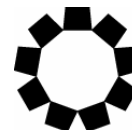


ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

ABAG EXECUTIVE BOARD SPECIAL MEETING NO. 421

Thursday, January 19, 2017, 7:00 PM

Location:

Bay Area Metro Center
Board Room
375 Beale Street
San Francisco, California

The ABAG Executive Board may act on any item on this agenda.

Agenda and attachments available at <http://www.abag.ca.gov/>

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT

INFORMATION

3. ANNOUNCEMENTS

INFORMATION

4. PRESIDENT'S REPORT

INFORMATION

5. ACTING EXECUTIVE DIRECTOR'S REPORT

INFORMATION

6. CONSENT CALENDAR

ACTION

Unless there is a request by an Executive Board member to take up an item on the consent calendar separately, the calendar will be acted upon in one motion.

A. Approval of Executive Board Summary Minutes of Special Meeting No. 420 held on December 15, 2016

Attachment: Summary Minutes of December 15, 2016

ABAG Executive Board

January 19, 2017

Page 2

B. Ratification of Committee Appointments

The Executive Board is requested to ratify the following committee appointments:

Administrative Committee

To Be Announced

Finance and Personnel Committee

To Be Announced

Legislation and Governmental Organization Committee

To Be Announced

Regional Planning Committee

To Be Announced

Bay Area Regional Collaborative

To Be Announced

San Francisco Bay Conservation and Development Commission

To Be Announced

San Francisco Bay Restoration Authority Governing Board

To Be Announced

C. Ratification of Contract with Gigantic Idea Studios for Greener Pesticides for Cleaner Waterways Grant

The Executive Board is requested to ratify the contract with Gigantic Idea Studios for Greener Pesticides for Cleaner Waterways Grant in the amount of \$90,050, beginning October 1, 2016 and ending September 29, 2017.

Attachment: Gigantic Idea Studios

D. Ratification of an Agreement with Seligson Consulting

The Executive Board is requested to ratify the agreement with Seligson Consulting approving the Executive Director or designee, entering into the agreement with Seligson Consulting to perform impact estimates for housing and flood hazard scenarios for the Resilience Program and entering into agreement with Seligson Consulting to perform HAZUS analysis.

Attachment: Seligson Consulting

E. Ratification of an Agreement with Urban Resilience Policy

The Executive Board is requested to ratify the agreement with Urban Resilience Strategies approving the Executive Director or designee, entering into the agreement with Urban Resilience Strategies to provide programmatic and technical support to the Resilience Program.

Attachment: Urban Resilience Policy

7. ABAG LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE REPORT
ACTION

Committee Chair Scott Haggerty, Supervisor, County of Alameda, will report on Committee activities and request ABAG Executive Board approval of Committee recommendations.

Attachment: LGO Committee Agenda

Agenda and attachments available at abag.ca.gov

8. ABAG FINANCE AND PERSONNEL COMMITTEE REPORT
ACTION

Committee Chair Karen Mitchoff, Supervisor, County of Contra Costa, will report on Committee activities and request ABAG Executive Board approval of Committee recommendations.

Attachment: FP Committee Agenda

Agenda and attachments available at abag.ca.gov

9. REPORT ON PRIORITY PRODUCTION AREA PROGRAM
INFORMATION / ACTION

Cynthia Kroll, ABAG Chief Economist, and Johnny Jaramillo, ABAG Senior Regional Planner, will report on research and ongoing work on the Priority Production Area program. They will be joined by Karen Chapple, University of California, Berkeley, who will report on research on industrial land inventory, capacity of future growth, occupancy and expected demand.

Attachments: Priority Production Area Program; Industrial Land and Jobs Study Executive Summary; Industrial Land Study Technical Advisory Committee

10. REPORT ON ABAG/MTC OPTION 7 IMPLEMENTATION ACTION PLAN
INFORMATION

A. REPORT ON STAFF CONSOLIDATION PLAN, CONTRACT FOR SERVICES, AND MEMORANDUM OF UNDERSTANDING

Attachment: Update Staff Consolidation Plan, CFS, and MOU

11. REPORT ON LOCAL COLLABORATION PROGRAMS—ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS (ABAG FAN)

INFORMATION

Staff will present an overview of ABAG's public financial services programs to date and will give a presentation on plans for a proposed new joint powers authority—tentatively, ABAG Finance Authority (FA)—to serve as conduit issuer.

Attachments: Description; Presentation. (Memo on Proposed ABAG FA to be Sent under Separate Cover)

ABAG Executive Board

January 19, 2017

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12. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Brad Paul, Acting Executive Director; Kenneth Moy, Legal Counsel; Courtney Ruby, Finance and Administrative Services Director; Marti Paschal, Assistant Director of Administrative Services

Employee organization: SEIU Local 1021

13. ADJOURNMENT

The next meeting of the ABAG Executive Board will be on February 16, 2017.

Submitted:

/s/ Brad Paul, Acting Secretary-Treasurer

Date Submitted: January 13, 2017

Date Posted: January 13, 2017

SUMMARY MINUTES (DRAFT)

ABAG Executive Board Meeting No. 420
Thursday, December 15, 2016
Bay Area Metro Center
375 Beale Street, Board Room
San Francisco, California

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

ABAG President Julie Pierce, Councilmember, City of Clayton, called the meeting of the Executive Board of the Association of Bay Area Governments to order at about 7:10 p.m.

President Pierce reported that Linda Seifert, Supervisor, County of Solano; Johnny Khamis, Councilmember, City of San Jose; Tam Nguyen, Councilmember, City of San Jose; Raul Peralez, Councilmember, City of San Jose; and Dave Cortese, Supervisor, County of Santa Clara were participating by teleconference; and called for a roll call.

A quorum of the ABAG Executive Board was present at about 8:03 p.m.

Representatives and Alternates Present

Supervisor Damon Connolly
Supervisor David Cortese *
Councilmember Jim Davis
Mayor Pat Eklund
Mayor Leon Garcia
Supervisor John Gioia
Councilmember Abel Guillen
Mayor Pradeep Gupta
Supervisor Scott Haggerty
Councilmember Dave Hudson
Councilmember Johnny Khamis *
Mayor Wayne Lee
Supervisor Mark Luce
Supervisor Karen Mitchoff
Councilmember Tam Nguyen *
Councilmember Raul Peralez *
Councilmember Julie Pierce
Supervisor Linda Seifert *
Mayor Trish Spencer

Jurisdiction

County of Marin
County of Santa Clara
City of Sunnyvale
City of Novato
City of American Canyon
County of Contra Costa
City of Oakland
City of South San Francisco
County of Alameda
City of San Ramon
City of San Jose
City of Milbrae
County of Napa
Count of Contra Costa
City of San Jose
City of San Jose
City of Clayton
County of Solano
City of Alameda

Representatives Absent

Mayor Len Augustine
Councilmember Annie Campbell Washington
Supervisor Cindy Chavez
Dir Nicole Elliott, Leg and Gov Affairs
Mayor Barbara Halliday
Supervisor Jane Kim
Director William Kissinger **
Mayor Edwin Lee
Vice Mayor Jake Mackenzie

Jurisdiction

City of Vacaville
City of Oakland
County of Santa Clara
City of San Francisco
City of Hayward
County of San Francisco
RWQCB
City of San Francisco
City of Rohnert Park

Supervisor Eric Mar	County of San Francisco
Councilmember Lynette Gibson McElhaney	City of Oakland
Supervisor Nathan Miley	County of Alameda
Supervisor Dave Pine	County of San Mateo
Supervisor David Rabbitt	County of Sonoma
Vice Mayor Greg Scharff	City of Palo Alto
Supervisor Warren Slocum	County of San Mateo

[* Participated by Teleconference; ** Non-voting Advisory Member]

2. PUBLIC COMMENT

There was no public comment.

3. ANNOUNCEMENTS

Trish Spencer, Mayor, City of Alameda, announced that the Alameda County Mayors' Conference appointed her as Representative from the cities in the County of Alameda.

Pat Eklund, Mayor, City of Novato, thanked President Pierce for her comments at the Metropolitan Transportation Commission workshop on regional housing strategy and on ABAG and MTC working collaboratively.

Pradeep Gupta, Mayor, City of South San Francisco, reported on a presentation to the SAMCEDA Board with Cynthia Kroll, ABAG Chief Economist, and announced his appointment as Mayor of the City of South San Francisco.

The Executive Board next took up Item 7.

4. PRESIDENT'S REPORT

A. Recognition of Members Stepping Off the ABAG Executive Board

President Pierce recognized the following for their service to the Association of Bay Area Governments' Executive Board and to the Region: Mark Luce, Supervisor, County of Napa, and ABAG Immediate Past President; Jim Davis, Councilmember, City of Sunnyvale; Eric Mar, Supervisor, City and County of San Francisco; Linda Seifert, Supervisor, County of Solano; Desley Brooks, Councilmember, City of Oakland; Bill Harrison, Mayor, City of Fremont; Mary Ann Nihart, Councilmember, City of Pacifica.

Brad Paul, ABAG Acting Executive Director, added thanks from staff to those members leaving the Executive Board.

5. ACTING EXECUTIVE DIRECTOR'S REPORT

There was no Acting Executive Director's report.

6. CONSENT CALENDAR

President Pierce recognized a motion by Pat Eklund, Mayor, City of Novato, which was seconded by Dave Hudson, Councilmember, City of San Ramon, to approve the consent calendar.

There was no discussion.

There was no public comment.

The aye votes were: Connolly, Cortese, Davis, Eklund, Garcia, Gioia, Guillen, Gupta, Haggerty, Hudson, Khamis, W. Lee, Luce, Mitchoff, Nguyen, Peralez, Pierce, Seifert, Spencer (19)

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Chavez, Elliott, Gibson McElhaney, Halliday, Kim, E. Lee, Mackenzie, Mar, Miley, Pine, Rabbitt, Scharff, Slocum (15)

The motion passed unanimously.

A. Approval of Executive Board Summary Minutes of Meeting No. 419 held on November 17, 2016, and Revised Summary Notes of Special Meeting No. 418 held on October 20, 2016

The Executive Board approved the Summary Minutes of Meeting No. 419 held on November 17, 2016, and the revised Summary Notes of the Special Meeting No. 418 held on October 20, 2016.

B. Approval to Participate in Proposal to the CA Department of Community Services and Development for Low-Income Weatherization Program

The Executive Board ratified the submittal of the proposal to CSD in an amount not to exceed \$5.7 million for regional administration of the LIWP, and authorized the ABAG Acting Executive Director to enter negotiations and execute the necessary agreements, if approved.

C. Adoption of Resolution No. 17-16 Authorizing the Exchange of a Condominium Interest in 101 8th Street, Oakland for a Condominium Interest in 376 Beale Street, San Francisco, and Related Matters

The Executive Board adopted Resolution No.17-16.

7. REPORT ON LOCAL COLLABORATION PROGRAMS—ABAG POOLED LIABILITY ASSURANCE NETWORK (ABAG PLAN)

Jim Hill, ABAG PLAN Director, and Jill Stallman, ABAG Claims Manager, presented an overview of ABAG Pooled Liability Assurance Network, including program background, information to share with community constituents, organization, program services, and benefits.

Marc Zafferano, City Attorney, City of San Bruno, and Chair, ABAG PLAN Board, presented risk pool case studies about San Bruno.

Members discussed the ABAG PLAN website and newsletter; member outreach; adequate member coverage; member premiums; ABAG PLAN collaboration with ABAG programs.

Paul reported on attending the ABAG PLAN Board retreat and meeting with Metropolitan Transportation Commission senior staff on ABAG's local collaboration programs, including ABAG PLAN.

The Executive Board next took up Item 6.

8. REPORT ON PLAN BAY AREA 2040—PROPOSED ENVIRONMENTAL IMPACT REPORT (EIR) ALTERNATIVES

Ken Kirkey, MTC Planning Director, presented the proposed EIR alternatives for Plan Bay Area 2040, including the adoption of the final preferred scenario and language related to an action plan by the ABAG Executive Board and the Metropolitan Transportation Commission on November 17, 2016; staff recommendation on the selection of alternatives to be evaluated as part of the Plan Bay Area EIR and overview of the process; purpose of CEQA; Notice of Preparation and comments; identification of CEQA alternatives and development of the EIR; and recommended alternatives, i.e., No Project, Main Streets, Big Cities, EEJ—Environment, Equity and Jobs scenarios; comparisons of the EEJ alternative and the proposed plan and past plan.

Members discussed the Environment, Equity and Jobs alternative and growth in suburban communities; greenhouse gas reduction goals; Plan Bay Area process; economic impacts and stability of cities and the region; EEJ identified cities and transit priority areas; alternatives to be studied through the EIR process; project and alternatives in the EIR process; community based organizations; comparison to Plan Bay Area 2013; range of alternatives and analyses in the past plan; community and county impacts; inclusion of the EEJ alternative; EIR time frame.

President Pierce recognized a motion by John Gioia, Supervisor, County of Contra Costa, which was seconded by Karen Mitchoff, Supervisor, County of Contra Costa, to approve the proposed Plan Bay Area 2040 Environmental Impact Review alternatives as recommended by staff.

Members discussed the ABAG and MTC joint process; providing members with information on communities and transit priority areas identified in the EEJ alternative; local control; litigation from the last Plan Bay Area.

