATION	6	Direct all non-agricultural development within the urban footprint (existing urban development and urban growth boundaries)	97% of households within urban footprint

EQUITABLE ACCESS	**7**	Decrease by 10% the share of low-income and lower-middle-income residents' household income consumed by transportation and housing	3% decrease in share of income spent on housing
ECONOMIC VITALITY	**8**	Increase gross regional product (GRP) by 90% – an average annual growth rate of approximately 2% (in current dollars)	Not available at this time
TRANSPORTATION SYSTEM EFFECTIVENESS	**9**	Decrease per-trip travel time by 10% • Decrease average per-trip travel time by 10% for non-auto modes • Decrease automobile vehicle miles traveled (VMT) per capita by 10%	• Non-auto trip-time increase by 7% (1 minute) • VMT per capita reduced by 10%

**Preliminary results*

3. Initial Vision Scenario plus Household Growth

This RHNA method would accept the allocation of the Initial Vision Scenario in PDAs and Growth Opportunity Areas described above as a given. It would seek to further align RHNA with the SCS by redistributing the remainder of the growth outside of the PDAs and Growth Opportunity Areas in local jurisdictions. This redistribution will be based on a jurisdiction's share of regional household formation growth reflecting a Fair Share housing need.

Each PDA and Growth Opportunity Area would receive one third of the housing assigned in the 25-year Initial Vision Scenario to represent the growth over the 8-year RHNA time period (same starting point as the Initial Vision Scenario allocation option described above). Aggregated regionally, this allocation would cover about 70 percent of the RHNA need.

The balance would be calculated as follows: each county would be assigned its proportion of household growth based on household formation rates, derived using demographic data from the census. The county would then be divided up by jurisdiction and unincorporated areas based on current population, and given a resulting factor that would distribute the residual household growth. These factors—share of household formation growth by jurisdiction—would then allocate the remaining households to the jurisdictions in the County. This would result in all cities in the County, regardless of the amount of growth already assigned in PDAs and Growth Opportunity areas, receiving a household growth allocation.

Jurisdictions that have PDAs and Growth Opportunity Areas would get, in addition to the housing allocated to those areas, a share of this household formation growth. This would increase the housing burden to these locations above their allocation from the Initial Vision Scenario. In exchange for this additional burden, these jurisdictions would receive additional incentives. The jurisdiction would not be required to put this additional allocation in a PDA or Growth Opportunity Area, but if they chose to, then the jurisdiction could receive extra bonus points. For this to occur, however, policies and procedures for a designed Incentive Program would have to be developed. The benefit of this allocation would be to provide even greater policy incentives for sustainability. On the other hand, if jurisdictions with PDAs and Growth Opportunity Areas felt that this burden was too much, a process could be designed to allow the jurisdiction to give this household growth increment back to the County to be reallocated to cities that were receiving less than their allocated household growth share.

In summary, one way to assess this alternative would be to view this as enhancing the IVS alternative by redistributing what may be construed as a large amount of residual housing through a need based housing policy.

The value of this allocation methodology is that it:

- Supplements the sustainability policy frame of the IVS alternative by redistributing the arguably residual allocation within a household formation, housing need based policy frame.
- Is transparent, since it is based on household formation derived from census data
- Spreads housing growth in relation to housing need as represented by household formation
- Gives each jurisdiction a reasonable share of the housing obligation
- Facilitates opportunity for trades between jurisdictions that don't want growth to those that will take them
- Provides development sites in every jurisdiction for Affordable Housing developers
- Allows cities with PDAs or GOAs to receive extra incentive points at their discretion

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Memorandum

TO: Planning Committee

DATE: March 11, 2011

FR: Executive Director

W. I.

RE: Draft Committed Funds and Projects Policy

Purpose

For Plan Bay Area, MTC staff proposes to update the Committed Funds and Projects Policy approved by the Commission for the Transportation 2035 Plan. Staff is proposing a more limited set of criteria than in past plans to determine which funds and projects are considered committed, thus “opening up” more projects and funds for discretionary action by the Commission.

