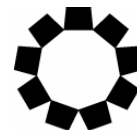


ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

REVISED

ABAG EXECUTIVE BOARD MEETING NO. 432

Thursday, May 17, 2018, 7:00 p.m.

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://abag.ca.gov/meetings/execboard.html>

This meeting is scheduled to be webcast live at <http://abag.ca.gov/meetings/execboard.html>

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

ACTION

A. Committee Appointment

5. EXECUTIVE DIRECTOR'S REPORT

INFORMATION

Attachment: Executive Director's Report (To be sent under separate cover.)

6. CONSENT CALENDAR

ACTION

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

A. Approval of Executive Board Summary Minutes of Meeting No. 431 held on March 15, 2018

Attachment: Summary Minutes of March 15, 2018

B. Authorization to Amend Agreement #4600010575 (Integrated Regional Water Management Round 2) between Department of Water Resources and Association of Bay Area Governments to Extend the Grant Term by Two Additional Years through December 31, 2020; to Withdraw Project 13 from the Agreement; and to Reallocate Project 13's Grant Share Funds in the amount of \$500,000 to Projects 1, 10 and 20 for Additional Work

Attachments: Memo DWR IRWM; Summary Approval

C. Authorization to Amend Grant Administration Assistance Agreement between Horizon Water and Environment, LLC and ABAG, under ABAG/Department of Water Resources Agreements #4600010575, #4600010883, and #4600011486, to Extend Contract Duration through December 31, 2021 and to Increase the Budget by \$575,253 for a Total Contract Amount not to exceed \$975,253

Attachments: Memo Horizon, Summary Approval

D. Authorization to Enter into an Agreement with Alameda County Flood Control and Water Conservation District for Permit Assistance Services, from August 10, 2018 through August 9, 2023, in the amount of \$1,190,700

Attachments: Memo ACFCWCD; Summary Approval

E. Authorization to Revise Sub-award Totals under the U.S. Environmental Protection Agency Urban Greening Bay Area Award to ABAG of \$1,730,862 (W9-99T26201) for the City of San Mateo in the amount of \$200,000 and the City of Sunnyvale in the amount of \$250,000

Attachments: Memo Urban Green Bay Area; Summary Approval

F. Authorization to Enter into Contract Modification with Delta Stewardship Council on behalf of the San Francisco Estuary Partnership for Additional Science Program Support, from July 1, 2018 through June 30, 2020, in the amount of \$100,000 for a Total Agreement Amount of \$951,000

Attachments: Memo Delta Stewardship Council; Summary Approval

G. Adoption of ABAG Resolution No. 05-18, Authorizing Submitting a Grant Application to the State Water Resources Control Board's State Revolving Fund for Clean Water on behalf of the San Francisco Estuary Partnership for up to \$1 million for Nature-based Shoreline Infrastructure Design, Monitoring, and Technical Guidance and, if awarded, to enter into an Agreement

Attachments: Memo State Revolving Fund; Resolution No. 05-18; Summary Approval

ABAG Executive Board

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- H. Approval of Contract Amendment between Frontier Energy and Bay Area Regional Energy Network (BayREN) extending the Existing Contract through the end of Calendar Year 2018, updating the Scope of Work, and providing Associated Budget not to exceed \$367,870**

Attachments: Memo Frontier Energy; Summary Approval

- I. Authorization to Accept Additional Funding from the California Public Utilities Commission (CPUC) for Bay Area Regional Energy Network (BayREN) in an amount up to \$13.1 million and to Enter into Contract Negotiations with Pacific Gas & Electric Company (PG&E) to amend an Existing Funding Agreement**

Attachments: Memo BayREN CPUC PGE; Summary Approval; CPUC BayREN Comments; PG&E Contract Work Authorization; BayREN Annual Report

- J. Approval of Contract Amendment between CLEAResult Consulting, Inc. and Bay Area Regional Energy Network (BayREN) extending the existing Contract through the end of Calendar Year 2018, updating the Scope of Work, and providing Associated Budget not to exceed \$6,377,000**

Attachment: Memo CLEAResult; Summary Approval

7. ABAG ADMINISTRATIVE COMMITTEE REPORT

ACTION

ABAG Administrative Committee Chair David Rabbitt, Supervisor, County of Sonoma, will report on Committee activities and the recent joint meeting with the MTC Planning Committee.

Link: Administrative Committee Agenda

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

8. ABAG LEGISLATION COMMITTEE REPORT

ACTION

ABAG Legislation Committee Chair Scott Haggerty, Supervisor, County of Alameda, will report on Committee activities and the recent joint meeting with the MTC Legislation Committee.

Link: [Legislation Committee Agenda May 17, 2018](#)

Link: [Legislation Committee Agenda May 11, 2018](#)

Attachment: [Memo AB 2923 dated May 15, 2018](#)

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

9. ABAG FINANCE COMMITTEE REPORT

ACTION

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

Attachment: Finance Committee Agenda

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

ABAG Executive Board

May 17, 2018

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10. ABAG REGIONAL PLANNING COMMITTEE REPORT

ACTION

ABAG Regional Planning Committee Chair Pradeep Gupta, Councilmember, City of South San Francisco, will report on Committee activities and request ABAG Executive Board approval of Committee recommendations.

Link: Regional Planning Committee Agenda

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

A. Report on Regional Economic Development District (EDD)

ACTION

Staff will present the Bay Area Economic Development District proposed organization structure and the Economic Action Plan and will request approval to submit an application to the U.S. Economic Development Administration (USEDA) to establish the Bay Area as a regional Economic Development District.

Attachments: Memo EDD; CEDS Highlights; Draft Economic Action Plan; Presentation

B. Report on North Bay Fire Support Efforts

INFORMATION

Henry Gardner will give an update on lessons learned from his six-month work with the City of Santa Rosa on fire recovery and rebuild efforts.

Attachment: Memo North Bay Fire Support

11. ADJOURNMENT

The next regular meeting of the ABAG Executive Board is on July 19, 2018.

Date Submitted: May 7, 2018

Date Posted: May 10, 2018

SUMMARY MINUTES (DRAFT)

ABAG Executive Board Meeting No. 431
Thursday, March 15, 2018
Bay Area Metro Center
375 Beale Street, Board Room
San Francisco, California

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

ABAG President David Rabbitt, Supervisor, County of Sonoma, called the meeting of the Executive Board of the Association of Bay Area Governments to order at about 7:19 p.m.

A quorum of the ABAG Executive Board was present at about 7:19 p.m.

Representatives and Alternates Present

Supervisor Candace Andersen
Councilmember Pat Eklund
Mayor Leon Garcia
Councilmember Liz Gibbons
Councilmember Abel Guillen
Councilmember Pradeep Gupta
Supervisor Scott Haggerty
Mayor Barbara Halliday
Supervisor Erin Hannigan
Councilmember Dave Hudson
Director William Kissinger *
Councilmember Wayne Lee
Councilmember Jake Mackenzie
Supervisor Karen Mitchoff
Councilmember Julie Pierce
Andres Power, Senior Advisor, Mayor's Office
Supervisor David Rabbitt
Dir John Rahaim, Planning
Supervisor Belia Ramos
Supervisor Dennis Rodoni
Mayor Trish Spencer

* Non-voting Advisory Member

Jurisdiction

County of Contra Costa
City of Novato
City of American Canyon
City of Campbell
City of Oakland
City of South San Francisco
County of Alameda
City of Hayward
County of Solano
City of San Ramon
RWQCB
City of Millbrae
City of Rohnert Park
County of Contra Costa
City of Clayton
City of San Francisco
County of Sonoma
City of San Francisco
County of Napa
County of Marin
City of Alameda

Representatives Absent

Mayor Len Augustine
Councilmember Annie Campbell Washington
Supervisor Dave Canepa
Supervisor Cindy Chavez
Supervisor David Cortese
Councilmember Lan Diep
Councilmember Lynette Gibson McElhaney
Councilmember Sergio Jimenez
Supervisor Nathan Miley
Councilmember Raul Peralez

Jurisdiction

City of Vacaville
City of Oakland
County of San Mateo
County of Santa Clara
County of Santa Clara
City of San Jose
City of Oakland
City of San Jose
County of Alameda
City of San Jose

Supervisor Dave Pine	County of San Mateo
Dir Todd Rufo, Economic and Workforce Dev	City of San Francisco
Councilmember Greg Scharff	City of Palo Alto
Supervisor Norman Yee	County of San Francisco

Staff Present

Steve Heminger, MTC Executive Director
Adrienne Weil, MTC General Counsel
Alix Bockelman, MTC Deputy Executive Director, Policy
Brian Mayhew, MTC Chief Financial Officer
Brad Paul, MTC Deputy Executive Director, Local Government Services

2. PUBLIC COMMENT

The following individual gave public comment: Ken Bukowski.