There was no public comment.

The aye votes were: Connolly, Cortese, Davis, Eklund, Garcia, Gioia, Guillen, Gupta, Haggerty, Hudson, W. Lee, Luce, Nguyen, Peralez, Pierce, Seifert (16)

The nay votes were: Mitchoff, Spencer (2)

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Chavez, Elliott, Gibson McElhaney, Halliday, Khamis, Kim, E. Lee, Mackenzie, Mar, Miley, Pine, Rabbitt, Scharff, Slocum (15)

The motion passed.

Members discussed the Plan Bay Area history, including coalition of labor union, environmental organizations, and social justice organizations; litigation; and greenhouse gas reduction; PBA timeline; list of communities and transit priority areas identified in the EEJ.

President Pierce reminded members that a special General Assembly is called for January 30, 2017, 10:00 a.m. to 3:00 p.m., to include Plan Bay Area and the ABAG/MTC Option 7 Implementation Action Plan.

The Executive Board next took up Item 4.A.

9. REPORT ON ABAG/MTC OPTION 7 IMPLEMENTATION ACTION PLAN

A. REPORT ON AD HOC COMMITTEE AND OTHER RECENT DEVELOPMENTS

B. REPORT ON MTC DUE DILIGENCE REPORTS—PFM, ORRICK, AND OTHERS

Brad Paul, ABAG Acting Executive Director, reported on recent activities of the Ad Hoc Committee and work on the Option 7 Implementation Action Plan, including an All Staff meeting on December 8, 2016; local collaboration briefings for MTC senior staff; status of selecting an organizational development consultant; status of the contract for services and memorandum of understanding; status of staff transfer; schedule of meetings of the Administrative Committee with the MTC Planning Committee, Executive Board, and the General Assembly;

President Pierce reported on meetings between the ABAG executive team and MTC senior staff; meeting with representatives of ABAG retirees; and meetings of the Ad Hoc Committee.

Members discussed reviewing an outline of the contract for services.

10. ADJOURNMENT

President Pierce adjourned the meeting of the ABAG Executive Board at about 9:33 p.m.

The next regular meeting of the ABAG Executive Board will be on January 19, 2016.

Submitted:

/s/ Brad Paul, Acting Secretary-Treasurer

Date Submitted: January 9, 2017

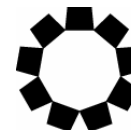
Approved:

For information or to review audio recordings of ABAG Executive Board meetings, contact Fred Castro, Clerk of the Board, at (415) 820 7913 or FredC@abag.ca.gov.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 9, 2017

To: ABAG Executive Board

From: Caitlin Sweeney
Director, San Francisco Estuary Partnership

Subject: **Ratification of Gigantic Idea Studios Contract for Greener Pesticides for Cleaner Waterways Grant**

Executive Summary

On September 1, 2012, ABAG/San Francisco Estuary Partnership (SFEP) was awarded a grant from the Environmental Protection Agency in the amount of \$250,000.00 to address water bodies impaired for pesticide toxicity through outreach and education to residential home and garden users. This grant has seen multiple accomplishments through work with the Bay Area Stormwater Management Agencies Association (BASMAA)-sponsored program Our Water Our World. During the final phase of the grant, a final outreach campaign will be designed and implemented in the County of Marin that will focus on linking behavior change communication and evaluation to reduce private unregulated use of landscape toxins among residential users.

It was recognized that special expertise in advertising, outreach and evaluation would be needed to supplement the SFEP and County of Marin staff. To that end, an RFP was drafted and circulated on July 15, 2016 and there were eleven proposals submitted. The review committee selected Gigantic Idea Studios based in Oakland, CA because they were the strongest fit with the needs and criteria listed in the RFQ. Consequently, SFEP staff began negotiating a contract with Gigantic Idea Studios in the amount of \$90,050 beginning on October 1, 2016 and ending on September 29, 2017. The contract was executed on October 28, 2016.

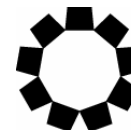
Recommended Action

The Executive Board is requested to ratify the contract with Gigantic Idea Studios for Greener Pesticides for Cleaner Waterways Grant in the amount of \$90,050, beginning October 1, 2016 and ending September 29, 2017.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 11, 2017
To: ABAG Executive Board
From: JoAnna Bullock
Senior Regional Planner
Subject: **Ratification of an Agreement with Seligson Consulting**

Executive Summary

Creating a sustainable region requires mitigation planning to reduce the impacts of future earthquakes and recovery planning to rebuild quickly after the disaster. For nearly three decades, ABAG has maintained a natural hazards program that has been a leader among Council of Governments across the nation. We request ratification from the Executive Board for a new contract to fund Seligson Consulting to support work tasks associated with the work plan for the FEMA Cooperative Technical Partnership.

Seligson Consulting will develop housing impact estimates for the San Francisco Bay Area for a suite of earthquake and flood hazard scenarios using HAZUS and will update and prepare housing-related data, refine HAZUS assumptions, analyze earthquake and flood scenarios, and summarize the analysis. The agreement is funded for the amount of \$31,500 and the agreement period is from November 2016 to September 2017.

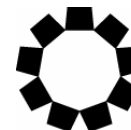
Recommended Action

The Executive Board is requested to ratify the agreement with Seligson Consulting approving the Executive Director or designee, entering into the agreement with Seligson Consulting to perform impact estimates for housing and flood hazard scenarios for the Resilience Program and entering into agreement with Seligson Consulting to perform HAZUS analysis.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 11, 2017
To: ABAG Executive Board
From: JoAnna Bullock
Senior Regional Planner
Subject: **Ratification of an Agreement with Urban Resilience Policy**

Executive Summary

Creating a sustainable region requires mitigation planning to reduce the impacts of future earthquakes, and recovery planning to rebuild quickly after the disaster. For nearly three decades, ABAG has maintained a natural hazards program that has been a leader among Council of Governments across the nation. We request ratification from the Executive Board for two new contracts to fund consultants, Urban Resilience Strategies, to assist with advancing the program during this period when we are unable to replace a recent staff vacancy. Urban Resilience Strategies will support existing regional research projects, assist with developing future projects and provide structural guidance to shape the future of this vital regional program. The agreement is funded for the amount of \$80,000 and the agreement period is from September 2016 to September 2018. These consulting services are essential to the continuation and advancement of one of ABAG's most publically visible programs.

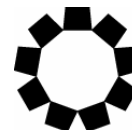
Recommended Action

The Executive Board is requested to ratify the agreement with Urban Resilience Strategies approving the Executive Director or designee, entering into the agreement with Urban Resilience Strategies to provide programmatic and technical support to the Resilience Program.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE

Thursday, January 19, 2017, 3:30 p.m. to 5:00 p.m.

Location:

Bay Area Metro Center
Board Room
375 Beale Street
San Francisco, California

The ABAG Legislation and Governmental Organization Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

- 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
- 2. PUBLIC COMMENT**
INFORMATION
- 3. COMMITTEE ANNOUNCEMENTS**
INFORMATION
- 4. APPROVAL OF ABAG LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE SUMMARY MINUTES OF MEETING ON NOVEMBER 17, 2016**
ACTION
Attachment: Summary Minutes of November 17, 2016
- 5. REPORT ON DRAFT LEGISLATIVE PRIORITIES 2017**
ACTION
Attachment: Draft Legislative Priorities 2017

ABAG Legislation and Governmental Organization Committee

January 19, 2016

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6. REPORT ON ABAG NEW LEGISLATION PROPOSED FOR 2017 LEGISLATIVE SESSION

ACTION

Brad Paul, ABAG Acting Executive Director, will review the following new legislation proposed for the 2017 legislative session.

Follow link to bill information.

AB 30 (Caballero), Planning and Zoning: Specific Plan: Housing. [AB 30](#)

AB 59 (Thurmond), Local Housing Trust Fund Matching Grant Program. [AB 59](#)

AB 73 (Chiu), Planning and Zoning: Housing Sustainability Districts. [AB 73](#)

AB 74 (Chiu), Housing for a Healthy California Program. [AB 74](#)

SB 2 (Atkins), Building Homes and Jobs Act. [SB 2](#)

SB 3 (Beall), Affordable Housing Bond Act of 2018. [SB 3](#)

SB 5 (De Leon), California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018. [SB 5](#)

Attachment: Legislation Summary 2017

7. REPORT UPDATE ON ACCESSORY DWELLING UNITS

INFORMATION

Duane Bay, ABAG Assistant Planning Director, will provide an update on accessory dwelling units.

Follow link to article and bill information.

Attachments:

What are Accessory Dwelling Units? [Article](#)

Analysis—AB 1934 (Santiago), Planning and Zoning: Development Bonuses. Mixed-use Projects. [AB 1934](#)

Analysis—AB 2442 (Holden), Density Bonuses. [AB 2442](#)

8. REPORT ON LEGISLATIVE SESSION 2015-2016

INFORMATION

Attachment: Legislative Session Final Status

9. REPORT ON PROPOSED LEGISLATIVE RECEPTION ON MARCH 22, 2017

INFORMATION

ABAG Legislation and Governmental Organization Committee

January 19, 2016

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10. ADJOURNMENT

The next meeting of the ABAG Legislation and Governmental Organization Committee will be on March 16, 2017.

Submitted:

/s/ Brad Paul, Acting Executive Director

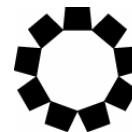
Date Submitted: January 11, 2017

Date Posted: January 13, 2017

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

FINANCE AND PERSONNEL COMMITTEE

Thursday, January 19, 2017, 5:00 p.m. to 6:00 p.m.

Location:

Bay Area Metro Center
Board Room
375 Beale Street
San Francisco, California

The ABAG Finance and Personnel Committee may act on any item on this agenda.

Agenda and attachments available at abag.ca.gov

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

- 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
- 2. PUBLIC COMMENT**
INFORMATION
- 3. COMMITTEE ANNOUNCEMENTS**
INFORMATION
- 4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON NOVEMBER 17, 2016**
ACTION
Attachment: Summary Minutes of November 17, 2016
- 5. REPORT ON FINANCIAL REPORTS FOR NOVEMBER 2016**
ACTION
Attachments: Financial Reports; Indices
- 6. REPORT ON PAYMENT OF MEMBERSHIP DUES FOR FISCAL YEAR 2016-2017**
INFORMATION
Attachment: Membership Dues

ABAG Finance and Personnel Committee

January 19, 2017

Page 2

7. REPORT ON CONTRACTS BETWEEN \$20,000 AND \$50,000

INFORMATION

Attachment: Contracts between \$20,000 and \$50,000

8. PRESENTATION ON PROPOSED NEW JOINT POWERS AUTHORITY—ABAG FINANCE AUTHORITY

INFORMATION

Staff will give a presentation on proposed new joint powers authority [tentatively, ABAG Finance Authority (FA)] to be created by ABAG FAN and ABAG to serve as conduit issuer.

Attachment: (Memo to be Sent under Separate Cover)

9. REPORT ON PATRICIA M. JONES SCHOLARSHIP FUND

INFORMATION / ACTION

The Finance and Personnel Committee is requested to establish a matching grant of \$2,500 to the Patricia M. Jones Scholarship Fund with Hagar Services Coalition.

Attachment: Scholarship Fund

10. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Brad Paul, Acting Executive Director; Kenneth Moy, Legal Counsel; Courtney Ruby, Finance and Administrative Services Director; Marti Paschal, Administrative Services Director

Employee organization: SEIU Local 1021

11. ADJOURNMENT

The next regular meeting of the ABAG Finance and Personnel Committee is on March 16, 2016.

Submitted:

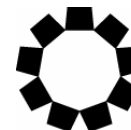
/s/ Courtney Ruby, Finance and Administrative Services Director

Date Submitted: January 12, 2017

Date Posted: January 13, 2017

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 12, 2017
To: ABAG Executive Board
From: Cynthia Kroll, Chief Economist
Johnny Jaramillio, Senior Regional Planner
Subject: **Priority Production Area Program**

Introduction

On October 5, 2016, the Regional Planning Committee took action to recommend to the ABAG Executive Board that staff develop a Priority Production Areas (PPA) program for inclusion in the next iteration of Plan Bay Area, following adoption of the current Plan Bay Area update later in 2017, by refining criteria and identifying supportive resources and implementation actions, recognizing the need for a balance of land uses and that creating housing is of primary importance. Several common themes emerged from the discussion including:

- Industrial areas near the region's core play a vital role in the regional economy by producing and distributing goods, and require appropriate space for growth and expansion, and in some cases separation from other competing uses
- Firms dependent on industrially zoned land have changed over time and include a diversity of activities that often involve or utilize advanced manufacturing techniques, directly support the region's leading industries and residents
- A balanced regional land use plan that provides space for all uses supports a more resilient and less volatile economic base by further strengthening and diversifying our economy, and providing incubator space fostering the innovation for which the region is renowned.

In January 2016, MTC published a Goods Movement study that, among other things, emphasized the importance of maintaining adequate land for warehousing and distribution close to urban areas and transportation infrastructure. Throughout 2015 and 2016, a University of California team led by Dr. Karen Chapple produced a series of memos funded by CalTrans on the region's industrial land inventory, capacity for future growth, occupancy and expected demand (see summary in attachment 1, the final report is being released this month.). These memos conclude that although at the regional level the supply of industrial land exceeds projected demand, a closer look at location shows a mismatch between available land supply and expected growth in demand in the urban core. The region's 600,000 plus jobs on industrial land are projected to grow to almost 750,000, but particularly in the urban core, these jobs are at risk from alternative developments pressure. Industrial lands have a high share relative to the region of jobs that provide middle wage opportunities for workers without a college degree,

Priority Production Area Program

January 11, 2017

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while many of the businesses provide services to business activities and individuals more broadly located in the Bay Area.