The Committed Policy for Plan Bay Area will:

1. Determine which projects proposed for inclusion in the Plan are not subject to discretionary action by the Commission because the projects are fully funded and are too far along in the project development process to consider withdrawing support. Projects that are 100 percent funded through local funds are considered committed and not subject to a project-level performance assessment. All other projects that are not fully funded nor sufficiently advanced in the project development process will undergo a project performance assessment. The results of the performance assessment will be presented to the Commission for its review, and the Commission may consider these results, along with other policy factors, when deciding on transportation projects to be included in the financially constrained plan.
2. Determine which fund sources are subject to discretionary action by the Commission for priority projects and programs. The determination of which fund sources are deemed “committed” affects the amount of transportation revenues that will be subject to discretionary action by the Commission.

Draft Proposal

The Draft Policy was reviewed by the Bay Area Partnership, Regional Advisory Working Group, and MTC Policy Advisory Council in late January and February 2011. Staff has revised the Draft Policy in response to comments, but because there are disagreements on the definition of committed projects, staff has outlined options for Committee consideration. **Attachment A** contains the Draft Policy, and **Attachment B** provides a list of committed projects from the Transportation 2035 Plan.

Staff seeks this Committee’s review and input on the Draft Policy at your March meeting, with Commission action on the final Policy in April. The key issues addressed in the Draft Policy are summarized below.

1. **Threshold Criteria for Determining Committed Projects:** A project is defined as "committed" based on its stage in the project development process. The issue is where to draw the line to indicate the point at which project assessment would not affect the decision to proceed with the project. Below are two options for consideration, both of which would result in significantly fewer committed projects than the approach we followed in Transportation 2035:

   - **Option 1 – Environmental Certification**: *Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011.* Under this option, projects would be deemed committed upon certification of the environmental document. The rationale is that by the time a project has cleared the environmental phase, the project has been fully vetted with resource agencies and the community, and project scopes are fully defined and evaluated.
   - **Option 2 – Construction**: *Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award by May 1, 2011.* This option proposes to require a project to be under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award, in order to be designated as committed. The rationale for Option 2 is that projects in the region have often experienced significant cost increases and scope adjustments after achieving an environmental certification. Given this track record, it may be reasonable to reconsider the project based on a set of factors including project performance.

   For both options, Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011 are proposed to be committed. Staff recommends this exception based on the fact that these projects underwent a performance assessment at the regional and state level prior to selection. Further, roughly 90% of the funding tied to these projects is committed, so little funding could be redirected to other regional priorities. Finally, state law requires these projects to be under construction by December 2012, which is prior to the expected completion date for Plan Bay Area.

2. **Threshold Criteria for Committed Funds:** As proposed in **Attachment A, Table 3**, a "committed fund" is a fund source that is directed to a specific entity or purpose as mandated by statute or by the administering agency. For committed funds, MTC has no discretion on where these funds go or how they are spent. For discretionary funds, the Commission has either complete discretion on how and where funds are spent, or can amend current policies and develop conditions to guide the expenditure of funds. Like the options for "committed projects", the proposed committed funds policy is considerably less restrictive than our approach in Transportation 2035. In fact, the draft policy would roughly double the amount of funds subject to discretionary action by the Commission in adopting Plan Bay Area.

3. **Projects Identified as Exempt by Senate Bill 375:** SB 375 provides that projects programmed for funding on or before December 31, 2011, are not required to be subject to the provisions required in the SCS or Alternative Planning Strategy (APS) if they are contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, funded pursuant to 2006 Proposition 1B, or were specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects. MTC staff proposes that since SB 375 does not alter MTC's authority to select projects for the Plan, a project that meets these criteria may still be subject to

performance assessment for inclusion in the Plan and be subject to Commission discretion based on financial constraint, policy or other considerations.

The enclosed powerpoint presentation provides additional background information on these issues. We look forward to your discussion on March 11th.

Steve Heminger

SH:AN

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Attachment A
Draft Committed Policy for the
Plan Bay Area

1. Prior Commitment Criteria – Project

The following criteria are proposed to determine Regional Transportation Plan/Sustainable Communities Strategy (Plan Bay Area) prior commitments. Projects that do not meet these criteria will be subject to the project performance assessment. **Attachment B** provides a list of committed projects from the Transportation 2035 Plan.

- A transportation project/program that meets any one of the following criteria would be deemed "committed":

  Option 1 – Environmental Certification

  1. Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011.
  2. Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011.
  3. Resolution 3434 Program – Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011.
  4. Regional Programs – Regional programs with executed contracts through contract period only and 1st and 2nd Cycle Regional Programs with New Act Funding through 2015 (see **Table 2a and 2b**).