3. ANNOUNCEMENTS

Pat Eklund, Councilmember, City of Novato, requested that adding agenda items be agendized and requested reports on Futures and Regional Housing Needs Allocations.

Andres Power, City and County of San Francisco, requested sharing committee actions prior to Executive Board meetings.

4. PRESIDENT'S REPORT

President Rabbit noted that he and members of the Executive Board participated in the joint ABAG/MTC trip to Washington D.C. where there were opportunities to advocate for transportation and housing.

Members who participated included President Rabbitt; Greg Scharff, Councilmember, City of Palo Alto; Scott Haggerty, Supervisor, County of Alameda; Julie Pierce, Councilmember, City of Clayton; and Jake Mackenzie, Councilmember, City of Rohnert Park.

5. EXECUTIVE DIRECTOR'S REPORT

Steve Heminger, MTC Executive Director, shared with members the joint ABAG/MTC report, *Accelerating Progress: Strong Partnerships Move the Bay Area Forward, Annual Report to Congress, March 2018*, a joint ABAG/MTC report, which was also shared during the Washington D.C. trip, and noted that an Executive Director's report will be prepared for next week.

A. Proposed Bylaws Changes

Heminger gave the staff report on proposed Bylaws changes.

Members discussed the recommendation to change provisions concerning votes required to act, and the period for submitting a proposed general budget and summary work program,

President Rabbitt recognized a motion by Haggerty, which was seconded by Pierce, to accept the staff report and to recommend ABAG General Assembly approval of the proposed Bylaws changes as reported and including submitting a proposed general budget and summary work program to the Executive Board 30 days prior to the annual meeting of the General Assembly.

There was no discussion.

There was no public comment.

The aye votes were: Andersen, Garcia, Guillen, Gupta, Haggerty, Hannigan, Hudson, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni.

The nay votes were: Eklund, Gibbons, Halliday, Lee, Spencer.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed.

6. CONSENT CALENDAR

- A. Approval of Executive Board Summary Minutes of Meeting No. 430 held on January 18, 2018**
- B. Authorization to Enter into Sole Source Agreement with Chris Austin for Science Communications Services in the amount of \$60,000 under Delta Science Support Grant from Delta Stewardship Council**
- C. Adoption of Resolution No. 04-18—Approval of Executive Director Advancing Payments to San Francisco Estuary Partnership Vendors with a Cap of no more than \$50,000 in Outstanding Advance Payments per Vendor per Contract**

President Rabbitt recognized a motion by Haggerty, which was seconded by Erin Hannigan, Supervisor, County of Solano, to approve the Consent Calendar.

There was no discussion.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously

7. ABAG ADMINISTRATIVE COMMITTEE REPORT

President Rabbitt reported on the special joint meeting with the MTC Planning Committee on March 9, 2018, including the following: approval of the summary minutes of its meeting on February 9, 2018; a report on the Addendum to the Final Environmental Impact Report for Plan Bay Area 2040 and recommendation of ABAG Executive Board adoption of Resolution No. 02-18; and a report on the Proposed Amendment to Plan Bay Area 2040 and recommendation of ABAG Executive Board adoption of Resolution No. 03-18.

- A. Report on Proposed Amendment to Plan Bay Area 2040 and Adoption of Resolution No. 02-18 and Resolution No. 03-18**

Ken Kirkey, Planning Director, and Adam Noelting, Principal Planner, gave the staff report on the proposed amendment to Plan Bay Area 2040, including a recommendation to approve the proposed amendments to Plan Bay Area 2040 (Plan) to revise the cost and scope of the U.S. 101 Managed Lanes Project in San Mateo County, and approval of one companion technical document—Environmental Impact Report (EIR) Addendum—that demonstrates the Amended Plan complies with California Environmental Quality Act (CEQA) requirements. The public comment period closed on February 21, 2018, and a summary of comments and responses are provided for your information.

The Metropolitan Transportation Commission (MTC) was scheduled to consider and take action on MTC Resolution No. 4325 (Revision Number 2017-28); MTC Resolution No. 4326; MTC Resolution No. 4327; and MTC Resolution No. 4275, Revised at its meeting on March 28, 2018. These actions include the two items subject to the Executive Board approval as well as two additional actions related to the 2017 Transportation Improvement Program and the Transportation Air Quality Conformity Analysis.

- a) Addendum to the Final EIR for Plan Bay Area 2040 (MTC Resolution No. 4326 and ABAG Resolution No. 02-18).
- b) Amendment to Plan Bay Area 2040 (MTC Resolution No. 4327 and ABAG Resolution No. 03-18).

ACTIONS

- a) ABAG Resolution No. 02-18: Addendum to the Final Environmental Impact Report for Plan Bay Area 2040.
- b) ABAG Resolution No. 03-18: Approve the Proposed Amendment to Plan Bay Area 2040.

Members discussed sharing committee actions prior to Board meetings.

President Rabbitt recognized a motion by Pierce, which was seconded by Haggerty, to adopt ABAG Resolution No. 02-18 and ABAG Resolution No. 03-18.

There was no discussion.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

8. ABAG LEGISLATION COMMITTEE REPORT

Committee Chair Haggerty reported on the special joint meeting with the MTC Legislation Committee on March 9, 2018, including the following: approval of the summary minutes of

its meeting on January 12, 2018; a report on legislative history; a discussion by members of both committees, but with no action, in their review of housing and transportation bills by each agency and the key housing bills that have been introduced in 2018 and housing-related initiatives that may appear on the state-wide ballot in November; a report on federal transportation and housing funding, and Tom Bulger's DC report for February 2018.

President Rabbitt recognized a motion by Haggerty, which was seconded by Dave Hudson, Vice Mayor, City of San Ramon, to approve the committee report.

Members discussed the Summary of 2018 Housing Landscape, RHNA oversight, and local control.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

9. ABAG FINANCE COMMITTEE REPORT

Committee Chair Mitchoff, Supervisor, County of Contra Costa, reported on the committee meeting on March 15, 2018.

A. Reauthorization of ABAG Investment Policy—ABAG Resolution No. 06-17

President Rabbitt recognized a motion by Mitchoff, which was seconded by Hudson, to accept the committee report and to reauthorize the ABAG Investment Policy.

There was no discussion.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

B. Adoption of ABAG Resolution No. 01-18 Establishing Bylaws of the Advancing California Finance Authority

President Rabbitt made the motion, which was seconded by Mitchoff, to accept the committee report and to adopt ABAG Resolution No. 01-18.

There was no discussion.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

The Executive Board next took up Item 9.D. and Item 9.E.

C. Recommend General Assembly Adoption of Proposed Budget and Work Program for Fiscal Year 2018-2019

Mitchoff reported that regarding the proposed Budget and Work Program, the ABAG Finance Committee recommended that the Executive Board approve a Budget and Work Program for release to the ABAG General Assembly that includes \$527,010 in revenue from the one-year dues modification with a transfer of net revenue to MTC for staff consolidation costs; and that staff update the Budget and Work Program to reflect the revenue from the one-year dues modification and the modified dues structure.

President Rabbitt recognized a motion by Mitchoff, which was seconded by Pierce, to accept the committee report and to recommend ABAG General Assembly adoption of the proposed Budget and Work Program for Fiscal Year 2018-2019.

There was no discussion.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

D. Authorization to Enter into a Contract with PriceWaterhouseCoopers (PwC) to Provide Annual Financial and Compliance Audit Services for Five Fiscal Years in the amount of \$402,325

President Rabbitt recognized a motion by Mitchoff, which was seconded by Abel Guillen, Councilmember, City of Oakland, to accept the committee report and to authorize entering into a contract with PriceWaterhouseCoopers.

Members discussed the cost for audit services for the first and subsequent contract years for ABAG, ABAG Finance Authority for Nonprofit Corporations (ABAG FAN), ABAG Publicly Owned Energy Resources (ABAG POWER), and the San Francisco Estuary Partnership (SFEP).