Priority Production Areas

The technical advisory committee (see attachment 2) for the study of industrial land has recognized the value of businesses and economic vitality in existing industrial areas. They advised that a targeted land use policy will be needed to retain adequate land and facilities for manufacturing, warehousing and distribution activities in the urban areas where infill development is occurring, as well as in some suburban areas where incompatibilities accompany new development. The research also shows that industrial lands in the Bay Area include a wide range of economic activities. Thus the Priority Production Area Program would need to be flexible to meet the needs of all jurisdictions. Based on conversations with businesses and economic development experts the name was modified from Priority Industrial Area to Priority Production Area.

Priority Production Areas would be locally designated zones where manufacturing, warehousing, distribution and repair services would be a priority consideration in determining future land use. The UC Berkeley Industrial Land Study provides a framework for consideration in determining where a Priority Production Area may be designated to retain industrial firms, jobs and land and where conversion to other uses might be appropriate. Industrially zoned land in each community is unique, but some characteristics to consider when evaluating retention of industrial land or conversion to other uses include neighboring uses, proximity to transportation and suppliers, the quality and type of jobs and business opportunities, and projected industrial land demand and availability.

Recommended Action

The Executive Board is requested to direct ABAG staff to continue developing a Priority Production Area (PPA) program. This action does not affect the recently adopted scenarios for *Plan Bay Area 2040* or the EIR associated with it in any way. Staff is also directed to engage MTC staff and the Joint MTC Planning and ABAG Administrative Committees in this effort while awaiting consolidation of ABAG and MTC planning programs, in anticipation of the consolidated staff implementing a version of PPA program sometime after approval of *Plan Bay Area 2040*.

The work includes continuing to research and develop potential criteria and identification of potential resources and implementation actions to support the retention of production, distribution and repair businesses and middle-wage jobs. It must also recognize the need for a regional balance of land uses and the importance of building housing in the Bay Area. Priority Production Areas would be designated by local jurisdictions responsible for land use decisions.

Attachments

Industrial Land and Jobs Study Executive Summary
Industrial Land Study Technical Advisory Committee

Industrial Land and Jobs Study

Executive Summary

Prof. Karen Chapple

With Evelyne St-Louis, Sarah Ritter, Angel Ross, Elizabeth Mattiuzzi, Mitchell Crispell, Erin Lapeyrolerie, Rebecca Coleman, and Abigail Cochran

UC-Berkeley

January 2017 -- DRAFT

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- VI. Effectiveness of industrially zoned land at retaining and creating jobs
- VII. What do businesses want? Results of business voice survey and interviews
- VIII. Potential considerations for the retention and conversion of industrial land

I. INTRODUCTION

The San Francisco Bay Area engages in long-range planning on an ongoing basis, in order to meet the requirements of California's landmark 2008 Senate Bill 375 to accommodate future growth and reduce greenhouse gas emissions from cars and light trucks. The location of industrial businesses (or more broadly, businesses in the production, distribution, and repair sector), and the related patterns of goods movement, affect the region's ability to meet greenhouse gas reduction targets. This Industrial Land and Jobs Study complements the 2015 MTC Goods Movement Needs Assessment with an analysis of the demand for and supply of industrially zoned land in the nine-county region, both now and in the future. The study was conducted by UC-Berkeley and funded by Caltrans, via the University of California Transportation Center. Throughout the course of the study, UC-Berkeley researchers coordinated closely with the staff of the Association of Bay Area Governments, as well as a Technical Advisory Committee consisting of city officials in economic development and planning, as well as business associations focused on industrial businesses or real estate.

II. CHARACTERIZING THE DEMAND FOR AND SUPPLY OF INDUSTRIAL LAND

The demand for industrial land

Interviews with 12 experts in real estate and logistics, and a review of earlier studies provided an overview of existing demand for industrial space and how it may change. The overall demand for warehousing space is increasing dramatically due to the rise of just-in-time delivery. This has led in two divergent directions. Closer to dense urban centers, the trend in warehousing is toward demand for smaller spaces. Yet large warehouses

generally located further away from the urban core are still in demand for e-commerce giants. Manufacturing employment demand is growing more gradually, but the need for space continues with existing, expanding or new firms, in varied location types. Trends in the maker movement, sustainability, technology, and productivity create a demand for smaller spaces, particularly in the urban core. More centralized locations close to customers are also an advantage for businesses that service other industries (e.g., repair shops, machining). To the extent that manufacturing firms are starting to in-source employment that had been headed offshore, demand would be for land in the less built-out parts of the region. Finally, for many businesses, transport and shipping needs are generally demanding more space in more urbanized areas, for both loading and parking.

The supply of industrial land

Another goal of the study was to determine the *supply of industrially zoned land* in the nine-county Bay Area. The nine-county region has almost 98,000 acres of industrially zoned land, of which we estimate 6,780 acres is vacant (Table 1 and Figure 1a/1b). The study categorizes industrially zoned land as either mixed-use (allowing office, commercial, or residential as of right), or exclusive industrial (allowing only light, medium, heavy, or transportation uses). Notable differences among sub-regions are the concentration of heavy industrial land in the East Bay, the reliance on mixed-use commercial zones in the Peninsula, and in general, the mixture of industrial and office uses (hereafter called industrial-office) in both the Peninsula and the South Bay. Alameda County has the most industrial land, followed by Contra Costa, Santa Clara, and Solano. Yet, despite this concentration, market activity is largely concentrated in San Francisco and Santa Clara counties.

Table 1. Amount and distribution of industrial land in the Bay Area*

	Total Land in County (acres)	Total Industrial Land (acres)	Exclusive Industrial Land (acres)	Vacant Industrial Land (acres)+	Percent Industrial Land of Total Land
East Bay					
Alameda	476,064	24,192	20,656	578	5.10%
Contra Costa	477,745	20,206	16,237	2,012	4.20%
West Bay					
San Mateo	291,520	10,845	646	0	3.70%
San Francisco	30,427	1,971	972	0	6.50%
South Bay					
Santa Clara	830,787	18,501	2,395	145	2.20%
North Bay					
Solano	543,426	14,432	986	2764	2.70%
Napa	504,137	3,931	6,240	997	0.80%
Sonoma	1,016,546	1,996	8,662	170	0.20%
Marin	337,158	1,750	9,975	115	0.50%
Total	4,507,811	97,823	66,769	6,781	2.20%

Source: County Assessors' DataQuick Database; See Technical Memo #1: Industrial Land Supply and Demand for notes on how total acreage was calculated

* Calculations based on gross regional land area.

+ Estimated based on use code VIND (vacant industrial) in county tax assessor database.

Figure 1a. Industrial land by zoning classification (nine-county region)

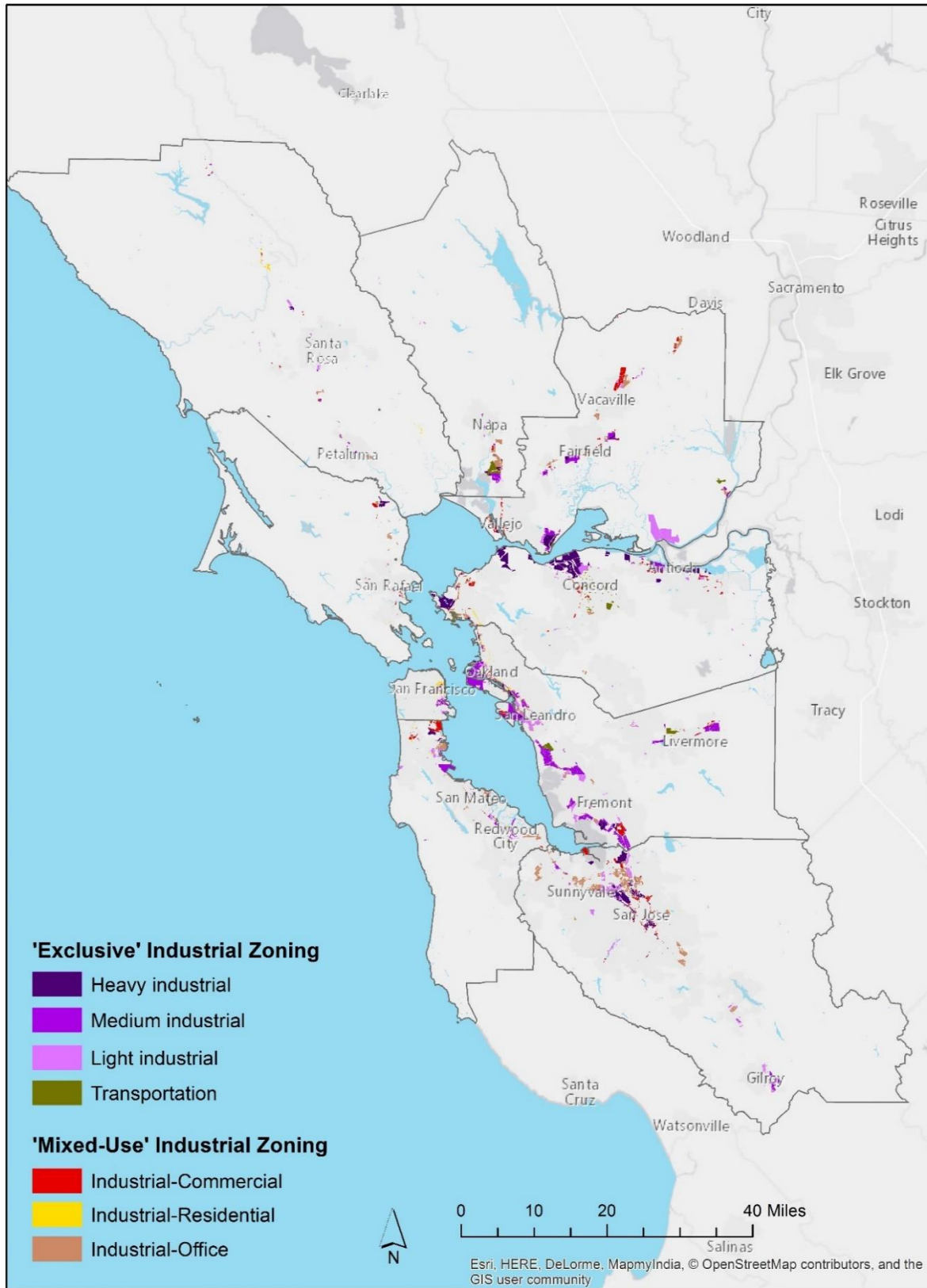
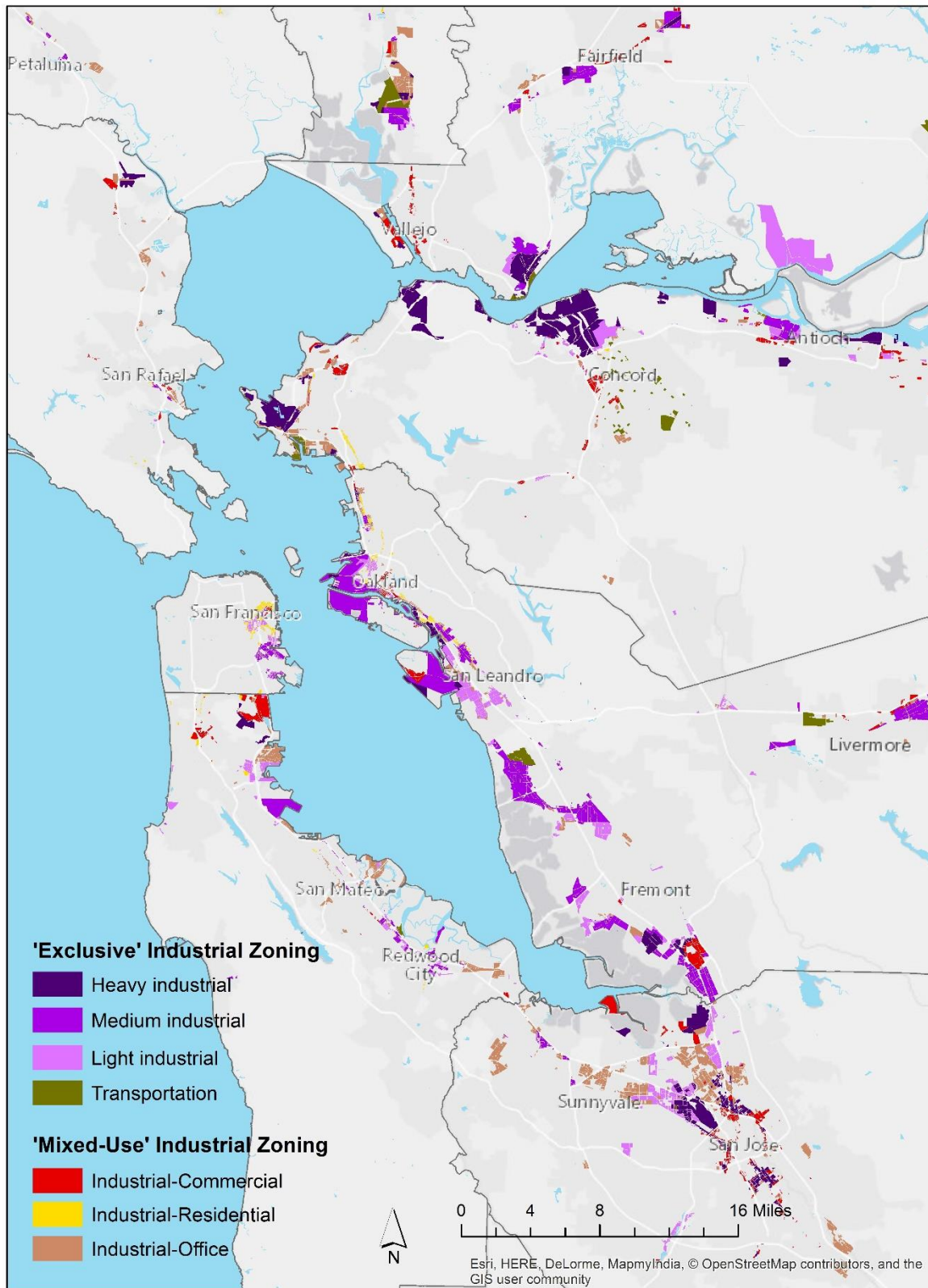