  Option 2 - Construction

  1. Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award by May 1, 2011.
  2. Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011.
  3. Resolution 3434 Program – Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award, by May 1, 2011.
  4. Regional Programs – Regional programs with executed contracts through contract period only and 1st and 2nd Cycle Regional Programs with New Act Funding through 2015 (see **Table 2a and 2b**).

Table 1: Illustration of Committed Projects, Using T2035 Projects*
(Capacity Increasing, Greater than $50 million)

	T2035 # of Projects	Option 1 # of Projects	Option 2 # of Projects
Planning	13		
Environmental	21		
Design	17	17	
Right-of-Way	5	5	
Construction	14	14	14
Total Count	70	36	14

*Notes:
(1) Additional T2035 projects may have progressed to construction
(2) Some projects included in the numbers above are deemed committed because they are Proposition 1B CMIA or TCIF projects

Table 2a: Ongoing Regional Operations Program

Committed Project	Uncommitted Project
Clipper contract executed to FY 2018-19	Clipper FY 2019-20 and beyond
511 contract executed to FY 2018-19	511 FY 2019-20 and beyond
Freeway Service Patrol/Call Boxes funded with SAFE funds	FSP Funded with STP funding
Transit Connectivity (up to $10 million)	Any remaining program needs beyond $10 million commitment

Table 2b: Regional Programs

Committed Programs – 1st and 2nd Cycle of New Act Funding through FY 2015
Local Road Maintenance
Regional Bicycle Program
Lifeline Program
Climate Initiatives Program
Transit Rehabilitation (currently funded in TIP)
Transportation for Livable Communities (TLC)
CMA/Regional Agency Planning Funds
Freeway Performance Initiative (FPI)

2. Prior Commitment – Funding Sources

Funding for the Plan comes from a number of sources. Each funding source has specific purposes and restrictions. The federal, state, regional and local funds included in the draft Plan revenue forecasts as either committed or discretionary funds are defined below and listed in Table 3.

- Committed funding is directed to a specific entity or for a specific purpose as mandated by statute or by the administering agency.
- Discretionary funding is defined as:
  - Subject to MTC programming decisions.
  - Subject to compliance with Commission allocation conditions.

The following criteria are proposed to determine Plan prior commitments:

- A transportation fund that meets any <u>one</u> of the following criteria would be deemed "committed":
  1. Locally generated and locally subvened funds stipulated by statute
  2. Fund source that is directed to a specific entity or purpose as mandated by statute or by the administering agency

Table 3: Committed versus Discretionary Funds

Committed Funds	Discretionary Funds
Federal	
FTA New Starts Program	FTA Section 5307, Urbanized Area Formula (Capital)
FHWA Bridge/Safety Program, Highway Bridge Rehabilitation (HBR)	FTA Section 5309 Fixed Guideway Program
FTA Bus & Bus Facilities Program	FHWA Surface Transportation Program (STP)
FTA Section 5310 Elderly & Disabled	FHWA Congestion Mitigation and Air Quality Improvement (CMAQ) Program
FTA Small Starts	FTA Section 5316 Job Access and Reverse Commute (JARC)
FHWA Ferry Boat Discretionary	FTA Section 5317 New Freedom
American Recovery and Reinvestment Act (ARRA) High-Speed Rail Program	FTA Section 5311 Non-Urbanized Area Formula
State	
State Highway Operations and Protection Program (SHOPP)	State Transportation Improvement Program (STIP): Regional Transportation Improvement Program (RTIP) County Shares
Traffic Congestion Relief Program (TCRP)	STIP: Interregional Road/Intercity Rail (ITIP)
State Transit Assistance (STA) Revenue Based	STIP: Transportation Enhancements (TE)
Gas Tax Subvention	STA Population Based – PUC 99313
Proposition 1B	
Proposition 1A (High-Speed Rail)	
Regional	
AB 1107 ½ cent sales tax in three BART counties (75% BART Share)	AB 1107 ½ cent sales tax in three BART counties (only includes 25% share that MTC administers as discretionary)
BATA Base Toll Revenues and Seismic Retrofit Funds	AB 664
Regional Measure 2 (RM2)	2% Toll Revenues
Service Authority for Freeway and Expressways (SAFE)	5% State General Funds
	RM1 Rail Extension Reserve
	AB 1171
	Regional Express Lane Network Revenues
	Bridge Toll Increase
Local	
Existing locally adopted transportation sales tax	Transportation Development Act (TDA)
Local Funding for Streets and Roads	Regional funds identified as match to sales tax-funded local projects
Transit Fare Revenues	
San Francisco Municipal Transportation Agency (SFMTA) General Fund/Parking Revenue	
Golden Gate Bridge Toll	
BART Seismic Bond Revenues	
Property Tax/Parcel Taxes	
Vehicle Registration Fees per Senate Bill 83 (Hancock)	
Public Private Partnerships	
Anticipated Funds	
	Anticipated Funds

