

SUMMARY MINUTES

ABAG Regional Planning Committee Meeting
Wednesday, April 6, 2016
Joseph P. Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER

Pradeep Gupta, Chair and Vice Mayor, City of South San Francisco, called the meeting of the Regional Planning Committee of the Association of Bay Area Governments to order at 12:32 PM

A quorum of the committee was present.

Committee Members Present	Jurisdiction
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Mark Boucher	BAFPAA
Diane Burgis	East Bay Regional Park District
Paul Campos	Senior Vice President, Government Affairs, Building Industry Association
Tilly Chang	Executive Director, SFCTA County of San Francisco
Cindy Chavez	Supervisor, County of Santa Clara
Pat Eklund	Mayor, City of Novato
Martin Engelmann	Deputy Executive Director of Planning, Contra Costa Transportation Agency
Pradeep Gupta	Vice Mayor, City of South San Francisco (Chair)
Erin Hannigan	Supervisor, County of Solano
John Holtzclaw	Sierra Club
Nancy Ianni	League of Women Voters--Bay Area
Melissa Jones	Executive Director, BARHII, Public Health
Michael Lane	Policy Director, Non-Profit Housing Association of Northern California
Jeremy Madsen	Executive Director, Greenbelt Alliance
Eric Mar	Supervisor, City and County of San Francisco
Nate Miley	Supervisor, County of Alameda
Karen Mitchoff	Supervisor, County of Contra Costa
Carmen Montano	Vice Mayor, City of Milpitas
Anu Natarajan	Director of Policy and Advocacy, MidPen Housing
Julie Pierce	Councilmember, City of Clayton (ABAG President)

Harry Price	Mayor, City of Fairfield
Matt Regan	Senior Vice President of Public Policy, Bay Area Council
Katie Rice	Supervisor, County of Marin
Carlos Romero	Urban Ecology
Al Savay	Communitte Dev. Director, City of San Carlos (BAPDA)
Kirsten Spalding	Executive Director, SMCUCA
James P. Spring	Supervisor, County of Solano
Egon Terplan	Planning Director, SPUR
Dyan Whyte	Assist. Exc. Officer, San Francisco Regional Waterboard

Members Absent

Desley Brooks
Julie Combs
Diane Dillon
Karen Engel

Scott Haggerty
Russell Hancock
Mark Luce
David Rabbitt

Mark Ross
Jill Techel
Monica E. Wilson

Jurisdiction

Councilmember, City of Oakland
Councilmember, City of Santa Rosa (Vice Chair)
Supervisor, County of Napa
Director of Economic and Workforce Development, Peralta Community College

Supervisor, County of Alameda
President & CEO, Joint Venture Silicon Valley
Supervisor, County of Napa
Supervisor, County of Sonoma (ABAG Vice President)

Councilmember, City of Martinez
Mayor, City of Napa
Councilmember, City of Antioch

2. PUBLIC COMMENT

There were no public comments.

3. APROVAL OF REGIONAL PLANNING COMMITTEE MEETING MINUTES OF FEBRUARY 3, 2016

Vice Chair Gupta recognized a motion by **Pat Eklund**, Mayor, City of Novato and seconded by **Julie Pierce**, Councilmember, City of Clayton to approve the Regional Planning Committee minutes of February 3, 2016.

There was no discussion

The aye votes were: Boucher, Campos, Chang, Chavez, Eklund, Engelmann, Gupta, Hannigan, Holtzclaw, Jones, Lane, Madsen, Mitchoff, Montano, Natarajan, Pierce, Price, Regan, Rice, Romero, Savay, Spalding, Spring.

The nay votes were: None

Abstentions were: Rice.

The motion passed.

4. ANNOUNCEMENTS

Member Jones announced a new released report on Housing and Health which can be found on their website BARHII.org.

Member Pierce announced and encouraged everyone to join the ABAG General Assembly on April 21, 2016 at the Oakland Museum.