Figure 1b. Industrial land by zoning classification (inner Bay)

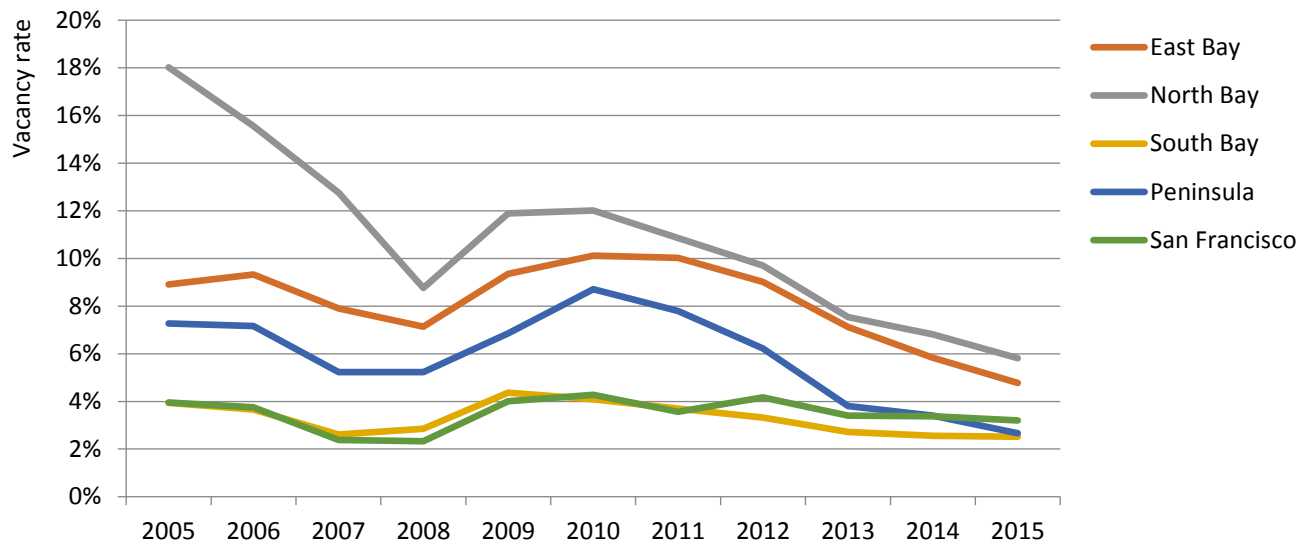


Source: See Technical Memo #1: Industrial Land Supply and Demand.

Buildings on industrial land

Statistics on industrial space marketed through commercial brokers provide indicators of how industrial land is used and space availability. Outside of San Francisco, much of the Bay Area’s industrial land is occupied at very low densities, perhaps to accommodate parking, loading, and other surface uses. Warehouses comprise half of the region’s leased stock tracked by CB Richard Ellis, with R&D comprising another 30%. Warehouse development dominates in every sub-region except the South Bay, where R&D is concentrated. New construction is occurring mostly in the East and North Bay. There is a significant amount of older stock, particularly in San Francisco, Alameda, San Mateo, and Marin counties, some of which may be appropriate for demolition and reuse. Rents are generally high and have recovered from the recession, particularly in San Francisco and the Peninsula, and for R&D. Vacancy rates are now reaching historic lows; the exception is R&D in the East and North Bay, which continues to experience vacancy rates of about 10% (Figure 2).

Figure 2. Vacancy rates for industrial buildings, 2005 -2015

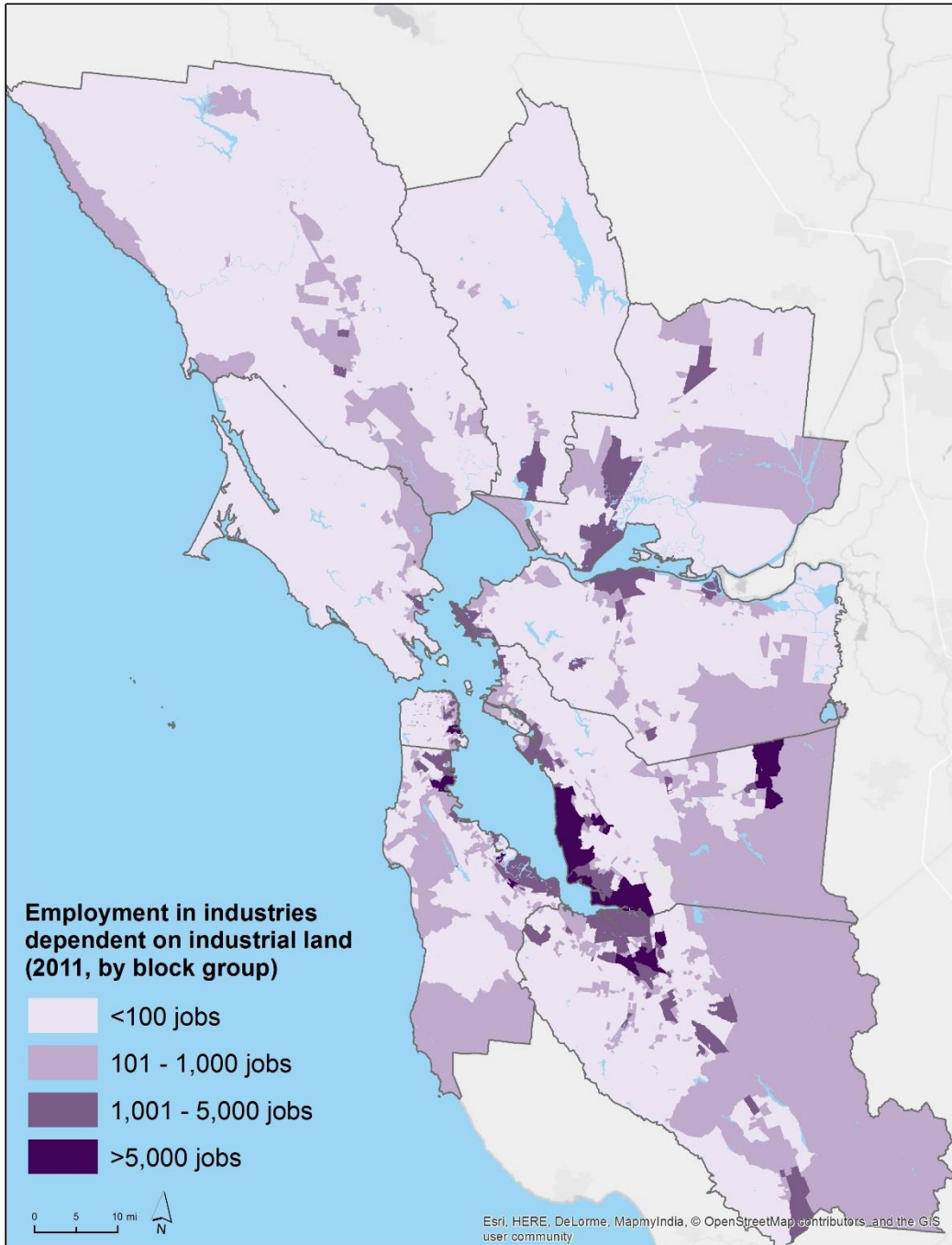


Source: CBRE; See Technical Memo #1: Industrial Land Supply and Demand.

Business trends on industrially zoned land

We defined industries as highly dependent on exclusive industrial zoning based on the location quotient, which measures the concentration of industries in a particular area relative to the larger reference region within which it sits (in this case, California). Figure 3 maps the sum of Dun & Bradstreet/NETS employment (for 2011) by block group. Altogether, the region is home to 600,824 jobs in industries that concentrate on industrially zoned land; of these, about 1/3 locate on industrial land and 2/3 locate in nearby commercial zones. The greatest concentrations of employment dependent on industrial land occur in southern Alameda County (from San Leandro to Fremont) and northern Santa Clara County (primarily San Jose). Other concentrations occur near the San Francisco Airport, along the Northern Waterfront, and near Livermore. These concentrations suggest where the region might want to consider more stringent protections or proactive policies for industrial land and firms in the future, in order to support regional economic growth.

Figure 3. Employment in industries dependent on exclusive industrial land.



Source: See Technical Memo #1: Industrial Land Supply and Demand.

*Note: Block groups vary in size based on population density: smaller in dense areas, larger in less dense areas, which may distort the map.

The demand for industrially zoned land varies by sub-region. In general, mixed-use industrial land is in demand from businesses that are compatible with other users, while exclusive industrially zoned areas are required for businesses with externalities of noise and traffic. In the South Bay, high-tech manufacturers, as well as building

contractors, are concentrated on mixed-use land (typically permitting office as well as industrial uses). On exclusive industrial land is where heavier users such as machine shops and other manufacturers, often suppliers to high-tech, are found. In the East Bay, the industrial clusters are quite different. Light manufacturing, contractors, and solid waste collection are concentrated on mixed-use land, while heavy manufacturing, trucking and logistics tend towards exclusive industrial zones. The North Bay hosts light manufacturing like quick printing or metalworking, as well as wholesaling, on its mixed-use industrial land, while businesses such as contractors and industrial suppliers tend to locate on the exclusive industrial land. San Francisco is quite unique, with service industries such as software, publishing, and advertising on mixed-use land, while sectors such as construction, communications, and auto repair tend to locate on exclusive industrial land.

III. THE CONVERSION OF INDUSTRIALLY ZONED LAND

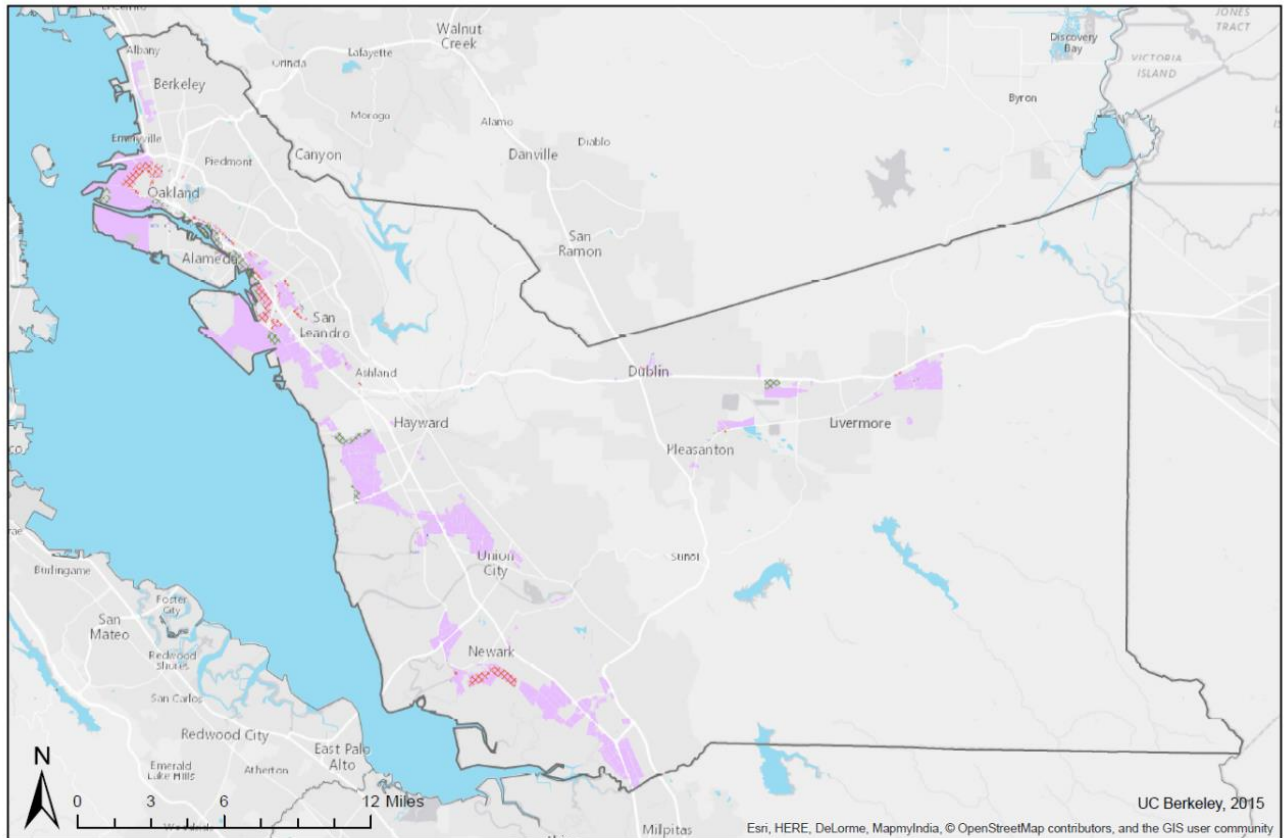
Next, the study assessed how much industrially zoned land has already been converted, how much is likely to be converted in the near future, and whether there is likely to be sufficient industrial land to accommodate demand in 2040.