3. Projects Exempt from Senate Bill 375

SB 375 provides that projects programmed for funding on or before December 31, 2011, are not required to be subject to the provisions required in the SCS or Alternative Planning Strategy (APS) if they are:

- Contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, or
- Funded pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2, or
- Were specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects.

A project's status as exempt under these SB 375 provisions does not preclude MTC from evaluating it for inclusion in the Plan per the project performance assessment process and at Commission discretion based on financial constraint, policy or other considerations.

BayArea Plan

Draft Committed Funds and Projects Policy

MTC Planning Committee

March 11, 2011

Purpose

- Determines which <u>projects</u> proposed for inclusion in Plan Bay Area are <u>not subject to discretionary action</u> by the Commission because the project is fully funded and is too far along in project development to consider withdrawing support

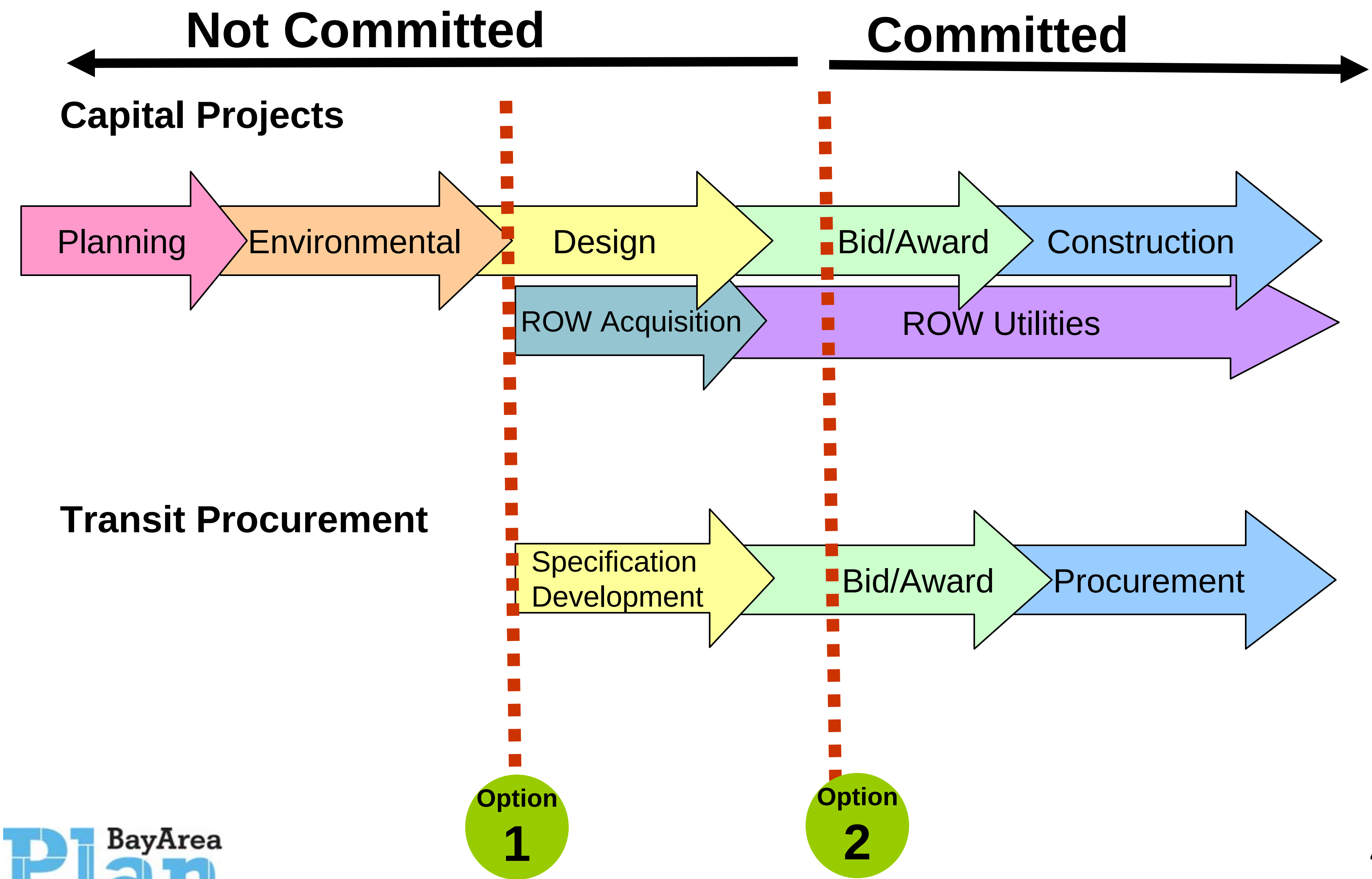
- Determines which <u>fund sources</u> are subject to <u>discretionary action</u> by the Commission