Brian Mayhew, MTC Chief Financial Officer, reported on the contract with PriceWaterhouseCoopers.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

The Executive Board next took up Item 9.C.

E. Proposed Modification of Membership Dues

Mitchoff reported that regarding the modification of membership dues, the dues modification will be limited to one year; staff will include the \$527,010 in additional revenue in the proposed budget and transfer that to MTC to cover staff consolidation costs; and staff will return with several options for dues changes, non-dues revenue enhancements, projection of future funding need/gaps, and comparison of other Metropolitan Planning Organizations (MPO) dues structure and amounts.

President Rabbitt recognized a motion by Mitchoff, which was seconded by Haggerty, to accept the committee report and to approve the proposed modification of membership dues.

Members discussed the one year modification of membership dues and directed staff to return with options for modifying membership dues.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Haggerty, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Pierce, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Gibson McElhaney, Jimenez, Miley, Peralez, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

The Executive Board next took up time 9.C.

10. ABAG REGIONAL PLANNING COMMITTEE REPORT

Committee Chair Pradeep Gupta, Councilmember, City of South San Francisco, reported on the committee meeting on February 7, 2018, including the following: a report on housing permitting performance and local housing policy; a report on Bay Area earthquake scenarios and existing seismic policies, and an overview of Futures planning process leading into the next Plan Bay Area.

A. Report on the Committee to House the Bay Area (CASA) Process

Kirkey provided an update on the CASA process and key milestones and will asked for Executive Board input on local government engagement to identify strategies and support needed by local jurisdictions to address the region's housing crisis.

Members discussed strategies related to employers; elected officials on the committee; outreach to elected officials and member jurisdictions; construction costs; level of specificity of recommendations and actions; the role of the Executive Board related to CASA; seismic issues and building code updates; transportation and tax impacts; CASA as part of the Action Plan under Plan Bay Area.

President Rabbitt recognized a motion by Gupta, which was seconded by Jake Mackenzie, Councilmember, City of Rohnert Park, to approve the committee report.

Members discussed housing loss and property and sales taxes and distributing information from CASA meetings.

There was no public comment.

The aye votes were: Andersen, Eklund, Garcia, Gibbons, Guillen, Gupta, Halliday, Hannigan, Hudson, Lee, Mackenzie, Mitchoff, Power, Rabbitt, Rahaim, Ramos, Rodoni, Spencer.

The nay votes were: None.

Abstentions were: None.

Absent were: Augustine, Campbell Washington, Canepa, Chavez, Cortese, Diep, Haggerty, Gibson McElhaney, Jimenez, Miley, Peralez, Pierce, Pine, Rufo, Scharff, Yee.

The motion passed unanimously.

11. ADJOURNMENT

President Rabbitt adjourned the meeting of the ABAG Executive Board at about 8:54 p.m.

The next regular meeting of the ABAG Executive Board is on May 17, 2018.

Submitted:

/s/ Fred Castro, Clerk of the Board

Date Submitted: April 4, 2018

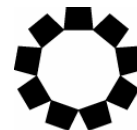
Approved:

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

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Amend Agreement #4600010575 (Integrated Regional Water Management Round 2) between Department of Water Resources and Association of Bay Area Governments to Extend the Grant Term by Two Additional Years through December 31, 2020; to Withdraw Project 13 from the Agreement; and to Reallocate Project 13's Grant Share Funds in the amount of \$500,000 to Projects 1, 10 and 20 for Additional Work**

Executive Summary

The Association of Bay Area Governments (ABAG) entered into a \$20 million grant agreement with the Department of Water Resources (DWR) effective February 4, 2014. ABAG served as grantee for 20 projects around the San Francisco Bay region for water supply, stormwater improvement, creek restoration, and other integrated water projects. The project was scheduled for completion December 31, 2018.

Extension. Due to delays including environmental permitting processes and construction restrictions within environmentally sensitive locations, as well as personnel and staff changes, ten Projects cannot be closed out prior to December 31, 2018. DWR has agreed to extend the grant term through December 31, 2020 through Amendment 5 to the master DWR-ABAG agreement.

Withdrawal of Project 13. The Roseview Heights Mutual Water Company (RHMWC) project was awarded \$500,000 in grant funds to replace leaking water transmission pipes and two water storage tanks and was unable to secure a responsible contractor's bid for the amount of funding available. The RHMWC Executive Board voted unanimously in December 2017 to officially withdraw from the Agreement.

Reallocation of Project 13's Grant Funds. With the formal withdrawal of Project 13, the Bay Area Integrated Regional Water Management Plan (BAIRWMP) Selection Committee reallocated funds as shown in the table below. The BAIRWMP Coordinating Committee voted unanimously on February 26, 2018 to approve the reallocation.

IRWM Grant Round 2

May 10, 2018

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Project # & Name	Agency	Original Grant Share Total	Change	Proposed Grant Share Total
#1, Bay Area Regional Water Conservation and Education Program	Solano County Water Agency	\$2,700,000	\$317,000	\$3,017,000
#10, Redwood City Bayfront Canal and Atherton Channel Flood Improvement and Habitat Restoration Project	City of Redwood City	\$1,135,000	\$103,000	\$1,238,000
#20, ABAG Grant Administration	ABAG	\$750,000	\$80,000	\$830,000

All other terms and conditions of Agreement #4600010575 shall remain the same. The San Francisco Estuary Partnership (SFEP) and ABAG will provide overall grant management services through the revised termination date of December 31, 2020.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract modification with the Department of Water Resources on behalf of the San Francisco Estuary Partnership to amend Agreement #4600010575 (Integrated Regional Water Management Round 2) between DWR and ABAG to extend the grant term by two additional years through December 31, 2020; to withdraw Project 13 from the Agreement; and to reallocate Project 13's grant share funds in the amount of \$500,000 to Projects 1, 10 and 20 for additional work.



Steve Heminger

Attachment

Summary Approval



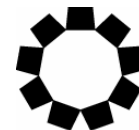
S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L

Work Item No.:	1720
Consultant:	Department of Water Resources
Work Project Title:	Proposition 84 Round 2 Integrated Regional Water Management (IRWM) Implementation Grants
Purpose of Project:	To assist in financing projects associated with the Bay Area Integrated Regional Water Management Plan.
Brief Scope of Work:	Extend the grant term by two additional years through December 31, 2020; to withdraw Project 13 from the Agreement; and to reallocate Project 13's grant share funds in the amount of \$500,000 to Projects 1, 10 and 20 for additional work.
Project Cost Not to Exceed:	\$0 Total Contract before this amendment: \$20,000,000 Total Authorized Contract after this amendment: \$20 million
Funding Source:	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006
Fiscal Impact:	Funds programmed in FY 2017-18 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract modification with the Department of Water Resources on behalf of the San Francisco Estuary Partnership to amend Agreement #4600010575 (Integrated Regional Water Management Round 2) between DWR and ABAG to extend the grant term by two additional years through December 31, 2020; to withdraw Project 13 from the Agreement; and to reallocate Project 13's grant share funds in the amount of \$500,000 to Projects 1, 10 and 20 for additional work.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to to Amend Grant Administration Assistance Agreement between Horizon Water and Environment, LLC and ABAG, under ABAG/Department of Water Resources Agreements #4600010575, #4600010883, and #4600011486, to Extend Contract Duration through December 31, 2021 and to Increase the Budget by \$575,253 for a Total Contract Amount not to exceed \$975,253**

Executive Summary

Horizon Water and Environment, LLC (Horizon) has been assisting the San Francisco Estuary Partnership (SFEP) and the Association of Bay Area Governments (ABAG), the grantee, on the Integrated Regional Water Management (IRWM) Implementation Grants since November 2015. IRWM Round 2 grants were #4600010575 in August 2015 for 19 projects, #4600010883 in July 2015 for 10 projects, and #4600011486 in August 2016 for 8 projects.

Responding to changes in grant administration needs and the proposed time extensions of several projects, SFEP plans to increase the assistance agreement with Horizon by up to \$600,000.

Payment for all Horizon Grant administration assistance work is through the grant administration funds allocated to Projects 20, 11 and 1 under these three Agreements. The following table illustrates how current grant administration funds will be encumbered to fund the proposed Amendment 4 to the Horizon/ABAG contract.