Overall, a small but significant share of exclusive industrial land (i.e. industrial land that does not allow mixed-use or office) has been converted to other uses. Our fieldwork estimated that 10% of industrial land had been converted, but an analysis of assessor data suggested a lower conversion rate, about 1% over a six year period. There has been little encroachment of new housing on exclusive industrial land: in the cities where it is most likely, San Jose and Oakland, about 1-3% of units have been built on industrial land.

Overall, about 7% of the industrially zoned land in the region is vacant. However, vacancy varies throughout the region, with very little vacant acreage in the urban core, and large reservoirs of industrial land in the North Bay.

This analysis also examines the extent to which industrially zoned land is designated for other uses according to the general plan, or overlaps with Priority Development Area (PDA) designation. This land would be more easily converted to other uses. In the nine-County Bay Area region, a total of 15,084 acres of industrial land are in categories that would allow conversion to non-industrial uses, comprising about 17% of current industrial zones. The percentage of industrial land susceptible to conversion varies significantly across the different counties. In Napa County, which has a small share of the region's industrial land, only 1% is susceptible to conversion, most likely because much of its stock has already been designated to allow mixed-use office and commercial development. On the other extreme, almost half of all industrial land in San Francisco is susceptible to conversion due to widespread introduction of mixed-use zones throughout the city. In Alameda County, which has the highest share of industrial land in the region, a more moderate 14% of industrial land is susceptible to conversion (Figure 4).

Figure 4. Industrial land susceptible to conversion in Alameda County



Non-Industrial General Plan Designations

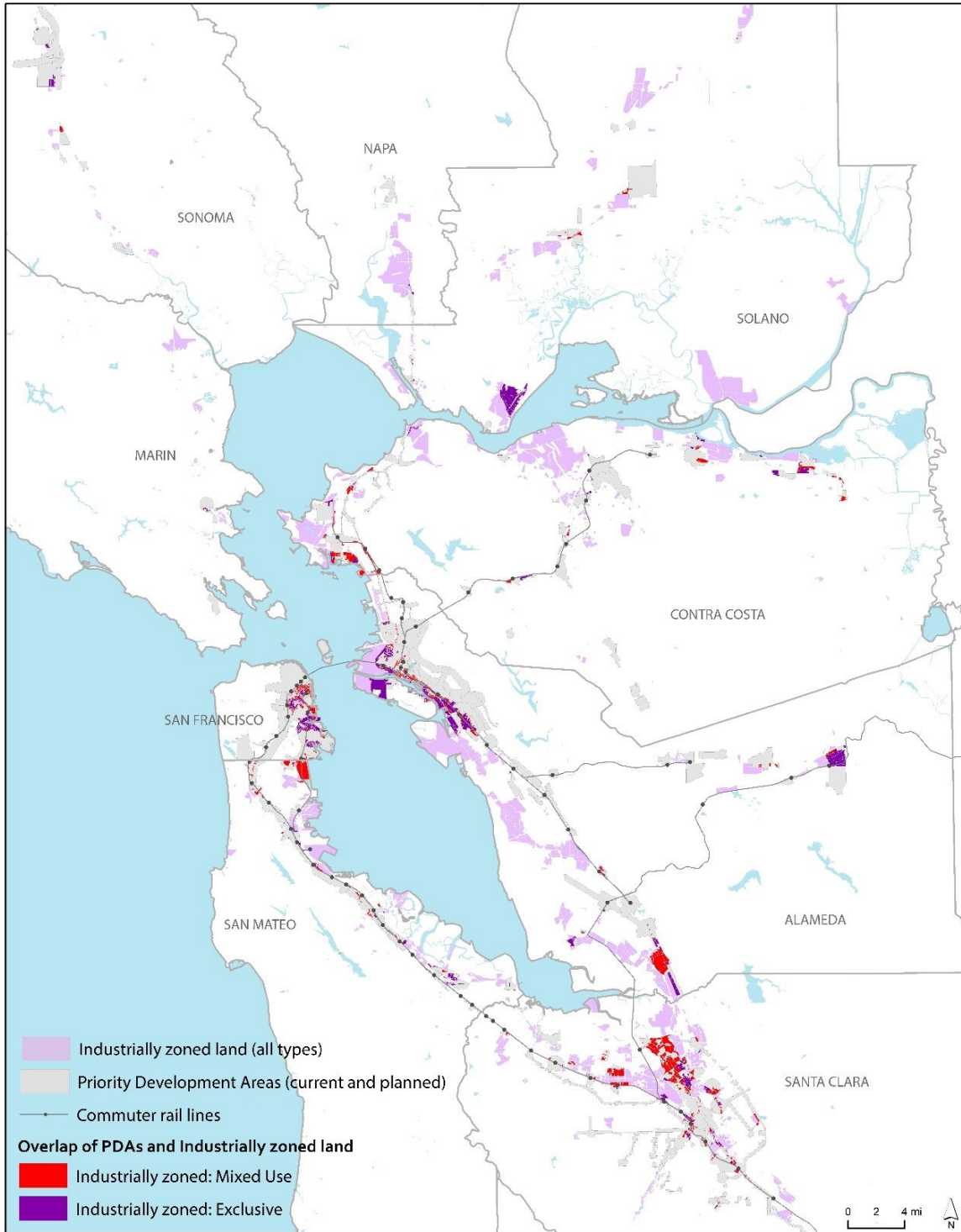
- Residential
- Commercial
- Other
- Industrial and Mixed-Industrial Zones

Source: See Technical Memo #2: Understanding the Conversion of Industrially Zoned Land.

Across all nine counties, about 16,700 acres out of approximately 97,600 acres of industrially zoned land overlap with PDAs – about 17% (Figure 5). Nearly half of this overlap is exclusive industrial land, and half is mixed-use industrial land.

Based on this analysis, we estimate in the next section the amount of industrially zoned land available in the future, after accounting for land that is already converted and/or susceptible to conversion. Comparing the available land to the employment projections for 2040, we can evaluate whether there is sufficient land to meet future demand.

Figure 5. Overlap of PDA designation and industrial land.



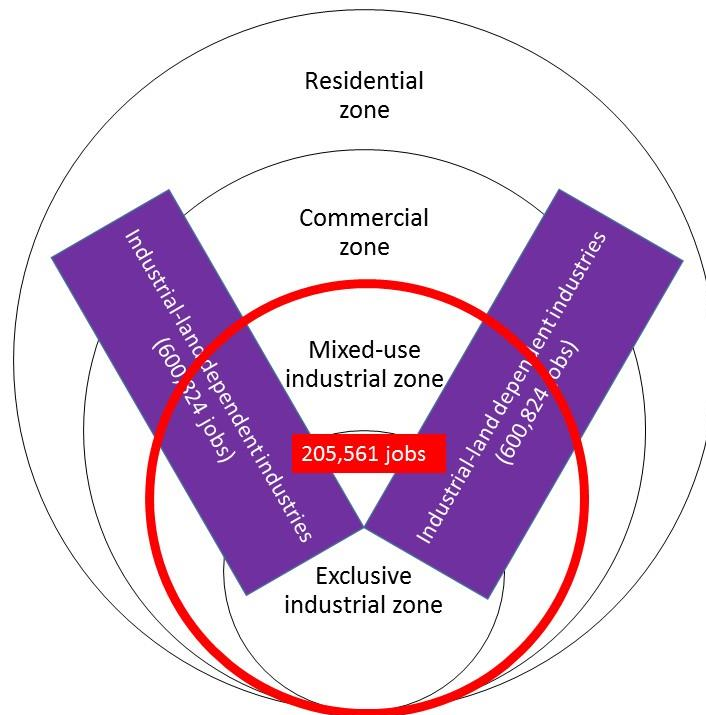
CCI at UC Berkeley, 2016. Data source: MTC/ABAG and UC Berkeley

Source: See Technical Memo #2: Understanding the Conversion of Industrially Zoned Land.

IV. FUTURE DEMAND FOR AND SUPPLY OF INDUSTRIALLY ZONED LAND

There were 600,824 jobs in the Bay Area in 2011 in the industries that tend to concentrate on industrial land.¹ Just 205,561 of these jobs were actually located on exclusive or mixed-use industrial land; the remaining jobs might be considered the latent demand for industrial land, since these jobs concentrate when possible (Figure 6). Projecting out to 2040 – assuming existing patterns of distribution remain constant -- a 24% growth is expected, resulting in about 747,301 jobs overall in the Bay Area, and 254,966 jobs actually located on industrial parcels. We anticipate that areas of growth will be found throughout the Bay Area, with a few pockets throughout the region experiencing a small net job loss, but no distinct areas of heavily concentrated decline.

Figure 6. Location of industrially zoned land and industrial land-dependent jobs.



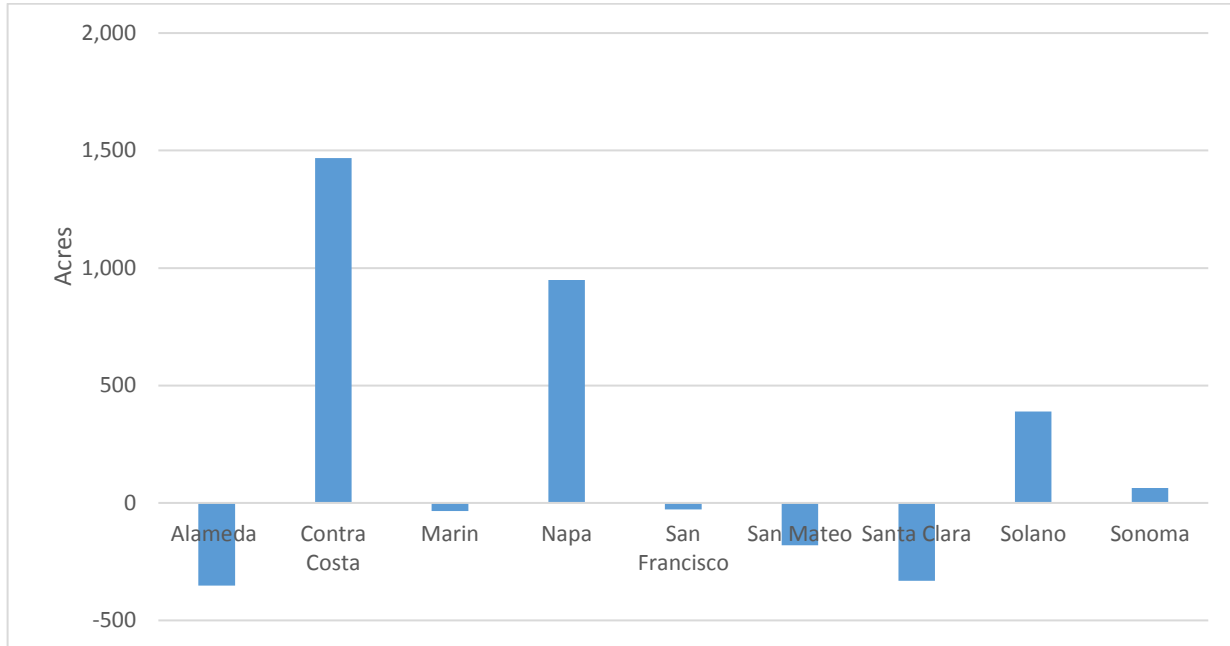
For the analysis of future land supply, we conservatively use the lower range of the projections (254,966 jobs). With about 1,650 acres of industrial land needed to accommodate new growth between 2011 and 2040, the majority of counties – particularly Santa Clara, San Mateo, and Alameda – could experience a significant shortage of industrially zoned land, offset by considerable surpluses in Contra Costa, Napa, and Solano counties. Altogether, a surplus of almost 2,000 acres of industrially zoned land is anticipated in 2040, but much is located far from the greatest demand for industrial land, in the urban core (Figure 7).

Given current rates of industrial land conversion, as well as susceptibility to future conversion, there will likely also be some displacement of industrial jobs. Based on current occupancy, we estimate that over the decades some 50,000 jobs on industrial land will be displaced because of planned conversions of industrially zoned land to other uses. In order to accommodate these displaced jobs, an additional 2,152 acres of land would be

¹ 2011 was the most recent year for which NETS data was available when we began the study.

needed. By 2040, this would result in an overall deficit of 208 acres in the region, concentrated in Alameda, San Mateo, and Santa Clara counties.