Member Jeremy announced a new released report "Home Grown" a great tool for Farms and Ranches to be successful, this report can be found on their website Greenbelt.org

5. SESSION OVERVIEW BY MIRIAM CHION, ABAG PLANNING AND RESEARCH DIRECTOR

Ms. Chion, Director of Planning and Research at ABAG, gave an overview of the meeting and future plans and schedules.

6. HOUSING ACTION AGENDA

Duane Bay, ABAG Assistant Planning and Research Director, presented a draft ABAG Housing Agenda and gave a brief report on the recent ABAG/MTC Housing Forum.

Member Romero said they lay out tasks and approaches that make sense but might in some cases be difficult to get consensus on. They might want to prioritize based on low hanging fruits, such as streamline out of the entitlement process, or preserving the affordability of existing homes. ADUs are not naturally affordable. It would be helpful to have a clear debate of what the ground rules are. Bay Area Council is working on the ADU piece: ADUs could be included in the housing fund.

As an affordable housing developer and consultant, he has a lot of issues with TOAH, because of its usability. It becomes much more expensive money, TOAH is not effective on some of the affordable housing stuff but potentially the housing trust could be effective. He really would like to see if there is another way of generating an alternative source of funding. Another issue is: RHNA reform, how could we get from A to B without alienating cities, advocates etc. The housing trust fund is really important because we want to move forward on a regional basis, whether it is development in PDAs, affordable housing or incentivizing housing within PDAs that are market rate housing.

Member Eklund thanked staff for incorporating some of the suggestions that she made at the Executive Board and the Administrative Committee meetings. Novato was one of the first communities to really focus on junior units, which is already working in our town; building market rate housing is easier than affordable housing. Elimination of the redevelopment agency has affected our ability to fund affordable housing. In Novato they were able to fund six hundred affordable housing units, half ownership, half rental, with RDA funds. She believes that any future regional housing trust fund should focus on either a loan or grant program for affordable housing. Market rate housing is a lot easier to build. Affordable housing is quite expensive and should be funded with state funds, since they took away RDA. She does not support a regional tax or fee. If TOAH appears to have issues what can be done to change it to make it more usable for the existing affordable housing community? The housing action agenda doesn't emphasize that housing should be placed where the jobs are. There should be an effort to have businesses in the community build housing for their employees. She supports having a commercial linkage fee implemented. She supports inclusionary zoning ordinance even though nobody likes to have those kinds of requirements, but they are needed. ABAG can provide some support services for affordable housing entities to make their grants more competitive, at the state or federal level as well.

Member Regan commented that currently the Bay Area Council is on sustainable accessory dwelling units. They have put together a campaign on an effort to make permitting easier for accessory dwellings. There are currently three bills in the state legislature addressing permit expediting for accessory dwelling units. Setting up a housing trust fund is important. We need a sustainable fund for affordable housing. Cities particularly in the Pacific Northwest have done accessory dwelling unit, enabling legislation. Vancouver passed sweeping legislation that makes permitting by right; 35%

of single family homes in Vancouver have an accessory dwelling unit attached. It's the single biggest supplier of the new housing. There is no guarantee that these will all be affordable but a significant number of them are; this is looking at current practices in other places. If there is a requirement that restrict these units to be affordable, then it would only be fare that the home owner who builds it has access to the housing trust fund to help finance it. If large employers had the money and the willingness to do build housing, they still would run into opposition.

Member Natarajan said she hopes that ABAG continues to do what it does best, pooling all the data from the different sources and providing best practices both in terms of policy work but also in terms of just the financing mechanisms. For ABAG to tinker around the edges to just set up this regional mechanism is not the best use of their time. Identifying resources is going to be challenging because everybody is picking up the same buckets of money.

Member Savay said if a city was able to pay into a housing trust fund and get credit for RHNA or some other affordable housing requirement, then that would be a politically acceptable way to contributing to helping the housing problem in the Bay Area. Funding sources are really hard to get and you have to have special expertise. He thinks it would be a good thing for ABAG to support.