ABAG/Horizon Water and Environment, LLC

May 10, 2018

Page 2

Agreement # Project # Name	Original ABAG Grant Share Amount	Horizon Original Contract Amount	Proposed Reallocation of Funds to Horizon for Amendment 4	Revised ABAG Grant Share Amount	Proposed Amended Horizon Contract Amount
#4600010575 Project 20 Grant Administration	\$750,000	\$95,000	\$203,473	\$451,527	\$298,473
#4600010883 Project 11 Grant Administration	\$1,650,000	\$305,000	\$114,114	\$1,230,886	\$419,114
#4600011486 Project 1 Grant Administration	\$1,022,335	\$0	\$257,666	\$764,669	\$257,666
Totals	\$3,422,335	\$400,000	\$575,253	\$2,447,082	\$975,253

The Horizon contract increase will be offset by an equal reduction in the total grant share funds available to ABAG for Projects 20, 11 and 1. No amendment to the Department of Water Resources (DWR)/ABAG Agreements is required for this reallocation of grant share funds to the ABAG/Horizon contract.

SFEP and Metropolitan Transportation Commission staff will provide overall management of this contract and its scope of services. All other terms and conditions of the contract shall remain the same.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to amend the Grant Administration Assistance Agreement between Horizon Water and Environment, LLC and ABAG, under ABAG/Department of Water Resources Agreements #4600010575, #4600010883, and #4600011486, to extend contract duration through December 31, 2021 and increase the budget by \$575,253 for a total contract amount not to exceed \$975,253.



Steve Heminger

Attachment

Summary Approval



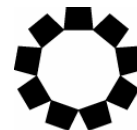
S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L

Work Item No.:	1720
Consultant:	Horizon Water and Environment LLC
Work Project Title:	Grant Administration Assistance
Purpose of Project:	To assist with Integrated Regional Water Management (IRWM) Grant Administration tasks.
Brief Scope of Work:	Assist ABAG with grant administration for the IRWM projects in Rounds 2, 3, and 4 for which ABAG serves as Grantee. Grant administration tasks include invoice, deliverable, and progress report review.
Project Cost Not to Exceed:	Total Authorized Contract after this amendment: \$975,253 Increase of \$575,253 from previous agreement amount of \$400,000.
Funding Source:	Department of Water Resources
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to amend the Grant Administration Assistance Agreement between Horizon Water and Environment, LLC and ABAG, under ABAG/Department of Water Resources Agreements #4600010575, #4600010883, and #4600011486, to extend contract duration through December 31, 2021 and to increase the budget by \$575,253 for a total contract amount not to exceed \$975,253.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018
To: ABAG Executive Board
From: Executive Director
Subject: **Authorization to Enter into an Agreement with Alameda County Flood Control and Water Conservation District for Permit Assistance Services, from August 10, 2018 through August 9, 2023, in the amount of up to \$1.2 million**

Executive Summary

Since 2013, the Alameda County Flood Control and Water Conservation District (District) has provided financial assistance to the San Francisco Estuary Partnership to provide staff resources to assist the San Francisco Bay Regional Water Quality Control Board (Water Board) with permitting and other service requests from the District. The District seeks to renew its arrangement through a new five-year agreement.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract agreement with the Alameda County Flood Control and Water Conservation District on behalf of the San Francisco Estuary Partnership to support the San Francisco Bay Regional Water Quality Control Board with permit assistance and other services for the District for up to \$1.2 million for the period from August 10, 2018 through August 9, 2023.

A handwritten signature in blue ink, appearing to read 'Steve Heminger', is written over a horizontal line.

Steve Heminger

Attachment

Summary Approval

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Memo Alameda County Flood Control Agreement.docx

Item 6.D.

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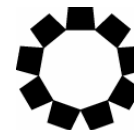
S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L

Work Item No.:	1720
Funder:	Alameda County Flood Control and Water Conservation District
Work Project Title:	Alameda County Permit Assistance
Purpose of Project:	Permit Assistance
Brief Scope of Work:	Continue to provide existing staff resources to assist the San Francisco Bay Regional Water Quality Control Board to expedite service requests from the Alameda County Flood Control and Water Conservation District.
Project Cost Not to Exceed:	\$1.2 million
Funding Source:	Alameda County Flood Control and Water Conservation District
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract agreement with the Alameda County Flood Control and Water Conservation District on behalf of the San Francisco Estuary Partnership to support the San Francisco Bay Regional Water Quality Control Board with permit assistance and other services for the District for up to \$1.2 million for the period from August 10, 2018 through August 9, 2023.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Revise Sub-award Totals under the U.S. Environmental Protection Agency Urban Greening Bay Area Award to ABAG of \$1,730,862 (W9-99T26201) for the City of San Mateo in the amount of \$200,000 and the City of Sunnyvale in the amount of \$250,000**

Executive Summary

On June 24, 2015, the Association of Bay Area Governments (ABAG) and the San Francisco Estuary Partnership (SFEP) were awarded a grant from the U.S. Environmental Protection Agency (EPA) for San Francisco Bay Area Water Quality Improvement Funds in the amount of \$1,730,862 for the Urban Greening Bay Area project to promote and implement green infrastructure throughout the Bay Area and to improve storm-water quality impacting the health of San Francisco Bay.

Initial sub-awards were authorized by the Executive Board on November 19, 2015 for project partners San Francisco Estuary Institute (SFEI) (\$592,000), BASMAA (\$200,000), and the Cities of San Jose (\$100,000), San Mateo (\$300,000), and Sunnyvale (\$150,000).

Changes in project feasibility over the project term have led to revisions to project plans in the City of San Mateo and City of Sunnyvale. Those sub-award amounts will need to be modified—the San Mateo agreement will decrease from \$300,000 to \$200,000, and the Sunnyvale agreement will increase from \$150,000 to \$250,000. The total project funding will not change.

U.S. EPA Urban Greening Bay Area Award

May 10, 2018

Page 2

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to revise the sub-award totals under the U.S. Environmental Protection Agency Urban Greening Bay Area Award to the Association of Bay Area Governments (W9-99T26201) for the City of San Mateo in the amount of \$200,000 and the City of Sunnyvale in the amount of \$250,000.



Steve Heminger

Attachment

Summary Approval



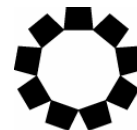
SUMMARY OF EXECUTIVE BOARD APPROVAL

Work Item No.:	1720
Consultant:	City of San Mateo, City of Sunnyvale
Work Project Title:	Urban Greening Bay Area
Purpose of Project:	Promote and implement green infrastructure throughout the Bay Area
Brief Scope of Work:	Build green infrastructure projects in City of San Mateo and City of Sunnyvale
Project Cost Not to Exceed:	\$200,000 for City of San Mateo \$250,000 for City of Sunnyvale
Funding Source:	U.S. Environmental Protection Agency
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to revise the sub-award totals under the U.S. Environmental Protection Agency Urban Greening Bay Area Award to the Association of Bay Area Governments (W9-99T26201) for the City of San Mateo in the amount of \$200,000 and the City of Sunnyvale in the amount of \$250,000.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Enter into Contract Modification with Delta Stewardship Council on behalf of the San Francisco Estuary Partnership for Additional Science Program Support, from July 1, 2018 through June 30, 2020, in the amount of \$100,000 for a Total Agreement Amount of \$951,000**

Executive Summary

The Association of Bay Area Governments (ABAG) has been providing science support services to the Delta Stewardship Council (Council) through an agreement for \$851,000 for the September 15, 2015 through June 30, 2018 period. Under this agreement, ABAG staff coordinated science conferences and secured science communications and science expert review services.

The Council wishes to extend the scope of services with additional support in the amount of \$100,000 for the San Francisco Estuary Partnership's State of the Estuary Report and to extend the project term through June 30, 2020.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract modification with the Delta Stewardship Council on behalf of the San Francisco Estuary Partnership for additional Science Program Support from July 1, 2018 through June 30, 2020, in the amount of \$100,000 for a total agreement amount of \$951,000.