Threshold Criteria for Determining Committed Projects

T2035 Criteria	Proposed Criteria for Plan Bay Area
Projects or project elements fully funded in the current TIP are committed, except Cycle 1 Regional Program funding commitments	**Two Options** **Option 1: Environmental Certification** ▪ Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact State (EIS) by May 1, 2011 **Option 2: Construction** ▪ Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award by May 1, 2011 **Applicable to all options:** ▪ Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor projects with full funding and approved baseline agreements as of February 2011
Resolution 3434	**See above two options.**
Ongoing regional programs are committed	▪ 1st and 2nd cycle regional programs New Act funding through 2015 ▪ Regional programs with existing executed contracts are committed through contract period only

**Committed projects are not subject to a project performance assessment.*

Project Development Flow Chart



BayArea Plan

Committed Projects by Development Phase (Using T2035 Projects)

Capacity Increasing, Greater than $50 million

	T2035 # of Projects	Option 1 # of Projects	Option 2 # of Projects
Planning	13		
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Construction	14	14	14
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Notes: (1) Additional T2035 projects may have progressed to construction
(2) Some projects included in the numbers above are deemed committed because the are Prop.1B CMIA or TCIF projects

BayArea Plan

Changes After Environmental Phase

- Staff reviewed 16 projects (8 highway and 8 transit)
  - Costs range from $40 million to $7.6 billion
  - Highway project average cost: $260 million
  - Transit project average cost: $1.7 billion

Highway Projects
Marin-Sonoma Narrows
Caldecott Tunnel
Sonoma US 101 - Steele Lane to Windsor River Road
I-80 SR4 to Carquinez EB & WB HOV Gap Closure
I-580 EB HOV from East of Greenville Rd to Hacienda Dr.
I-580 WB HOV Lane Project
I-880/SR 92 Interchange Reconstruction Project
US 101 HOV Lanes from Lucky Dr. to North San Pedro

Transit Projects
BART to Warm Springs
BART to SFO
BART to San Jose, Santa Clara
Oakland Airport Connector
SMART
Central Subway
Muni Third Street Light Rail IOS
BART Central CoCo Crossover

- Cost increases common
  - Transit project average increase ~50%
  - Highway project average increase ~30%
- Cost increases vary, but often significant
  - For highway, cost increases averaged $30 million
  - For transit, cost increases averaged $500 million

Projects Exempt from SB 375

- SB 375 provides that projects programmed for funding on or before December 31, 2011, are not required to be subject to the provisions required in the SCS or APS if they are:
  - Contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, or
  - Funded pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2, or
  - Were specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects.

- A project's status as exempt under these SB 375 provisions does not change the Metropolitan Planning Organization's (MPO's) project selection authority for the Regional Transportation Plan (RTP)

BayArea Plan

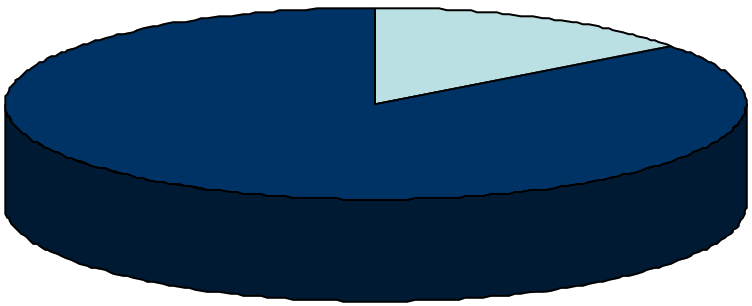
Threshold Criteria for Determining Committed Funds