Member Madsen said congratulations to staff on putting this together. Land use planning and implementation requires building a political strategy and a political constituency. Several of these things require policy reform, policy advancement, a constituency behind. It requires having that agenda well understood and various different folks from nonprofit organizations, providers, elected officials making that case. They support ADUs acceleration in some of the most ready and regionally beneficial PDAs, is there a requirement to have policies around affordable housing and around stabilizing people who are already there? On the trust fund, the concept is a good idea as part of a very multi-faceted strategy.

Member Rice said they need to have all the tools in the toolkit. They are still threatened by losing their mix of housing. In Marin County they are really focusing on opportunities for acquisition, conversion and to permit deed restricted housing. They get some buy in from the community on this kind of an action and they are finding ways to partner to make that happen. That is one of the roles that ABAG should be playing; in this conversation one of our strengths is lobbying and looking for legislative changes that help us reach our goals. They need to look at RHNA, tax incentives or a property tax credit to help incentivize existing property owners to put their properties into trust perhaps that then would convert over into deed restrictive affordable housing when they pass on. We do have people in our community who are willing to do that.

Member Miley said this is a regional issue, it is neither a city issue nor a particular county issue, it is a Bay Area issue for the whole nine Bay Area counties. They need to agree on some fundamental principles to move forward. There is no magic solution; they have to have a more complex approach to addressing this issue. It is important that they recognize the need for housing is an all categories from homeless, to the moderate income folks. They have to recognize that they are all in this together. If they pitch everybody against everyone, they are not going to succeed.

Member Chang thanked staff for putting this out, they just want to voice strong support for this and pledge their partnership and assistance to anyone. Many of the strategies mentioned in the agenda, are already underway in San Francisco. One that is not featured in the report and that they suggest is the idea of the jobs-housing linkage fees, commercial and otherwise. They think that it is a really important mechanism. What is exciting is that they are not talking about why they need any of this work. It's really about what and how. On transportation analysis, the methodology has changed, the state transportation impact measure have shifted from an intersection delayed measure to a vehicle travel measure, which really should benefit because of the fewer to none zero vehicle miles travel generated.

Member Pierce said this is a great discussion and something they all need to get behind and it needs a united front. There is probably nobody better than ABAG to pull the voices together. Our region needs all the housing we can build. She liked the idea of the regional housing trust fund. She has been talking to many of them about that for several years. Her vision is to get contributions from all sources, to have reasonable fees per housing unit. Inclusionary housing is right, a simple flat fee per housing unit probably gets them further than that. Using existing housing to satisfy some of the demand for affordable housing such as what Napa has done with their work proximity housing program is good. For a \$50,000 down payment they get a qualified family into a unit without spending five hundred thousand on a new unit. There are really practical reasons why existing housing makes a lot of sense in the affordability contract. The problem is, they do not get credit from the state as creating an affordable unit when they do that. There they do need to be an advocacy organization; they do need to pull all their resources together. They need to get credit for what qualifies. New senior housing projects for instance, assisted care units. They must be aware that penalizing jurisdictions that are begging for development, and cannot get it, doesn't make sense either. On accessory units, when they have \$60,000 to connect a secondary unit to utilities, you either do not build it or you do not do it the same way. That is a disincentive and unless they can get around that by working with the special districts to lower those utility connection costs, they are never going to make second units a viable way of offering affordable housing.

Member Holtzclaw said mixed use is very important for housing affordability. One of the things that cities, towns, should keep in mind is allowing market, restaurants, banks to locate, libraries, parks, in urban areas close to housing to reduce transportation costs.

Member Terplan said g that staff did a great job, they have done good work. ABAG should be an advocacy organization, a place where they talk about some of the complexities and challenges such as the disconnect between political will for new housing and where the market is at times. The Bay Area has very restrictive zoning, the revenue incentives and disincentives for housing and the role that sales tax plays in local governments; communities would much rather wait for the shopping centers, than approve some housing. This leads to too much retail, it leads to a lot of tremendous inequities between cities; and another category is reforming RHNA. He would like to hear how ABAG and MTC are working together since the summit on a lot of this.