Figure 7. Projected industrial land surpluses and deficits by county, 2040.



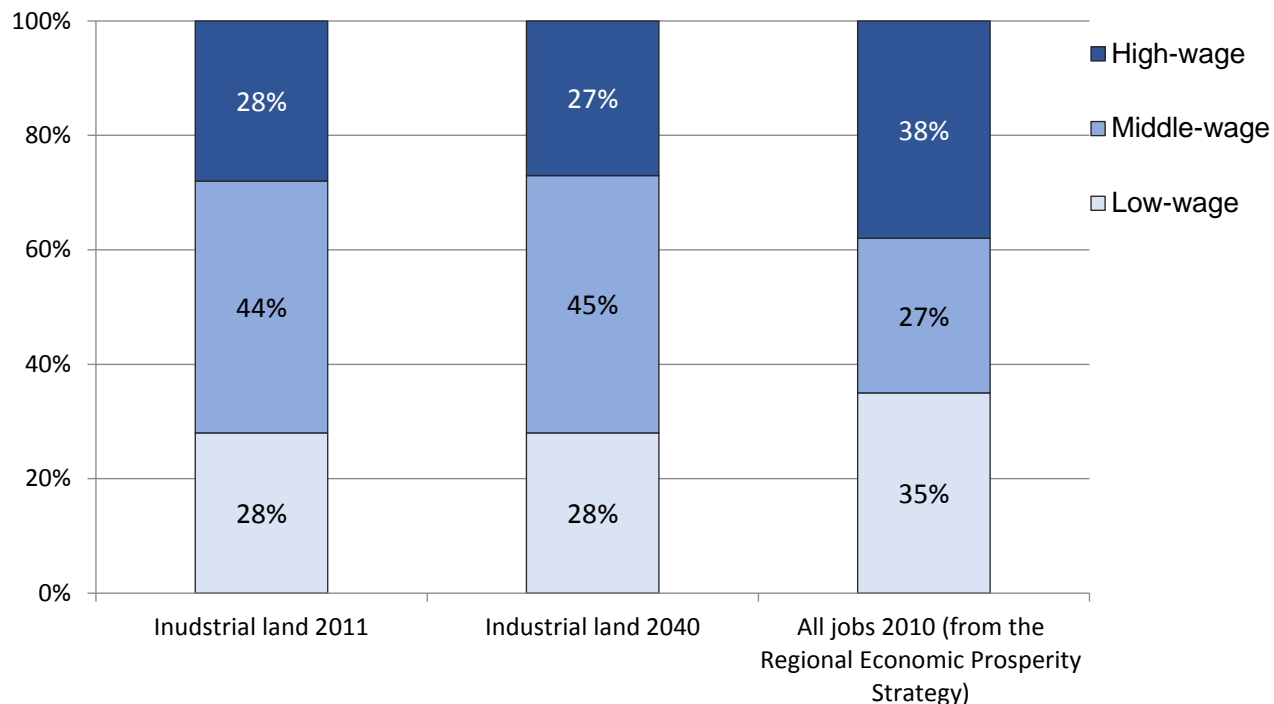
Source: See Technical Memo #2: Understanding the Conversion of Industrially Zoned Land.

V. IMPACTS OF CHANGES IN INDUSTRIAL EMPLOYMENT ON JOB QUALITY

In 2011, middle-wage jobs counted for a near-majority (44%) of jobs on exclusive industrial land, while low-wage jobs counted for 28%, and high-wage jobs for 28% of jobs (Figure 8). This is a favorable distribution considering that only about a quarter (27%) of total jobs in the Bay Area offer middle wages, while a third (36%) offer low wages, and 38% offer high wages, according to the Regional Economic Prosperity Strategy (2014). In other words, middle-wage jobs are sixty percent more concentrated on industrial land as in the region generally.

If we apply employment growth rates for 2040 proportionately to the existing jobs estimated to be on industrial land (assuming that wages remain constant), the distribution of low-, medium-, and high-wage employment remains surprisingly similar. The share of middle-wage jobs is projected to increase only slightly to 45%, at the expense of a one-percentage point decrease in the share of high-wage jobs. Furthermore, in 2040, the share of jobs that pay more than \$18/hour and that require less than a bachelor’s degree or five years’ experience increases slightly from 57% to 60% of total industrial jobs.

Figure 8. Wage distribution of jobs on industrial land in 2011 and 2040, compared to the wage distribution for all jobs in the Bay area in 2010



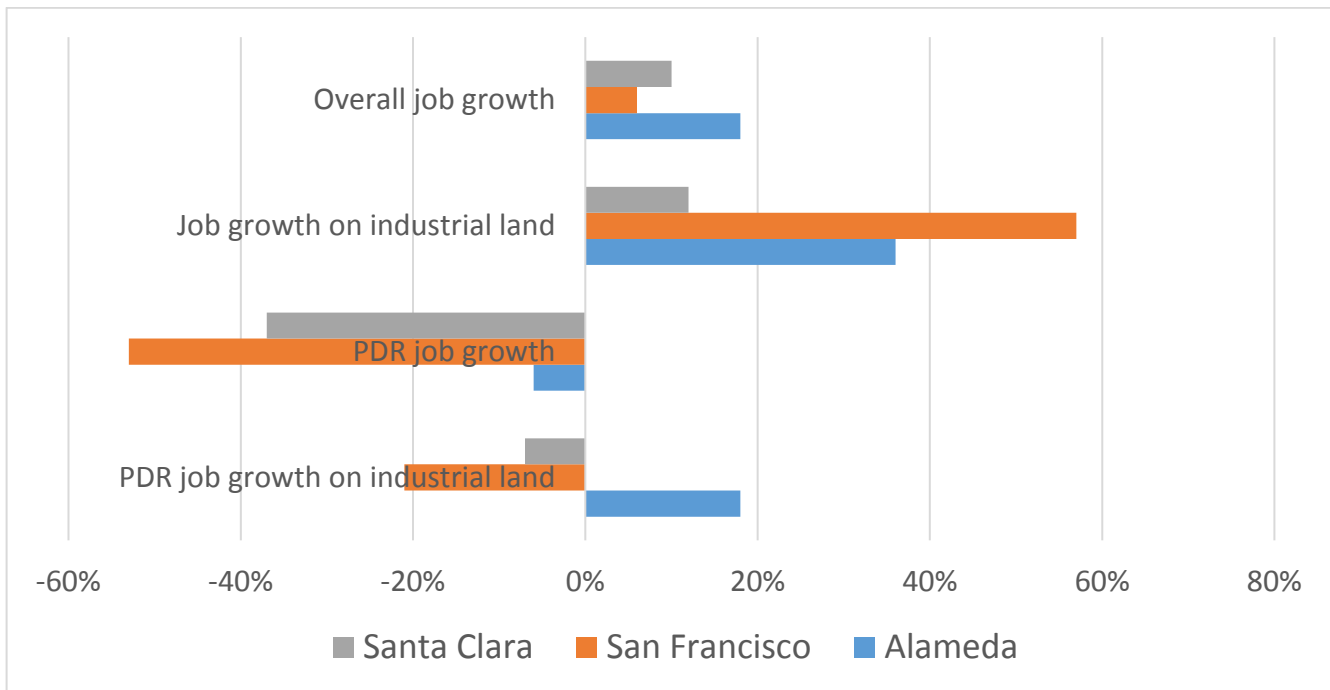
Source: See Technical Memo #3: Assessing the impacts of changes in industrial employment on job quality and commuter patterns.

VI. THE EFFECTIVENESS OF INDUSTRIALLY ZONED LAND AT RETAINING AND CREATING JOBS

In order to determine whether zoning makes a difference for employment growth on industrial land, we compared job growth countywide from 1990 to 2012 to job growth specifically on industrial land, for all employment versus production, distribution and repair industries (Figure 9). This analysis focuses on just three counties -- Alameda, San Francisco, and Santa Clara -- that offer a contrast in the flexibility of their industrial zoning. For employment overall, the rate of job growth on industrial land is higher than the rate of job growth for those same sectors across the county. Looking just at production, distribution, and repair sectors, the rate of job retention or growth was also higher on industrial land.

Interviews conducted with cities across the region revealed that planning and economic development professionals considered certain zoning designations superior in their capacity to retain and prevent crowding out of industrial uses due to increasing rents or encroachment of non-industrial uses. Exclusively zoned industrial land – in contrast to mixed-use IL – is considered one of the most effective ways of controlling market forces, ensuring job growth, and influencing the type of businesses that locate in industrial areas. Although our analysis shows that this is true of San Francisco’s zoning, in Alameda and Santa Clara counties job growth has been most rapid in mixed-use zones.

Figure 9. Job growth countywide vs. on industrial land, for all sectors and production, distribution and repair, 1990-2012.



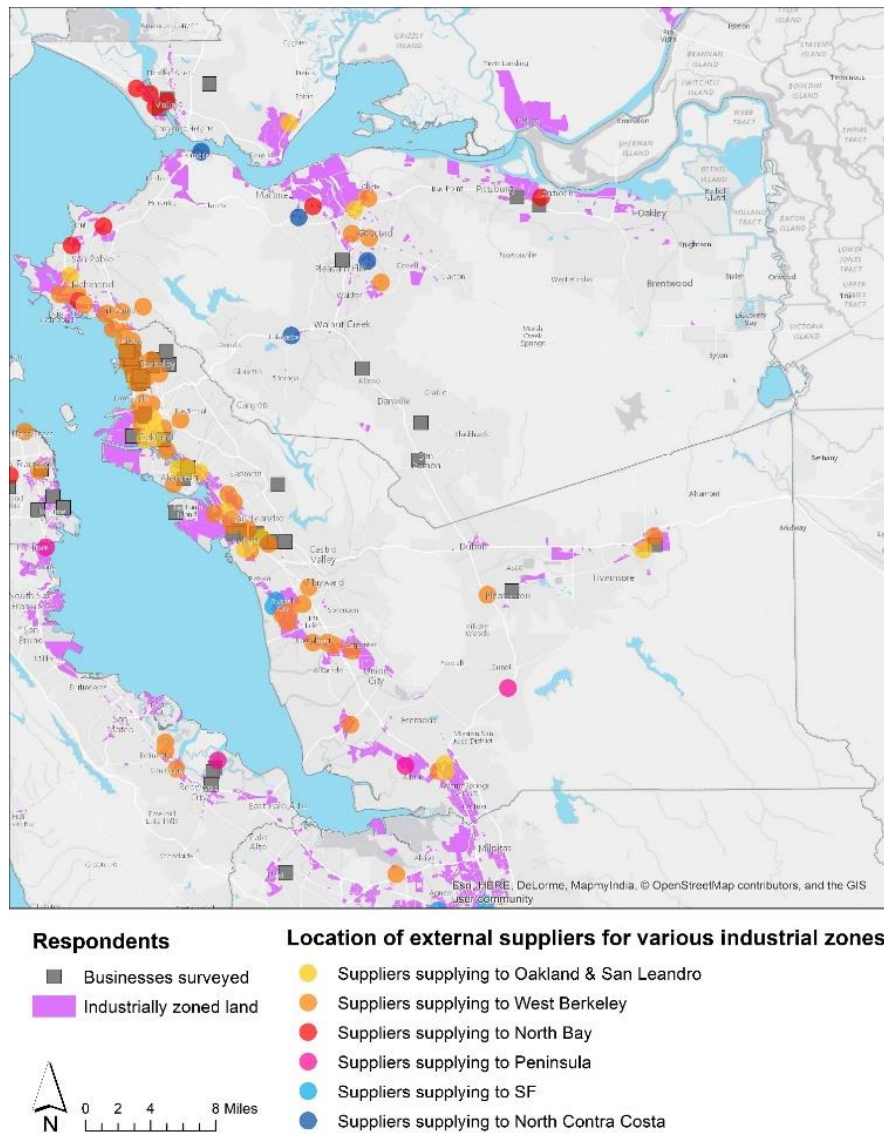
Source: See Technical Memo #4: Assessing the Effectiveness of Industrial Zoning Designations in the San Francisco Bay Area.

VII. WHAT DO BUSINESSES WANT? SURVEY AND INTERVIEW RESULTS

To better understand why businesses want to locate on industrial land, as well as the challenges they experience, we conducted a survey and interviews of local businesses. Our final survey sample consisted of 94 respondents, concentrated in the East Bay; for most questions, 35 to 60 were usable responses. In addition, we conducted informal business interviews at two local economic development events focused on manufacturing.

The industrially zoned land in the San Francisco Bay Area houses a variety of businesses, primarily in production, distribution, and repair. Local firms export nationally and internationally, but also act as a key support to other companies in the local and regional economy by supplying them with necessary goods or services. Our analysis found local networks of customers and suppliers clustered in sub-regions; for example, Figure 10 depicts the location of suppliers listed by respondents (shown with dots color coded to the location of the firm to which they provide supplies). Firms located on industrial land possess multiple regional suppliers from across the Bay Area, as well as very local suppliers – often even within the same city. Though we focus on the East Bay, such clusters exist throughout the region.