Steve Heminger

Attachment

Summary Approval

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Memo Delta Stewardship Council.docx

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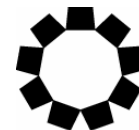
SUMMARY OF EXECUTIVE BOARD APPROVAL

Work Item No.:	1720
Consultant:	Delta Stewardship Council
Work Project Title:	Delta Science Support
Purpose of Project:	Science conference, science communications, and science experts support
Brief Scope of Work:	Provide support for the Bay-Delta Science Conference, State of the Estuary Report, and assist Council with science expert review and science communications
Project Cost Not to Exceed:	\$951,000
Funding Source:	Delta Stewardship Council
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract modification with the Delta Stewardship Council on behalf of the San Francisco Estuary Partnership for additional Science Program Support from July 1, 2018 through June 30, 2020, in the amount of \$100,000 for a total agreement amount of \$951,000.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Adoption of ABAG Resolution No. 05-18, Authorizing Submitting a Grant Application to the State Water Resources Control Board's State Revolving Fund for Clean Water on behalf of the San Francisco Estuary Partnership for up to \$1 million for Nature-based Shoreline Infrastructure Design, Monitoring, and Technical Guidance and, if awarded, to enter into an Agreement**

Executive Summary

The San Francisco Estuary Partnership (SFEP) staff requests authorization to submit a grant application for up to \$1 million to the State Water Resources Control Board's State Revolving Fund for Clean Water (SRF) to implement Estuary Blueprint Action 14—demonstrate how natural habitats and nature-based shoreline infrastructure can provide increased resiliency to changes in the Estuary environment.

SFEP proposes to lead this work through advanced water quality monitoring at the existing Oro Loma experimental horizontal levee, as well as conceptual designs at new sites across the Estuary. A strong outreach program will support this effort through design guidelines as well as communicating to stakeholders about construction and implementation best practices. This work is proposed in close coordination with UC Berkeley, Oro Loma Sanitary District, San Francisco Estuary Institute, Save The Bay, East Bay Dischargers Authority, and additional partners.

SRF funds would be structured as a forgivable loan under the Loan Forgiveness for Green Projects program for projects that address water or energy efficiency, mitigate storm water runoff, or encourage sustainable project planning, design, and construction.

State Revolving Fund

May 10, 2018

Page 2

Recommended Action

The Executive Board is requested to adopt ABAG Resolution No. 05-18, authorizing the Executive Director of the Metropolitan Transportation Commission, or his designee, to submit a grant application to the State Water Resources Control Board's State Revolving Fund for Clean Water on behalf of the San Francisco Estuary Partnership for up to \$1 million for nature-based shoreline infrastructure design, monitoring, and technical guidance, and, if awarded, to enter into an agreement with the State Water Resources Control Board.



Steve Heminger

Attachment

Resolution No. 05-18
Summary Approval

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 05-18

AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN AND FILE AN APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD FOR STATE REVOLVING FUND (SRF) FUNDING FOR IMPLEMENTING THE COMPREHENSIVE CONSERVATION AND MANAGEMENT PLAN AND DESIGNATING A REPRESENTATIVE TO SIGN THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO

WHEREAS, the Association of Bay Area Governments (ABAG) hereby authorizes the Executive Director of the Metropolitan Transportation Commission as per the May 30, 2017 Contract for Services, or designee, to sign and file a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for implementation of the Comprehensive Conservation and Management Plan; and

WHEREAS, the ABAG agrees and further does authorize the aforementioned representative, or his designee, be designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments to or changes thereto; and

WHEREAS, the Authorized Representative, or his designee, is designated to represent ABAG in carrying out the its responsibilities under the financing agreement, including certifying disbursement requests on behalf of ABAG and in compliance with applicable state and federal laws.

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 05-18**

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby authorizes the Executive Director of the Metropolitan Transportation Commission, or his designee, to sign and file an application to the State Water Resources Control Board for State Revolving Fund (SRF) funding for implementing the Comprehensive Conservation and Management Plan and to designate a representative to sign the financial assistance agreement and any amendments thereto.

The foregoing was adopted by the Executive Board this 17th of May, 2018.

David Rabbitt
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Clerk of the Board of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 17th day of May, 2018.

Frederick Castro
Clerk of the Board



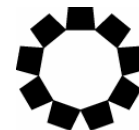
S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L

Work Item No.:	1720
Consultant:	Clean Water State Revolving Fund, administered by State Water Resources Control Board
Work Project Title:	Nature-based shoreline infrastructure design, monitoring, and technical guidance
Purpose of Project:	Implement the Estuary Blueprint by advancing nature-based shoreline infrastructure
Brief Scope of Work:	Undertake advanced water quality monitoring at the existing Oro Loma experimental horizontal levee, as well as conceptual horizontal levee designs at new sites across the Estuary. A strong outreach program will support this effort through design guidelines as well as communicating to stakeholders on construction and implementation best practices.
Project Cost Not to Exceed:	\$1,000,000
Funding Source:	Clean Water State Revolving Fund
Fiscal Impact:	Funds programmed in FY 2018-19 Budget
Motion by Committee:	The Executive Board is requested to adopt ABAG Resolution No. 05-18, authorizing the Executive Director of the Metropolitan Transportation Commission, or his designee, to submit a grant application to the State Water Resources Control Board’s State Revolving Fund for Clean Water on behalf of the San Francisco Estuary Partnership for up to \$1 million for nature-based shoreline infrastructure design, monitoring, and technical guidance, and, if awarded, to enter into an agreement with the State Water Resources Control Board.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Approval of Contract Amendment between Frontier Energy and Bay Area Regional Energy Network (BayREN) extending the Existing Contract through the end of Calendar Year 2018, updating the Scope of Work, and providing Associated Budget not to exceed \$367,870**

Executive Summary

The Bay Area Regional Energy Network (BayREN) implements a portfolio of energy efficiency programs across the region. The Association of Bay Area Governments (ABAG) serves as the program administrator and lead agency for a 10-member unincorporated association of local government entities. The California Public Utilities Commission (CPUC), in Decision 12-11-015, authorized funding for BayREN. Thereafter, in Decision 14-10-046, the CPUC authorized BayREN funding through 2025, or when the Commission issues a superseding decision. The current budget for 2018 is approximately \$17 million and is set on a calendar year basis.

ABAG has contracts with BayREN member agencies and with third party consultants. The budget for each member agency is determined by the activities the agency selects, including whether an agency is a lead for a particular program. The third party consultants were selected through a competitive process to assist in the implementation of the programs. The overall BayREN budget is developed each calendar year, and contracts with agencies and consultants are thereafter amended on an annual basis or as needed.

Frontier Energy (formerly BBKI) has provided consulting services to BayREN's Codes and Standards subprogram since 2014. On November 17, 2017, the Executive Board authorized the Executive Director of the Metropolitan Transportation Commission (MTC) to execute an agreement for services with Frontier Energy in the amount of \$361,500 for the first half of calendar year 2018. The six-month time frame for this contract reflected the anticipated hire of a new Codes and Standards Program Manager who started work in February.

Staff proposes approval of a contract amendment to extend the contract through the end of calendar year 2018 and to establish an updated scope of work and budget developed jointly by the new Codes and Standards Program Manager and Frontier Energy. Funding for this amendment is included in BayREN's current budget.

Contract Amendment Frontier Energy

May 10, 2018

Page 2

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract amendment with Frontier Energy in an amount not to exceed \$367,870 to continue existing services and provide for expanded services through the end of calendar year 2018, for a total contracted amount of \$729,370.



Steve Heminger

Attachment

Summary Approval



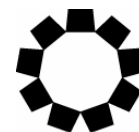
S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L

Work Item No.:	1721 (NFSN 2307)
Consultant:	Frontier Energy, Inc., Oakland, CA
Work Project Title:	BayREN
Purpose of Project:	Implement a portfolio of energy efficiency programs across the region.
Brief Scope of Work:	Provides consulting services for BayREN Codes & Standards, serves as assistance for portfolio-wide technical and regulatory reporting, evaluation, measurement and verification, and assistance with strategy.
Project Cost Not to Exceed:	Contract Amendment #24 amount, \$367,870 Total contract amount, \$729,370
Funding Source:	PG&E ratepayer funds, as directed by the CPUC
Fiscal Impact:	Funds programmed in FY 2017-18 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract amendment with Frontier Energy in an amount not to exceed \$367,870 to continue existing services and provide for expanded services through the end of calendar year 2018, for a total contracted amount of \$729,370.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Authorization to Accept Additional Funding from the California Public Utilities Commission (CPUC) for Bay Area Regional Energy Network (BayREN) in an amount up to \$13.1 million and to Enter into Contract Negotiations with Pacific Gas & Electric Company (PG&E) to amend an Existing Funding Agreement**

Executive Summary

The Bay Area Regional Energy Network (BayREN) implements a portfolio of energy efficiency programs across the region. The Association of Bay Area Governments (ABAG) serves as the program administrator and lead agency for a 10-member unincorporated association of local government entities. The California Public Utilities Commission (CPUC), in Decision 12-11-015, authorized funding for BayREN. Thereafter, in Decision 14-10-046, the CPUC authorized BayREN funding through 2025, or when the Commission issues a superseding decision.