Member Burgis liked the idea of a regional housing trust fund. The resources to attract that kind of housing is limiting. When you live in Oakley, you are talking about really affordable housing. They have met and exceeded those RHNA numbers, but their folks

are challenged because transportation and other services are not there yet. Yet they have people that cannot rent an apartment where she lives which is one of the most affordable places to live in the Bay Area. Why is housing not being built? It is because it is too expensive to build and to provide for those folks. The other challenge is that they have areas that have been incorporated into the cities and the infrastructure is poor. Then the cost of the house is very inexpensive. They had a neighborhood of about eighteen houses, it was going to be \$1,500,000 to put in the right storm drain system. That is just too pricey, that is eliminating affordable housing. People who like to live out in the sticks want to have an affordable place but they need the infrastructure to be able to make it. Infrastructure investments, in areas that are affordable but restrictive, might be something that they need to invest in.

Member Savay said for the Silicon Valley Leadership Group and their CEO Carl Guardino that the number one impediment to hiring employees is housing. Mark Zuckerberg offered \$10,000 per employee to live within ten miles of the campus in Menlo Park. The problem is only a few people could find a place affordable enough even for those people who work there. Silicon Valley Leadership Group is very interested in housing and they would probably be very open to some kind of collaboration or partnership. He suggested looking at Private public partnerships.

Mr. Rapport said when they talk about a regional housing trust there is three critical elements. One is governance. There's a lot of consensus building among the people who have a trust that this will not be competitive in any way this will just be a support. Second, they are talking about new funding not existing funding streams that everybody else is using. Third is the expenditure plan that has very broad levels of consensus. Their view of CEQA reform is that it is not needed when they do priority development areas and specific plans. That is the whole purpose of the ABAG funding for the priority development areas. There are ways in their view where RHNA could possibly be an incentive to local governments. They definitely see that for accessory dwelling units. They do not have much faith in the state coming forward with affordable housing funding. What they are talking about here is raising money regionally. They now have on the ballot for Restoration Authority with a parcel fee regionally, would be administered by the Restoration Authority all of which all the appointments for that are ABAG appointments. A uniform commercial linkage fee is a possibility. MTC is fully supportive of our housing agenda. That is something that they really need to do together. They have to find gap fund financing, where projects have already assembled a very large amount of money and they need a small gap. They can try to support ownership housing programs like work proximity where they provide incentives for people to buy homes who are in low moderate income level and do their own fix up. Their issue is how to get PDAs created with the proper zoning, the proper quality of an urban neighborhood with the appropriate tools to address the social issues and to streamline good projects. To them the framework of Plan Bay Area is the Priority Development Area and getting enough money to support that program.

7. UPDATE ON REGIONAL AGENCIES MERGER STUDY

Member Pierce said they also have present member of the RPC Jim Spearing who is the chair of the MTC planning committee which is part of the Joint Committee that is

administering the merger study between ABAG and MTC. They have been working very closely along with chair Dave Cortese of MTC on the process. As many of you know they hired Management Partners in January to do a study about the potential for a merger between MTC and ABAG. Should no action be taken before the end of June, MTC's resolution 4210 will take effect and some of the planning money for ABAG will be rescinded and the planners will be offered jobs at MTC. ABAG is looking at an offered opportunity right to really truly merge two agencies engaged in different respects in regional planning. They have had the consultants do a fairly detailed five year financial forecast for both MTC and ABAG both with and without resolution 4210. There's been an extensive amount of outreach done. There were some very strong opinions that were shared with the consultants which gave them a real idea of the challenges in merging two different agencies which are culturally very different, and who have different missions. Clearly MTC is financially the giant because they have a tremendous amount of money. They, ABAG, play a huge role regionally with their local governments and so while one may be financially stronger the other one probably is stronger in view of their outreach to local governments and stakeholders. Both agencies would be stronger to merge those assets.