T2035 Criteria	Proposed Criteria for Plan Bay Area
Locally generated or locally subvened funds are committed.	No change
Transportation funds for operations and maintenance as programmed in the current Transportation Improvement Program, specified by law, or defined by MTC policy are committed.	Committed funding is directed to a specific entity or for a specific purpose as mandated by statute or by the administering agency Discretionary funding is defined as: Subject to MTC programming decisions Subject to compliance with Commission allocation conditions

Committed v. Discretionary Funds (Using T2035 Revenues)

Transportation 2035
Committed Policy

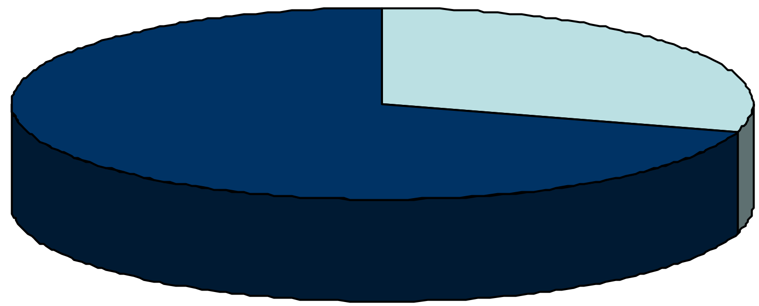
Discretionary Funds
$32 billion – 15%



Committed Funds
$186 billion – 85%

Plan Bay Area
Proposed Committed Policy

Discretionary Funds
$65 billion – 30%



Committed Funds
$153 billion – 70%

Total Revenues: $218 billion

Committed Funds

Federal

- FTA New Starts Program
- FHWA Bridge/Safety Program, Highway Bridge Rehabilitation (HBR)
- FTA Bus & Bus Facilities Program
- FTA Section 5310 Elderly & Disabled
- FTA Small Starts
- FHWA Ferry Boat Discretionary
- American Recovery and Reinvestment Act (ARRA) High-Speed Rail Program

State

- State Highway Operations and Protection Program (SHOPP)
- Traffic Congestion Relief Program (TCRP)
- State Transit Assistance (STA) Revenue Based
- Gas Tax Subvention
- Proposition 1B
- Proposition 1A (High-Speed Rail)

Regional

- AB 1107 ½ cent sales tax in three BART counties (75% BART Share)
- BATA Base Toll Revenues and Seismic Retrofit Funds
- Regional Measure 2 (RM2)
- Service Authority for Freeway and Expressways (SAFE)

Local

- Existing locally adopted transportation sales tax
- Local Funding for Streets and Roads
- Transit Fare Revenues
- San Francisco Municipal Transportation Agency (SFMTA) General Fund/Parking Revenue
- Golden Gate Bridge Toll
- BART Seismic Bond Revenues
- Property Tax/Parcel Taxes Vehicle Registration Fees per Senate Bill 83 (Hancock)
- Public Private Partnerships

Discretionary Funds

Federal

- Section 5307 Urbanized Area Formula (Capital)*
- Section 5309 Fixed Guideway Program*
- Section 5311 Non-Urbanized Area
- Section 5316 Jobs Access and Reverse Commute (JARC)
- Section 5317 New Freedom
- Surface Transportation Program (STP)
- Congestion Mitigation and Air Quality Improvement (CMAQ) Program

State

- Regional Transportation Improvement Program (RTIP) County Shares
- Interregional Road/Intercity Rail (ITIP)
- Transportation Enhancements (TE)
- STA Population Based – PUC 99313*

Regional

- AB 1107 ½ cent sales tax in three BART counties*
- AB 664
- 2% Toll Revenues
- 5% State General Funds
- RM 1 Rail Extension Reserve*
- AB 1171*
- Regional Express Lane Network Revenues
- Bridge Toll Increase