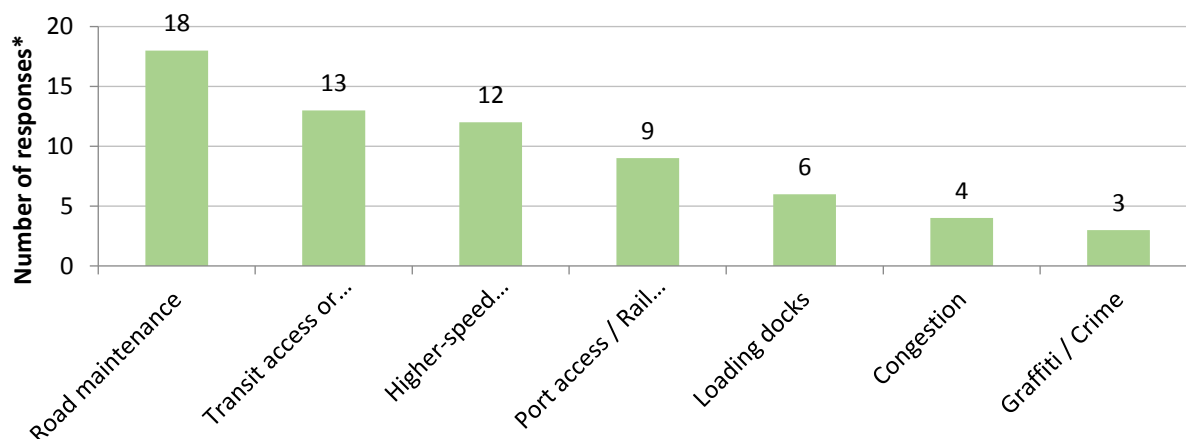
Figure 10. Location of respondents' suppliers across the region



Source: See Technical Memo #5: *What Do Businesses Want? Findings from Surveys and Interviews of Businesses Located on Industrial Land.*

The survey found that businesses seek improvements to transportation – roads and transit – as well as higher-speed internet access. The most pressing infrastructure needs, as perceived by business located on industrial land, are summarized in Figure 10.

Figure 10. Frequency of infrastructure needs, according to businesses located on industrial land



Source: See Technical Memo #5: What Do Businesses Want? Findings from Surveys and Interviews of Businesses Located on Industrial Land.

Most businesses on industrially zoned land expect stable or positive growth in the next five years, and few wish to move from their current location. However, surveys and interviews surfaced several overall concerns.

One major theme was the lack of industrial space, the inability to find suitable expansion space, or the inappropriateness of available space for business needs. *“We need to be by major highway entrances. We need enough warehouse space to store pallets of refrigerated fruits and vegetables. We need dock space to back 48’ trailers into. This is a challenge in an urban center, especially where PDR spaces are limited.”* (San Francisco business).

Businesses also reported concerns with the ineffectiveness of zoning to protect against encroachment by other uses. Market pressure from residential demand was a particular concern: *“Once an industrial property goes to residential, it will never produce even one good job. It is like building homes on fertile cropland--- you will never get another harvest”*(Oakland business owner), and: *“We need to preserve our city’s PDR space. More and more residential and mixed-use facilities are encroaching on these areas.”* (San Francisco business).

Some respondents championed zoning that permits concentrations of production-related businesses: *“We know that even with suburban office parks, these spaces can create community and energy.”* (Fremont business), and: *“Due to the lower concentration of industrial businesses there is less synergy between companies in our area, higher transportation costs, and shortage of workers.”* (West Berkeley business).

A further theme is the importance of retaining industrial land in order to facilitate goods movement: *“Ports-related waterborne commerce and rail-borne commerce, and related industrial companies, need to be kept in place in order to keep product prices low and minimize truck trips on the freeways.”* (Peninsula business).

Businesses mentioned many other infrastructure needs, from electrical supply in Berkeley, to traffic congestion in San Leandro, to storm water infrastructure in Fremont.


Above all, businesses spoke of the need to deal with land use conflicts, through buffer zones, exclusive zoning, or more effective mixed-use zones: *“We are in an industrial zone, but all around this zone are residences that built up after we were here, and this poses problems for noise and light in the area,”* (Oakland business), and: *“We have industrial uses adjacent to our complex, and we have parkland. There have been lots of fights between the parkland users and the industrial users. The commercial users didn’t feel impacted and supported the industrial uses continuing where they are.”* (Petaluma business).

Special advantages and complications came with mixed-use locations: *“The opportunity to work, reach suppliers and materials and live where we work is unmatched.”* (Vallejo business). *“We need a MIX of truck access, large production space AND office/R&D in ONE location. Zoning rules and development trends mean it is becoming very hard to operate a small high tech manufacturing and R&D company like ours in the Bay Area which also depends on proximity to retail, transit, restaurants, food markets and other amenities in order to attract and retain highly educated and talented staff.”* (Berkeley business). *“Incursion of residential to our mixed-use area discourages trucking, which we rely on for our business. The big opportunity is that our location puts us centrally located to our prime market area.”* (Oakland business). *“It’s good that we have the downtown and the BART coming up, but how is the cost, developers going to play out. My neighbor is moving out this month because the landlord raised the rent fifty percent, the next move may be to Nevada, because the market pressure is coming up, and he is a solar innovator.”* (Fremont business)

VIII. POTENTIAL CONSIDERATIONS FOR THE RETENTION AND CONVERSION OF INDUSTRIAL LAND

Overall, this analysis suggests that the conversion of industrial land is proceeding at a slow pace, but is likely to accelerate in coming years due to the visions put forward in general plan and PDA designations. Several considerations can guide city decision-making about where to retain industrial land and where to convert it. Below are potential characteristics in terms of transportation, economy, equity, zoning, environment, and location that could enter into the decision. These may contribute to the process of designating Priority Production Areas in the future.

Table 2. Suggested characteristics for industrial land retention and conversion.

	Retain as industrial	Convert to residential or mixed-use
		
Transportation	Proximity to freight and/or port facilities	Proximity to transit
	Production or related employment	High-density non-production employment
Economy	Proximity to business clusters/suppliers/markets	Proximity to markets/customers
	Critical supplier to local businesses	Limited linkages to local economy
	Industry stable or growing	Industry in decline
Equity	Offers middle-wage jobs for less-skilled workers	Potential for affordable housing
Land use/zoning compatibility	Surrounded by medium/heavy industrial zoning	Adjacent to residential
Environment	Brownfield site, remediation infeasible	Environmental health hazard for surrounding communities (especially if historically disadvantaged)
Adequacy of supply	In areas with projected deficit of industrial land	In areas with projected surplus of industrial land
	Low vacancy rates for industrial buildings	High vacancy rates for industrial buildings

Other characteristics may warrant further consideration. For instance, projected sea level rise may interplay with decisions regarding industrial, residential or mixed-use development. Additionally, different characteristics may be appropriate depending on location, type of industry, and special concerns such as when designating buffer zones.

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Industrial Land Study Technical Advisory Committee

The Industrial Land & Jobs Study is a joint partnership between UC Berkeley, ABAG and MTC that complements the Goods Movement Study. Beginning in July 2015, the Industrial Land and Jobs TAC provided feedback on preliminary findings.

Roles

UC Berkeley has conducted the core research. ABAG has contributed staff time to help coordinate and support compatibility with the Goods Movement study.

Technical Advisory Committee

Members were selected for their expertise on industrial land, goods movement.

- Micah Weinberg, Vice President, BACEI
- Cynthia Murray, President & CEO, North Bay Leadership Council
- Egon Terplan, Regional Planning Director, SPUR
- Steve Levy Ph.D, Director and Senior Economist, CCSCE
- Greg Greenway, Executive Director, Seaport Industrial Association
- Rich Seithel, Chief of Annexations & Economic Stimulus Contra Costa County, Northern Waterfront Initiative
- Laurel Prevetti, Community Development Director, Los Gatos
- Kelly Kline, Economic Development Director, Fremont
- Steve Wertheim, City Planner, San Francisco Planning
- Mathew Davis, Port of Oakland
- Rick Auerbach, Staff, WEBAIC
- Patrick Tyner, Caltrans
- Joan Malloy, Union City
- Carmela Cambell, Union City
- Alexandra Endress, Pittsburg
- Steven Durant, Antioch City Manager
- John Montag, Concord Economic Development & Housing

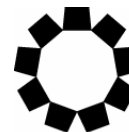
UC Berkeley, ABAG, MTC Staff

- Karen Chapple Ph.D, Professor, UC Berkeley
- Miriam Chion Ph.D, Planning & Research Director, ABAG
- Cynthia Kroll, Chief Economist, ABAG
- Johnny Jaramillo, Senior Planner, ABAG
- Matt Maloney, Principal Planner, MTC

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 13, 2017

To: ABAG Executive Board

From: Brad Paul
Acting Executive Director

Subject: **Update on Staff Consolidation Plan, Contract for Services, and Memorandum of Understanding**

This memo provides an update and next steps on the Implementation Action Plan (IAP) for Option 7 to consolidate the staff and work of the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). It particularly focuses on the process to develop a Contract for Services (CFS) and a Memorandum of Understanding (MOU).

The Contract for Services is the document that will govern how ABAG and MTC will merge their staff and ensure that ABAG has adequate staffing and support to carry out its mission, obligations and statutory authority as a Council of Governments. The MOU is the document that addresses the governance issues between the two governing boards. The development of these two key documents will continue to include input from ABAG's Executive Board and the counties and cities and stakeholders it represents through a series of meetings and workshops described below.

Ad Hoc Committee

An ABAG *Ad Hoc* Committee was formed to provide President Pierce and staff with feedback on the Contract for Services, MOU, and other substantial tasks in this process of staff consolidation. Only the full ABAG Executive Board, however, can take action on these documents.

The *Ad Hoc* Committee, which is chaired by President Pierce, includes Sonoma Supervisor David Rabbitt (ABAG Vice-President), South San Francisco Mayor Pradeep Gupta (Chair of the Regional Planning Committee), Councilmember Pat Eklund (Novato), Mayor Greg Scharff (Palo Alto) and Councilmember Raul Peralez (San Jose). All members of the Ad Hoc Committee are also on ABAG's Administrative Committee.

Upcoming Public Meetings

The next steps in this process include several public meetings. On January 19th the ABAG Executive Board will meet, followed by a regional discussion of the future of the Council of Governments at a special ABAG General Assembly (GA) on January 30th. GA attendees will

Update on Staff Consolidation Plan, Contract for Services, and Memorandum of Understanding

January 13, 2017

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participate in breakout sessions, facilitated by Executive Board leaders and ABAG senior staff, that will solicit feedback from them on their top priorities for the consolidated staff, the upcoming Budget and Work Plan, policy input for the Contract for Services, MOU and related documents.

In each case, we will send out a memo and packet similar to this one to brief participants in advance, provide them with an overview regarding the Contract for Services and MOU and frame a set of questions to solicit meaningful input.

Discussion Framework at Upcoming Meetings

For the next Executive Board (January 19th), General Assembly (January 30th), and Regional Planning Committee (February 1st) meetings, we propose the following framework for our discussions.

1. A brief update on where we are in the process of implementing the staff consolidation plan and key next steps.
2. A thoughtful conversation with our members/long-term partners/key stakeholders that starts by asking them how they would describe ABAG's mission and overarching goals as the regions' Council of Governments, and how they would like to see it change, or not, going forward.
3. To help focus this discussion at each of the above mentioned meetings, staff would suggest we address the following issues in general discussions or breakout sessions:
 - A. What do members of the Council of Governments think are key regional tasks, programs and staff priorities for ABAG going forward?
 - 1) What regional issues should ABAG focus on, e.g., land use, resilience, housing, economic development, the environment, risk management and public financing services?
 - 2) How should ABAG continue to foster collaborative partnerships, support local member cities and towns, and serve as a convener of regional dialogues?
 - 3) How should ABAG continue to carry out local engagement going forward? What specific activities are a priority?
 - a) Assigning ABAG planners to support individual cities and counties;
 - b) Meetings like the General Assembly, Delegate meetings, Regional Planning Committee meetings, regular meetings with city managers, Bay Area Planning Directors meetings, Mayor's conferences, etc.;
 - c) Workshops on key issues/strategies: technical support; research on jobs, housing, resilience; etc.
 - 4) How should ABAG relate to other regional agencies?
 - B. After the consolidation of the ABAG and MTC staff, how can the ABAG Executive Board ensure that items 3.A.1) to 4) continue to be sufficiently addressed?
 - C. How will the Contract for Services and the MOU address the issues and any potential challenges raised under 3.A. and 3.B.?

Update on Staff Consolidation Plan, Contract for Services, and Memorandum of Understanding

January 13, 2017

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- D. The relationships between the ABAG Executive Board, MTC Commission members, and stakeholders are foundational for the Contract for Services and MOU to succeed. How do we continue building understanding, relationships and trust among them?

Drafting Contract for Services and Memorandum of Understanding

The *Ad Hoc* Committee will help staff incorporate feedback from the above mentioned meetings and from discussions with MTC into the draft Contract for Services and MOU. These drafts will be simultaneously released to the Joint MTC Planning and ABAG Administrative Committee and then discussed at the ABAG Executive Board in February.

Adoption of Contract for Services and Memorandum of Understanding

ABAG staff will work with MTC, with input from the *Ad Hoc* Committee, to further refine staff's final draft Contract for Services and MOU documents based on input we received from the January and February Executive Board meetings and General Assembly. We anticipate that these documents will be discussed at the Joint MTC Planning and ABAG Administrative Committee in early March and then presented to the two governing boards at their March meetings for additional discussion, refinement and adoption.