The consultants are now finishing up their analysis and will be making a recommendation to the joint committee on April 22nd, which is a Friday. It is the day after ABAG's General Assembly and while the report will be on the street the General Assembly is not going to have a discussion about the recommendation. They will take comments but the recommendation will come directly back to the Joint Committee or the Joint ABAG and MTC planning committees to discuss. The expectation is that out of that recommendation or out of that series of options and based on the consultant's recommendation and their agreement or not with them, the Joint Committee will be making a recommendation back to their larger bodies for a path forward in the future. The expectation is to figure out where they want to go and then to agree to engage on a process to figure out how to get there. Those who read the packets saw that there are a lot of options on the table. Member Pierce invited the committee members to come to the Joint meeting on April 22nd, where Management Partners will be providing their evaluation and recommendation to the Joint Committee and hopefully make a united decision on the direction they want to follow. She believes if they are ever going to do this they will never have a better opportunity than right now. She asked Member Sperring if he would like to add anything.

Member Sperring replied he is not looking forward to the discussion on the 22nd but the first statement he wanted to make is what they are currently doing does not work, it is dysfunctional and it has to change. That is just a fundamental position that MTC has. Second, they look at these financial conditions of ABAG whether they move the planners or not, ABAG has a very serious financial problem that has to be addressed. Third thing he wanted to say is, if the planners are moved and that funding is discontinued there is a pass-through of about \$1.2 million that is going to ABAG. There are many commissioners like myself that are not going to sit on the sidelines and watch ABAG face this financial crisis without them providing some assistance. For him it is extremely important that the two governing bodies, to take this next step, have to keep their autonomy so they can have an honest discussion about what a future regional government might look like. One structure is not forced on either one of the agencies. All in all, they are just talking about moving some planners. They really have to be cautious

not to overlook the great things that ABAG and MTC do in this region. He just wanted everybody to rest assure that MTC's goal is not to bankrupt or harm ABAG financially. As many people in the room know he has been a big advocate for funding for ABAG over the past twenty plus years and ABAG plays a very important role in the region and that role needs to be preserved. He is not sure what form it is, but one of the objectives. He asked everyone to be patient and keep an open mind and look at how things can be and not necessarily how they are today.

Member Pierce they are uniting around some principles and that is really important. Member Sperring is absolutely right, both agencies are incredibly important to the Bay Area.

Mr. Bukowski said on Friday at 10:00 the Senate Select Committee on Bay Area regional planning is having a meeting at the State Building from ten to twelve so some of their inputs should be received at that meeting.

Member Terplan praised President Pierce and Commissioner Sperring for setting forth a conversation that has been effective. They are in the moment today to accomplish something that has been attempted since MTC was formed in the early 1970s, of having something that every other metropolitan region of California has, which is a single regional agency that does transportation land use planning, RHNA long term projections, and all of that under one roof. There are a number of people, for a variety of reasons, which are nervous about any changes to the governance. All of the functions of ABAG and all of the functions of MTC being within a single organization single organizational structure could be organized but the fundamental governance in the interim could be left as is. He is looking forward to see what the options are but does hope that this is the time that they can accomplish the merger, but seeing that as a series of steps and the first step being the staffing piece, the entire staffing.

Member Pierce said that two of the options have exactly that in them. They have functional integration but still two autonomous separate boards.

Member Chavez said she is new, just the last couple of years to all the regional work. Primarily coming from Santa Clara County she feels left out anyway, because they are so far at the end. They have to understand what the rate of return is to the people they represent. She has found a lot of value in regionalism. She wanted to make sure that she puts on the table meaningful engagement; it should have been its own criteria because having cross conversations with people across the region allows us to do a better job for the people we each represent. Second, she does see that there are challenges between the cultures of the two organizations relative to that issue and again she spoke for Santa Clara County and just for herself. She does not find all agencies to be equally open to all of their organizations and that is a problem. She would like to add that both agencies have the ability to deeply engage all of their partners, with benefits from both information and financial perspectives. At this point she does not have that kind of confidence.