The current annual budget is approximately \$17 million and is set on a calendar year basis. ABAG currently has a two-year funding agreement (Calendar Years 2018-19) with Pacific Gas & Electric Company (PG&E), BayREN's fiscal agent, in the amount of \$33.6 million for implementation of BayREN.

On April 4, 2018, the CPUC released Proposed Decision A.17-01-013¹ indicating updated annual funding amounts for BayREN through 2025. On April 24, 2018, BayREN filed comments on the Proposed Decision, among other things, to request clarification for funding of administration and Evaluation, Measurement, and Verification (EM&V). BayREN's comments are provided as an attachment to this memorandum and the summary of the modified funding request is included below. Thereafter, on May 8, 2018, the CPUC released a revised Proposed Decision amending the BayREN funding to the amounts listed in the attached *BayREN Comments Requesting Modification*, resulting in a portfolio budget of \$46.7 million for calendar years 2018-19, and reflecting an increase of \$13.1 million to the existing two-year funding agreement with PG&E.

The CPUC Commissioners may vote to approve or approve as modified the Proposed Decision at a series of upcoming voting meetings, the earliest of which is May 31, 2018. Given that the

¹ <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M212/K763/212763072.PDF>

CPUC Additional Funding and PG&E Contract Amendment

May 10, 2018

Page 2

decision affects BayREN's calendar year 2018 budget, it is advantageous for staff to receive authorization to accept the approved funding amount as early as possible so that contract amendment measures can be initiated with PG&E immediately following the CPUC's final decision. Once the contract amendment is executed with PG&E, staff will seek Executive Board approval to amend current contracts with all nine-county BayREN member agencies and existing and potentially new vendors to modify and expand BayREN's current programs and activities.

As requested by the Executive Board, a copy of the BayREN 2017 Annual Report is attached to this Memo.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to accept additional funding from the California Public Utilities Commission (CPUC) for Bay Area Regional Energy Network (BayREN) in an amount up to \$13.1 million and to enter into contract negotiations with Pacific Gas & Electric Company (PG&E) to amend an existing funding agreement.



Steve Heminger

Attachments

Summary Modified Funding Request
Summary Approval
CPUC BayREN Comments
PG&E Contract Work Authorization
BayREN 2017 Annual Report

Attachment

BayREN Comments Requesting Modification								
Sector	2018	2019	2020	2021	2022	2023	2024	2025
Residential	\$16,537,000	\$16,595,000	\$16,707,000	\$15,170,000	\$15,084,000	\$15,279,000	\$14,924,000	\$15,134,000
Commercial	\$1,691,500	\$2,772,000	\$3,325,500	\$3,581,000	\$4,004,500	\$4,538,500	\$4,841,500	\$5,239,500
Public	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C&S	\$1,788,000	\$1,918,000	\$1,983,000	\$1,954,000	\$2,096,000	\$2,166,000	\$2,136,000	\$2,291,000
Water / Energy Nexus	\$1,051,000	\$944,000	\$831,000	\$824,000	\$811,000	\$842,000	\$941,000	\$996,000
Admin	\$1,298,000	\$1,328,000	\$1,365,000	\$1,306,000	\$1,335,000	\$1,376,000	\$1,382,000	\$1,424,000
EM&V	\$372,758	\$392,617	\$403,525	\$380,583	\$388,842	\$403,358	\$403,742	\$418,075
Annual Total	\$22,738,258	\$23,949,617	\$24,615,025	\$23,215,583	\$23,719,342	\$24,604,858	\$24,628,242	\$25,502,575
Cumulative Total	\$22,738,858	\$46,687,875	\$71,302,900	\$94,518,483	\$118,237,825	\$142,842,683	\$167,470,925	\$192,973,500

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S U M M A R Y O F E X E C U T I V E B O A R D A P P R O V A L

Work Item No.:	1721 (NFSN 2307 & 2309)
Consultant:	Pacific Gas & Electric Company (PG&E) San Francisco, CA
Work Project Title:	BayREN
Purpose of Project:	Implement a portfolio of energy efficiency programs across the region.
Brief Scope of Work:	BayREN implements a portfolio of energy efficiency programs across the region and across multiple sectors. ABAG serves as the program administrator and lead agency.
Project Cost Not to Exceed:	\$46,687,875 for Calendar Years 2018-19 (increase of \$13,071,170)
Funding Source:	PG&E ratepayer funds, as directed by the CPUC
Fiscal Impact:	Funds programmed in FY 2017-18 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to accept additional funding from the California Public Utilities Commission (CPUC) for Bay Area Regional Energy Network (BayREN) in an amount up to \$13.1 million and to enter into contract negotiations with Pacific Gas & Electric Company (PG&E) to amend an existing funding agreement.
ABAG Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
And Related Matters.	Application 17-01-014 Application 17-01-015 Application 17-01-016 Application 17-01-017 (Consolidated)

COMMENTS OF THE ASSOCIATION OF BAY AREA GOVERNMENTS ON BEHALF OF
THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK (CPUC #941) ON
THE PROPOSED DECISION ADDRESSING BUSINESS PLANS

GERALD LAHR
Metropolitan Transportation Commission
375 Beale Street
7th Floor
San Francisco, California 94105
Telephone: (415) 820-7908
E-mail: JLahr@bayareametro.gov

For THE SAN FRANCISCO BAY AREA
REGIONAL ENERGY NETWORK

April 24, 2018

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RECOMMENDED CHANGES TO THE PROPOSED DECISION

1. Delete **Finding of Fact #13** pending resolution of the Hard-to-Reach definition in R.13-11-005,
2. Modify **Finding of Fact #52** to conform to D.12-11-015 requiring evaluation of potential program overlap with utilities' activities.
3. Modify **Conclusion of Law #2** to clarify that the posting of Implementation Plans within 120 days from the issuance of the decision applies to new programs only.
4. Modify **Conclusion of Law #8** to clarify that this requirement is for new programs and/or sectors and does not apply to residential and small commercial, or contracting firms with ten employees or less.
5. Modify **Conclusion of Law #45** to conform to D.12-11-015 regarding the three criteria upon which REN activities will be evaluated.
6. Modify **Conclusion of Law #49** to include the requirement that REN performance will be tracked based on business plan metrics and assessed according to progress meeting the designated targets.
7. **Conclusion of Law #66** should be modified to direct that a local government administrator - not a utility – should lead the expansion of the UCLA Energy Atlas.
8. **Ordering Paragraph #3** should align with Conclusion of Law #2 as modified, to clarify that Implementation Plans for new programs shall be posted within 120 days of the decision.
9. **Ordering Paragraph #9** should be modified to reflect that the workforce standards related to downstream programs apply to new programs and/or sectors and does not apply to residential and small commercial, or contracting firms with ten employees or less.
10. **Ordering Paragraph #10** should be modified to provide that the Program Administrators shall file an updated set of final metrics with the Annual Budget Advice Letter on September 3, 2018.
11. **Ordering Paragraph #31** should be modified to direct that a local government administrator – and not a utility - should lead the expansion of the UCLA Energy Atlas.
12. **Ordering Paragraph #39** should be modified to direct staff to develop a template for the Joint Cooperation Memo.