ABAG and MTC Staff Organizational Development

While all this is going on, a highly regarded organizational development consulting firm jointly retained by ABAG and MTC, will recommend and facilitate a process designed to build better and deeper relationships, greater trust and a shared sense of purpose among the staff of both agencies. This process will lay the critical ground work for the ABAG/MTC staff consolidation to deliver one integrated regional staff with a unified planning program.

ABAG Budget and Work Plan

In March, ABAG's executive management team will be presenting a Fiscal Year 2017-18 Budget and Work Plan. We also anticipate providing the outline of a plan that identifies funding strategies for ABAG's role as the Council of Governments and our Local Collaboration Programs. This plan will be informed by the ongoing dialogs described above. Final adoption of the Fiscal Year 2017-18 Budget and Work Plan will occur on May 11th at the annual ABAG General Assembly.

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ABAG Finance Authority

A local collaboration program brought to you by
the Association of Bay Area Governments (ABAG)



ABAG Finance Authority

ABAG Finance Authority has provided conduit financing to various public and private entities throughout the State of California since 1990. As a conduit issuer, the Authority serves as a vehicle for public agencies and their nonprofit and private entity partners to access low interest rate loans to fund critical infrastructure projects.

What Does ABAG Finance Authority Do?

ABAG Finance Authority supports local cities and towns in the Bay Area and across California by helping member jurisdictions and their nonprofit and private entity partners access the capital needed to fund projects that might otherwise not be financed through more traditional means, such as:

- Affordable, multi-family housing
- Retirement facilities
- New hospitals and medical clinics
- Transit systems
- Public and private schools
- Non-profit cultural institutions
- Water and wastewater systems

Key Benefits of ABAG Finance Authority

- Competitive fees
- Enhanced internal accounting controls and procedures
- Staffed by experienced industry professionals
- Ease of execution through online application process
- Convenient and easy conduit issuing
- Projects that provide long term benefits for Bay Area communities, including investments in affordable housing

A Bright Future.

Under its new leadership and name, ABAG Finance Authority is ready to expand its role in helping to finance projects that address some of the Bay Area's most critical challenges, including: housing, health services, education, and an aging population.

In the last year, the ABAG Finance Authority has enhanced internal accounting controls and procedures in order to better serve its member jurisdictions.

Key Successes

- **\$8 billion** in low cost investment capital for projects in more than 240 jurisdictions throughout the State of California
- **\$1.077 billion** in tax-exempt multi-family housing revenue bonds

Leadership

- Administered and staffed by ABAG
- Managed under the oversight of member jurisdictions
- Overseen by the Executive Committee of the Finance Authority, made up of five locally elected or appointed finance officials
- 2 ABAG staff or contractor positions

By The Numbers

- \$1.1 million annual budget

 Association of Bay Area Governments

Bay Area Metro Center | 375 Beale Street, Suite 700 | San Francisco, CA 94105 | abag.ca.gov | (415) 820-7900 | info@abag.ca.gov

Item 11, Description

“ABAG FINANCE AUTHORITY MADE THIS SORELY NEEDED COMMUNITY-SERVING PROJECT POSSIBLE. STAFF ARE SMART, EFFICIENT, AND THEY UNDERSTAND OUR NEEDS AND THE NEEDS OF THE COMMUNITIES WE SERVE.”

--Brian McLemore, CEO, the Meadows of Napa

ABAG Finance Authority helps public agencies and their nonprofit and private entity partners in the Bay Area and beyond gain access to reliable, convenient, and cost saving loans and financing, without ABAG taking on any direct costs or risk. The following is a brief summary of current ABAG Finance Authority priority areas.

Focus on Affordable Housing

ABAG Finance Authority has a long history of assisting in the construction and preservation of affordable housing, providing financing to date for nearly 12,000 units in approximately 100 affordable apartment communities.

The Authority provides direct access to the municipal bond market to help fund, among other essential projects, affordable housing, assisting in meeting urgent housing needs in the Bay Area and around the State.

Investing in Education

With the growing need in California for expansion and renovation of educational facilities and updated equipment for education projects.

To date, the Authority has completed 27 education-focused financings, totaling more than \$370 million in tax-exempt bonds.

Advancing Health Care

For more than 25 years, the Authority has helped nonprofits and agencies advancing health care services gain capital for infrastructure improvements, including: hospitals, nursing facilities, continuing care retirement communities, and a number of other types of healthcare and health-related agencies.

Most recently, ABAG Finance Authority provided \$71,400,000 to the Meadows of Napa Valley, an Odd Fellows Home of California, to provide funding for the expansion of a retirement community in Napa.

Notable Financings by ABAG Finance Authority

\$8,000,000 to the **St. Paul's Episcopal School of Oakland** in the form of a tax exempt loan, refinancing of existing debt and reimbursement for prior capital expenditures.

\$3,720,000 to the **Divine Senior Housing Apartments** in the form of a multifamily housing revenue bond to provide funding for acquisition and rehabilitation.

\$143,000,000 to the **New de Young Museum Project** for the construction of the de Young Museum in San Francisco.

\$9,700,000 to the **Morgan Autism Center** in San Jose, in tax exempt bonds to help finance the permanent home for its school and adult services programs. The school assists children and adults with autism or other developmental disabilities.

\$484,350,000 to **Bay Area Rapid Transit (BART)** in the form of a bond to finance costs of the BART to SFO Extension Project.





Introducing ABAG Finance Authority

January 19, 2017

Mike Hurtado, Financial Services Manager, ABAG Finance Authority
Sheelagh Flanagan, Senior Advisor to ABAG Finance Authority

Why ABAG Finance Authority?



- For nearly 27 years, ABAG Finance Authority has **provided conduit financing throughout the Bay Area and California.**
- ABAG Finance Authority provides access to **convenient, cost saving, and secure loans through conduit financing** to public agencies and their nonprofit and private entity partners.

A Quick Look.



- To date, the Authority has provided more than **\$8 billion in low cost investment capital** for projects in more than 240 jurisdictions throughout California.
- ABAG Finance Authority has an annual administrative budget of more than **\$1.1 million.**

How It Works.



- Cities and counties throughout California are **eligible to use** ABAG Finance Authority for conduit financing.
- The Authority provides **conduit financing** to municipal agencies, nonprofit organizations, and other private entities **serving the public interest.**

Focus on Affordable Housing.



- The **need for affordable housing** in the Bay Area continues to be a challenge for local cities and counties.
- To date, the Authority has successfully completed **100 affordable housing project financings** that have helped to either create or preserve nearly **12,000 units of housing**.

Investing in Education.



- ABAG Finance Authority offers access to tax-exempt financing to help schools keep their **overall costs down**, while providing essential capital resources.
- To date, the Authority has provided financing to **27 schools**, totaling more than **\$370 million** in tax-exempt bonds.

Advancing Healthcare.



- The Authority issues tax-exempt financing for **hospitals, nursing facilities, retirement communities, substance abuse facilities**, and other health-related agencies.
- These investments offer **highly essential, long-term improvements** to our Bay Area communities.

Finance Authority <<>> ABAG.



- ABAG Finance Authority is successful because of our **interconnectedness** with ABAG.
- ABAG's existing **strong reputation as a regional planning agency** has helped to expand our program's reach throughout the State of California.

A Bright Future.



- ABAG Finance Authority has **enhanced internal accounting controls** and procedures.
- The Authority has **new leadership and a new name.**

Benefits to Your Community.



- ABAG Finance Authority touches six Bay Area counties and 28 additional jurisdictions throughout California with the hope of expanding serves statewide.
- For **more information**, contact:
Mike Hurtado
ABAG Finance Authority
MichaelH@abag.ca.gov
(415) 820-7942

Thank You.



- Your leadership of ABAG has allowed this conduit issuer program to foster **collaborative partnerships** between local governments in planning for our shared future.
- ABAG Finance Authority makes a **difference in people's lives.**

Questions?



Executive Board

Representatives

Julie Pierce, Councilmember, City of Clayton—*President*

David Rabbitt, Supervisor, County of Sonoma—*Vice President*

David Cortese, Supervisor, County of Santa Clara—*Immediate Past President*

Candace Andersen, Supervisor, County of Contra Costa

Len Augustine, Mayor, City of Vacaville

Annie Campbell Washington, Councilmember, City of Oakland

David Canepa, Supervisor, County of San Mateo

Cindy Chavez, Supervisor, County of Santa Clara

Pat Eklund, Mayor, City of Novato

Nicole Elliott, Director of Legislative and Governmental Affairs, City and County of San Francisco

Leon Garcia, Mayor, City of American Canyon

Lynette Gibson McElhaney, Councilmember, City of Oakland

Abel Guillen, Councilmember, City of Oakland

Pradeep Gupta, Mayor, City of South San Francisco

Scott Haggerty, Supervisor, County of Alameda

Barbara Halliday, Mayor, City of Hayward

Erin Hannigan, Supervisor, County of Solano

Dave Hudson, Councilmember, City of San Ramon

Johnny Khamis, Councilmember, City of San Jose

Jane Kim, Supervisor, City and County of San Francisco

Edwin Lee, Mayor, City and County of San Francisco

Wayne Lee, Mayor, City of Millbrae

Jake Mackenzie, Vice Mayor, City of Rohnert Park

Nathan Miley, Supervisor, County of Alameda

Karen Mitchoff, Supervisor, County of Contra Costa

Tam Nguyen, Councilmember, City of San Jose

Raul Peralez, Councilmember, City of San Jose

Dave Pine, Supervisor, County of San Mateo

Belia Ramos, Supervisor, County of Napa

Dennis Rodoni, Supervisor, County of Marin
Greg Scharff, Mayor, City of Palo Alto
Trish Spencer, Mayor, City of Alameda

William Kissinger, Board Member, San Francisco Bay Regional Water Quality Control Board—
Advisory Member

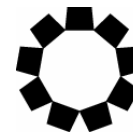
Alternates

Jesse Arreguin, Mayor, City of Berkeley
Mary-Lynne Bernald, Councilmember, City of Saratoga
Elizabeth Brekhus, Councilmember, City of Ross
Monica Brown, Supervisor, County of Solano
Catherine Carlton, Councilmember, City of Menlo Park
Keith Carson, Supervisor, County of Alameda
Chris Clark, Councilmember, City of Mountain View
Julie Combs, Councilmember, City of Santa Rosa
Damon Connolly, Supervisor, County of Marin
Lan Diep, Councilmember, City of San Jose
Diane Dillon, Supervisor, County of Napa
John Dunbar, Mayor, Town of Yountville
John Gioia, Supervisor, County of Contra Costa
Susan Gorin, Supervisor, County of Sonoma
Sergio Jimenez, Councilmember, City of San Jose
Dan Kalb, Councilmember, City of Oakland
Mary Piepho, Supervisor, County of Contra Costa
AnMarie Rodgers, Senior Policy Advisor, Planning, City and County of San Francisco
Pedro (Pete) Sanchez, Mayor, City of Suisun City
Joseph Simitian, Supervisor, County of Santa Clara
Roy Swearingen, Mayor, City of Pinole
Joshua Switzky, Manager, Citywide Policy Planning, City and County of San Francisco
Richard Valle, Supervisor, County of Alameda
Mike Wasserman, Supervisor, County of Santa Clara

Terry Young, Chair, San Francisco Bay Regional Water Quality Control Board—*Advisory Member*

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MEETING SCHEDULE 2017

Approved by the Executive Board: November 17, 2016

For meeting date and time and location, see meeting notice, agenda and attachments available at <http://www.abag.ca.gov/>

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

General Assembly

Date: Monday, January 30
10:00 a.m. to 3:00 p.m.

Location: Bay Area Metro Center, 375 Beale Street, Yerba Buena Conference Room,
San Francisco

General Assembly and Business Meeting

Date: Thursday, May 11
Time: 10:00 a.m. to 3:00 p.m.

Location: Bay Area Metro Center, 375 Beale Street, Yerba Buena Conference Room,
San Francisco

Executive Board

Dates: Thursday, January 19
Thursday, February 16
Thursday, March 16
Thursday, May 18
Thursday, July 20
Thursday, September 21
Thursday, November 16

Time: 7:00 p.m. to 10:00 p.m.

Location: Bay Area Metro Center, 375 Beale Street, Board Room, San Francisco

Legislation and Governmental Organization Committee

Dates: *See Executive Board Schedule*

Time: 3:30 p.m. to 5:00 p.m.

Location: Bay Area Metro Center, 375 Beale Street, Board Room, San Francisco

Finance and Personnel Committee

Dates: *See Executive Board Schedule*

Time: 5:00 p.m. to 6:00 p.m.

Location: Bay Area Metro Center, 375 Beale Street, Board Room, San Francisco

Administrative Committee

Dates: *Special meetings scheduled as needed.*

Regional Planning Committee

Dates: Wednesday, February 1
Wednesday, April 5
Wednesday, June 7
Wednesday, August 2
Wednesday, October 4
Wednesday, December 6

Time: 12:00 p.m. to 3:00 p.m.

Location: Bay Area Metro Center, 375 Beale Street, Yerba Buena Conference Room,
San Francisco

Contact: Wally Charles, Administrative Secretary, Planning, (415) 820 7993,
wallyc@abag.ca.gov