Member Sperring replied you are hitting the nail on the head. This is reason why they think it is so critical that the two bodies stay autonomous for the meantime. You can have this open honest discussion and that these issues are put on the table. One thing that ABAG does much better than MTC is it is engaged with the cities. They can have

that input in this transitional period. It is absolutely imperative that the ABAG Executive Committee stays in place and is autonomous and able to make decisions.

Member Chavez said the ability to have really uncomfortable conversations publicly, not just as an issue relative to transition but as an issue relative to the endgame.

Member Spering said that is why he made the statement earlier about do not discard the good things that both of them do. ABAG plays a very important role. When they look all over this nation they look at the job that ABAG does with its engagement to cities and counties it is very unique and it is a quality that needs to be maintained. It is a voice and it does impact and influence what MTC does and so that is part of that discussion.

Member Holtzclaw said he is going to join with his colleagues in thanking both Member Pierce and Member Spering for their great work for the heart they bring into this and the thought they bring into it. He asked for the time and place of the April 22nd meeting.

Member Romero said this is clearly an important discussion to have and a very important opportunity that he would hope they do not miss, but he still has great trepidation about the outcome. If they are really looking at June as the month that MTC pulls this trigger to move the planners over, yet ABAG retains RHNA, he thinks that would be disastrous. If they are going to continue down this road of talking about what the governing structure is, whether they actually happen to merge functionality etc., they should not pull the trigger in June. It is too early. As a city council member in East Palo Alto, having gone to a couple of meetings with other elected officials, probably comprising maybe some seventy five eighty between both, there's a trust issue with MTC. There clearly is a trust issue and they need to work through that trust issue. The number one concern that he heard among those eighty folks and some of those folks did not know very much about MTC, but they did know that it was a black box that they could not trust. If it leads to an organization that actually has greater access and penetration into the nine counties they would all be much better off. They should take a little more time to look at what this integration might look like and how they can increase the acceptance of a change in the structure of these organizations throughout the nine counties.

Member Madsen said congratulations are too premature. Thank you to Supervisor Sparing, to Council Member Pierce, and everybody else who has been engaged in thinking this through. Greenbelt Alliance had the opportunity to convene some of the environmental stakeholders throughout the region, for a discussion which was well done and appreciated. The part that has been in the background, that he wanted to make sure that they keep raising back up into the foreground, is the mission of that integration or that integrated entity or how the entities will integrate. MTC has great staff, great commissioners, great thinking but it is a transportation agency. It says that very clearly if you go on the website. It is not for housing, for open space conservation, for economic development. Getting more clarity around what is the mission, what are the integrated set of problems that they are trying to solve the region, and have that be the driving force behind whatever comes out is absolutely critical. Mission and function are both really important conversations, he wants to keep that mission piece back on the table.

Member Spalding reiterated something Member Madsen said which is really focusing on what it is they are trying to do. Her organization, the Union Community Alliance began working on Plan Bay Area around 2011. At that time, when they started talking

about economic prosperity as lens through which they had to look at their work as planning agencies it was falling on deaf ears. It was as though no one had ever considered prosperity as part of the issue. Regional agencies were very focused on how do they shorten trip times and how do they build more housing, but really thinking about what it means to thrive in the Bay Area was not on an integrated agenda. They have come a huge way over the last five years in thinking about what it means to be a region in which all people can thrive. She wanted to make sure that as they think about functionally what they are doing, she wanted to make sure that they really keep in mind that economic prosperity piece. One of the major outcomes of the HUD grant was learning to deal with their silos in their thinking about housing, about transportation. Even the term economic development suggests simply job creation and they really have to think in a more integrated way about open space, equity and about what it means for this region to thrive for all people. She hopes that lens will stay on the table throughout these merger conversations.

8. ADJOURNMENT

Vice Chair Gupta adjourned the Regional Planning Committee at 2:46 PM

The next meeting of the Regional Planning Committee will be on June 1, 2016.

Submitted:

Wally Charles

Date: May 11, 2016

For information or to review audio recordings of ABAG Regional Planning Committee meetings, contact Wally Charles at (510) 464 7993 or info@abag.ca.gov.