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
<hr/> And Related Matters.	Application 17-01-014 Application 17-01-015 Application 17-01-016 Application 17-01-017 (Consolidated)

COMMENTS OF THE ASSOCIATION OF BAY AREA GOVERNMENTS ON BEHALF OF THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK (CPUC #941) ON THE PROPOSED DECISION ADDRESSING ENERGY EFFICIENCY BUSINESS PLANS

In accordance with Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Association of Bay Area Governments (“ABAG”), on behalf of the San Francisco Bay Area Regional Energy Network (“BayREN”), submits these Comments on the Proposed Decision (“PD”) of Administrative Law Judges Julie Fitch and Valerie Kao, mailed April 4, 2018, in this proceeding. ABAG appreciates the wide breadth of issues addressed in the PD and the thoughtful analysis articulated therein. As discussed herein, BayREN requests that the final decision revise the PD as follows:

1. Clarify that Implementation Plans should be posted only for new programs pursuant to direction provided in D.15-10-028
2. Clarify that the new workforce standard for downstream programs applies only to new programs and excludes residential and small commercial projects, and does not apply to contracting firms with ten or less employees

3. Defer the definition of Hard-to-Reach pending resolution in R.13-11-005
4. Clarify the conflicting cost-effectiveness standards applied to the RENs
5. Correct the descriptions of the BayREN and PG&E multifamily and commercial programs
6. Correct Table 5: Approved Funding Level for BayREN 2018-2025 Business Plan to include the Administrative and EMV budgets
7. Correct the applicable threshold for review of REN programs
8. Direct a Local Government Administrator – and not a utility – to expand the UCLA Energy Atlas into PG&E and SDG&E territories
9. Direct staff to develop a Joint Cooperation Memo to ensure transparency and equity among the PAs
10. Provide further direction regarding business plan metrics

ABAG requests modifications to Findings of Fact numbers 13 and 52, Conclusions of Law numbers 2, 8, 45, 49 and 66, and Ordering Paragraph numbers 3, 9, 10, 31 and 39. (Proposed revisions are provided in Appendix A.)

I. Consistent with D.15-10-028, Implementation Plans should be Posted Only for New Programs.

Section 2.2 of the PD approves the process to be used for the Implementation Plans¹ for the Program Administrators' (PA) Energy Efficiency programs as directed in D.15-10-028. There, the Commission expressly provided that the PAs were not required to replace all existing program implementation plans (PIPs) with new implementation plans; rather, existing PIPs would be “grandfathered”.²

The PD requires that implementation plans be posted 120 days after the effective date of the decision, or 60 days after third party contract execution for design and implementation activities.³ Consistent with D.15-10-028, BayREN’s Proposed Conclusion of Law #2 and

¹ PD at page 16.

² D.15-10-028 at pages 63-64.

³ *Id.*

Ordering Paragraph #3 should be adopted to clarify that Implementation Plans are only required for new programs.

II. The Workforce Standards for Downstream Programs should not be Applied Retroactively, nor should they be applied to Residential and Small Commercial Programs or Firms with Ten Employees or Less since it would Result in Program Closure and Disruption Contrary to the Intent of the Rolling Portfolio.

The PD, at Section 2.2, provides new workforce standards for all downstream programs going forward:

- All downstream or midstream heating, ventilation and air conditioning (HVAC) energy efficiency measures installed, subsidized, or paid for out of a PA's energy efficiency program portfolio shall be installed by journeymen with five or more years of experience or apprentices currently enrolled in or having completed a federal or California state apprenticeship program.
- All downstream and midstream advanced lighting control installation, modification, or maintenance measures installed, subsidized or paid for under a PA's energy efficiency portfolio shall be installed by workers that have been certified by the California Advanced Lighting Controls Training Program.⁴

BayREN requests that these standards apply to new programs only, because retroactive application would result in the closing of many existing programs (some of which have been in the marketplace for many years), or at a minimum, would cause severe disruption in programming. These new requirements would also cause many contractors that do energy efficiency retrofits and have built their businesses around these programs to abruptly stop this work. BayREN also requests that contracting firms with ten employees or less be exempt.

BayREN's single family Home Upgrade program is contractor driven and is a case in point. Since the inception of program implementation, BayREN has trained 315 contractors with many actively participating in the program. A large percentage of these contractors had never participated in ratepayer funded programs nor received training on selling and performing an energy efficiency retrofit. Most contractors participating in the program are small, locally owned businesses who have obtained other relevant training and certification (such as BPI) and have built their reputation over many years of skilled delivery. Central to the BayREN business plan (and the original PIP) is the goal of helping to develop and support a qualified regional workforce to implement energy efficiency measures. If these new workforce

⁴ PD at page 21 (footnote omitted).

standards are applied retroactively, there would be few, if any currently participating contractors that could continue to offer this program, thereby ending the current program and losing the contractor base that was central to the revised program described in the business plan.

Essential to BayREN's multifamily program design is the ability of property owners to utilize their own contractors. This is one of the reasons for the success of the program, because many property owners have long standing relationships with or in-house contractors. Building owners may be engaged in other repairs or renovations apart from the efficiency upgrades, and limiting contractor choice creates a barrier to participation. As noted in Comments Submitted in A.14-11-007, et. al.:

When an owner is willing to engage in substantial energy efficiency investments, we also recommend allowing owners to choose their own contractors provided they meet qualifications similar to the Energy Upgrade California Multifamily program. Based on her experience attempting to navigate the myriad utility multifamily programs, Ms. Larson [representing multifamily property owners] recommends enabling contractor choice and reducing the number of contractors involved in a coordinated energy efficiency retrofit in order to greatly reduce administrative time and expense. [Other experts in this sector] likewise describes the importance of enabling building owners to choose their own installation contractors, especially when they are also engaged in other repairs or renovations apart from the specific efficiency upgrades.⁵

The BayREN multifamily program ensures work quality by performing a site visit to verify proper installation of measures. Rebates are not issued until any deficiencies are remedied. Requiring these new downstream workforce standards to apply to the existing multifamily program would result in discontinuation of the current program – which EMV studies have shown to be the most cost-effective and has the most uptake in both low-income and market rate properties across the state – while a new program is designed.⁶

⁵ Opening Brief of the Natural Resources Defense Council (NRDC), National Consumer Law Center (NCLC), and The California Housing Partnership (CHPC), submitted in A.14-11-007, at page 51. (citations omitted.)

⁶ BayREN's multifamily whole building program was evaluated and compared with similar programs implemented by the IOU. The multifamily whole building impact evaluations for the IOUs (PY 2015) and the RENs (PY 2013-2015) revealed *significant* differences between BayREN and the IOU programs. BayREN had higher participation, delivered greater energy savings, and had higher evaluated realization rates and net-of-free-rider (NFR) values. BayREN served *over three times as many projects and nearly twice as many units as all of the IOUs combined* (on an annualized basis) and *delivered closer to its energy savings goals (97% by btu) compared to the IOUs (20% by btu)*. BayREN's ex-post savings were much closer to ex-ante savings compared to the IOUs.

BayREN also requests that residential and small commercial (defined as energy usage <500,000 kWh or < 250,000 therms or < 200 kW demand) programs be excluded from these requirements. Projects in these market segments are small in scope and are typically performed by small local firms. New requirements would result in a significantly reduced workforce and would increase the cost of these projects, making the offerings unattractive to customers and detrimentally effecting cost-effectiveness. These standards would shut out a large segment of the current contracting community that have invested many years and resources into participating in energy efficiency programs. BayREN also request that contracting firms with ten employees or less be exempt for the same reasons.

Throughout this proceeding, the Coalition of Energy Efficiency (CEE) has expressed concern that energy efficiency measures are not being installed correctly and the proposed minimum workforce standards are a way to address this problem. These concerns may be solved by increased quality control built into programs and additional contractor training. This alternative would allow for a better trained workforce and would preclude a large scale departure of contractors from the energy efficiency market.

BayREN requests modification to Conclusion of Law #8 to and Ordering Paragraph #9 to reflect these changes.

III. The Definition of Hard-to-Reach should be Deferred Pending the Development of the Record and a Decision in R.13-11-005.

The PD adopts the definition of Hard-to-Reach (HTR) found in Resolution G-3497, dealing with utility shareholder incentives and which modified the criteria for determining HTR customers for direct install programs by limiting it to certain geographic regions, and disallows the definition found in the Policy Manual Version V⁷. While the PD seeks to clarify the conflicting HTR definitions, it is noteworthy that the recently released Draft Resolution E-4917⁸, approving energy efficiency funds for Lancaster Choice Energy, relies on the Policy Manual HTR definition, thereby perpetuating this conflict and confusion.

⁷ CPUC Energy Efficiency Policy Manual, July 2013.

⁸ The Resolution has not been voted on by the time of this filing. However, even if the HTR definition is subsequently changed, the inclusion of this definition in the Draft illustrates that the issue has not been resolved and is ripe to be taken up in a subsequent proceeding.