Local

- Transportation Development Act (TDA)*
- Sales Tax Rollovers

Anticipated Funds

*Funds previously considered committed in T2035

Schedule

Draft Committed Policy reviewed by Advisory Groups	**P-TAC: Jan. 31, 2011** **RAWG: Feb. 1, 2011** **Policy Advisory Council: Feb. 9, 2011** **Partnership Board: February 16, 2011**
Draft Committed Policy is reviewed by MTC Planning Committee	**March 11, 2011**
Proposed Final Committed Policy is reviewed and approved by MTC Planning Committee and Commission	**April 8, 2011 (Planning Committee)** **April 27, 2011 (Commission)**

OneBayArea

Date: March 22, 2011

To: Housing Methodology Committee

From: Regional Agency Staff

Subject: Spheres of Influence and Transfers

Summary

This memo updates material from the San Francisco Bay Area Housing Need Plan 2007-2014 on spheres of influence (SOIs). Staff is recommending that we continue to use the rules for SOIs that are described below.

Since the Bay Area's last RHNA allocation, legislation has changed the ability of jurisdictions to make transfers. However, since the land use pattern from the Sustainable Communities Strategy is the underlying information for the RHNA allocation, jurisdictions might be able affect their allocations by asking for changes to the SCS that better reflect local policies that support housing development.

Spheres of Influence

Every city in the Bay Area has a "sphere of influence" or SOI. The SOI boundary is designated by the county's Local Area Formation Commission (LAFCO). The LAFCO influences how government responsibilities are divided among jurisdictions and service districts within a county.

A city's SOI can be either contiguous with or go beyond the city's boundary. A city is responsible for planning areas within its SOI. The SOI is considered the probable future boundary of a city.

Spheres of influence must be considered in the regional housing need allocation process via a "rule" in the Regional Housing Needs Allocation method if there is projected growth within a city's SOI. Most SOI areas within the Bay Area are anticipated to experience growth.

The primary SOI rule used in the last RHNA method was that each local jurisdiction with land-use permitting authority over its SOI should plan for all the housing needed to accommodate housing growth existing employment and employment growth within their SOI.

A 100 percent allocation of the housing need to the jurisdiction that has land use control over the area would ensure that the jurisdiction that plans for accommodating the housing units also receives credit for any units built during the RHNA period.

Association of Bay Area Governments · Bay Area Air Quality Management District · Metropolitan Transportation Commission · Bay Conservation and Development Commission

There are variations within the Bay Area in terms of whether a city or county has jurisdiction over land use and development within unincorporated SOIs. In response to these variations, the following SOI rules were used in the last method:

1. In Napa, Santa Clara, Solano, and Sonoma counties, the allocation of housing need generated by the unincorporated SOI was assigned to the cities.
2. In Alameda and Contra Costa counties, the allocation of housing need generated by the unincorporated SOI was assigned to the county.
3. In Marin County, 75 percent of the allocation of housing need generated by the unincorporated SOI was assigned to the city; the remaining 25 percent was assigned to the county.

These rules reflect the general approaches to SOIs, and agreement between the jurisdictions in each county. Adjustments may be needed to better reflect local conditions. To allow flexibility, the methodology included the following criteria:

1. Adjustments to SOI allocations shall be consistent with any pre-existing written agreement between the city and county that allocates such units, or
2. In the absence of a written agreement, the requested adjustment would allocate the units to the jurisdiction that has permitting authority over future development in the SOI.

Transfers between Jurisdictions

Some legislation has been adopted since the Bay Area's last RHNA process that affects the ability of jurisdictions to make transfers.

In July 2007, AB 1019 first amended the statutory process of transfers. In April 2008, AB 242 (effective Jan. 2009) amended the transfers provisions in 65584.07, particularly the ones related to annexation and incorporation. ABAG's last RHNA plan was adopted in May 2008 and that all transfers occurred before 2009, when AB 242 was not yet in effect. Here it is a link to the AB 242: http://www.leginfo.ca.gov/pub/07-08/bill/asm/ab_0201-0250/ab_242_bill_20080429_chaptered.pdf.

As the law currently stands before adoption, transfers can occur via city-to-city, city-to-county, county-to-city, and county-to-county (for different reasons included successful appeal of an allocation). After the adoption of RHNA, no city-to-city transfers are allowed, only transfers from county-to-city, or due to annexation or incorporation.

In order to have consistency between the Sustainable Communities Strategy and local allocations effected by transfers, it would be helpful for the regional agency staff and local jurisdictions to work together. It may be appropriate for the draft SCS to be revised in order to reflect local transfers.