Throughout this proceeding, many parties have advocated that the HTR definition be the subject of a CPUC-led workshop allowing for stakeholder input and the development of a data driven record. As articulated by the Natural Resources Defense Council:

Ensuring energy efficiency programs are specifically targeted to meet the needs of hard-to-reach customers is critical to reach those individuals or businesses who may not have sufficient resources or awareness to participate in energy (and money) saving opportunities offered by the utilities, local governments, or third party providers. We therefore request that the Commission include the issue of “hard-to-reach customers” as within scope for Phase 3 or R.13-11-005 and clarify that the updated definition does not completely prohibit classification of hard-to-reach customers in the identified geographic regions.⁹

The definition of HTR provided in the PD will have significant consequences – many unintended – on a large portion of the state, and will be particularly detrimental to disadvantaged customers in urban areas who already struggle with extremely high property and living costs and will likely be excluded from Pay-for-Performance (P4P) programs due to challenges with cost-effectiveness services for HTR customers and the increased participation barrier of delayed and potentially reduced incentive payments under the P4P approach. While we do not dispute that there needs to be a definitive definition for HTR, the decision should be made after a deliberative process, which was not provided prior to the adoption of Resolution G-3497. Some of the assumptions made with this definition have been disproved in third party studies and should be made part of the record. For example, the Statewide Nonresidential Customer Hard-to-Reach Study¹⁰ found that there is little evidence that would support rural nonresidential customers being classified as under-served, as their participation levels are in line with the statewide population average. Contrarily, underserved segments were found in nonresidential *sectors* across the board, including strip malls, convenience stores, renters and small businesses with less than 10 employees. BayREN urges that the HTR definition be deferred pending action in R.13-11-005, and that Finding of Fact #13 be deleted. Otherwise, a significant percentage of California ratepayers will be effectively excluded from many energy efficiency programs.

⁹ Comments of the Natural Resource Defense Council to 2018-2025 Rolling Portfolio Energy Efficiency Business Plans, at pages 14-15.

¹⁰ 2001 Statewide Nonresidential Customer Hard-to-Reach Study, Final Report, Prepared by Quantum Consulting, Inc.

IV. The Cost-Effectiveness Standard Applied to the RENs is Conflicting and Should be Clarified.

The PD provides conflicting guidance on the RENs' cost-effectiveness and value for the development and implementation of REN programs. Specifically:

with our renewed emphasis that RENs should focus on filling gaps, piloting different or unique approaches that have potential to scale, and/or targeting hard-to-reach customers, we do not find it reasonable to impose a minimum cost-effectiveness threshold for REN proposals. As we have maintained in the past, the more limited scope of activities we authorize RENs to undertake, which results in a much lower ability to diversify their portfolios (relative to the IOUs), argues against holding them to a particular cost-effectiveness standard.¹¹

and

the Commission remains “interested in seeing RENs provide value (or the promise of value), and this serves as a key criterion against which we evaluate their proposals and will assess [REN] performance going forward, particularly in tracking business plan metrics and assessing PAs’ progress in meeting their designated targets.”¹²

These provisions in the PD create tension with guidance found in D.16-08-019 and D.12-11-015: “REN programs... will only be funded to the extent that they are determined by the Commission to provide value (or the promise of value) to ratepayers in terms of energy savings and/or market transformation results for energy efficiency” and that they should “manage their programs with an eye toward long-term cost-effectiveness.” BayREN’s proposed modification to COL #49 should be adopted to clarify the conflict.

Specific to the REN metrics and targets, BayREN requests the Commission provide direction in the decision that the RENs will be provided resources and consultation with Commission staff and EM&V consultants for how energy savings calculations and cost-effectiveness (TRC/PAC) methodologies may be developed for REN programs that fill gaps and/or pilot different or unique approaches that have potential to scale. This level of support is critical if the Commission is simultaneously directing the RENs to focus on these types of programs, meet energy savings metrics, and have an eye towards long term cost-effectiveness. For this support to be most effective, BayREN requests the Commission direct staff and EM&V consultants to (1) respond to REN requests during the development of the Implementation Plans for feedback on metrics and targets to help ensure those metrics and targets will allow the CPUC to effectively evaluate REN

¹¹ PD at page 92.

¹² PD at page 92.

value and (2) be open to, and provide sufficient feedback on, any new approaches to energy savings claims that may not fit within existing cost-effectiveness methodologies, especially during Implementation Plan development.

V. The PD should be Corrected to Reflect the BayREN Multifamily and Commercial Programs are not Similar to those Offered by PG&E.

The PD is in error in its description of BayREN's and PG&E's multifamily and commercial offerings. As stated:

We do not anticipate BayREN's multi-family residential activities will overlap with PG&E's, as currently designed. BayREN's multi-family program is focused on whole house solutions, while PG&E's main multi-family program is focused on rebating individual measures."¹³

BayREN affirms that its multifamily activities do not overlap with PG&E's, but clarifies the program description. BayREN's multifamily program fills a program gap by providing a "middle of the road" participation path. It achieves deeper and more customized savings¹⁴ than a direct install single measure program, but does not carry the up-front cost associated with a whole-building performance program. PG&E has discontinued its single-measure rebate program (MFEER). Still, BayREN maintains a cross-referral agreement with PG&E for its current offering to ensure no duplication of multifamily programs.

The Small and Medium Commercial Building (SMCB) Performance Advisor mentioned in the PD is part of the BayREN's business plan, *not* PG&E's, which is focused on a web-based survey tool. Similarly, the small business microloan program is currently being offered through the San Francisco and East Bay Energy Watch Partnerships. However, Local Government Partnerships in the BayREN territory have been told they must no longer work in the small commercial sector and may only serve municipal facilities as of the end of 2018. Thus BayREN's program would fill the gap left when these Local Government Partnership programs are defunded.

¹³ PD at page 98.

¹⁴ Recent CPUC-led EM&V studies concluded that "BayREN's program cost \$798 to save one MMBTU compared to the IOUs program which cost \$3,194 to save one MMBTU (ex-post savings)."

VI. It was Error to Exclude BayREN's Administrative and Evaluation, Verification and Measurement Budgets and the Decision Should be Revised Accordingly.

Consistent with the CPUC's Energy Efficiency Policy Manual, Version V, and Generally Accepted Accounting Principles, BayREN's Business Plan Portfolio Budget¹⁵ reallocated all administrative costs from the sector programs, and created a separate line item within the overall portfolio budget. While not necessary for the RENs¹⁶, the administrative budget was under the CPUC's 10% cap on administrative costs.

Together with a proposed roadmap for Evaluation, Measurement and Verification (EMV), BayREN set forth a proposed budget for EMV during the business plan period. BayREN's authority to conduct EMV, and the formula for determining the proportional share of the EMV funds, was established in D.16-08-019¹⁷.

As an introductory matter, the PD notes that:

In general, in this decision, we discuss issues where parties or the Commission take issue with the proposal presented in the business plan applications. *If an item is not discussed or otherwise decided in this decision, the PAs should consider that aspect of the business plan approved*¹⁸. (emphasis added.)

The PD, while rejecting the 2018 Annual Budget Advice Letters (ABAL), approves the business plans and associated funding levels for 2018.¹⁹ Nowhere in the PD is there any discussion of the removal of BayREN's Administrative budget, nor is there a discussion about dispensing with D.16-08-019's approval of REN-led EMV and the formula for determining the budget. BayREN therefore assumes that these omissions are a factual error and request that the Decision makes the following correction to Table 5: Approved Funding Levels for BayREN 2018-2025 Business Plan:²⁰

¹⁵ See BayREN Energy Efficiency Business Plan 2018-2025, at pages 1.16-1.17.

¹⁶ Energy Efficiency Policy Manual Version V at page 9-10.

¹⁷ D.16-08-019, Conclusion of Law #70 at page 107 and Ordering Paragraph #16, at page 112.

¹⁸ [Proposed] Decision Addressing Energy Efficiency Business Plans, at page 12.

¹⁹ PD, Ordering Paragraph Number 29.

²⁰ PD, at page 99.

Table 5. Approved Funding Levels for BayREN 2018-2025 Business Plan

Sector	2018	2019	2020	2021	2022	2023	2024	2025
Res'l	16,537,000	16,595,000	16,707,000	15,170,000	15,084,000	15,279,000	14,924,000	15,134,000
Comm'l	1,691,500	2,772,000	3,325,500	3,581,000	4,004,500	4,538,500	4,841,500	5,239,500
Public	0	-	-	-	-	-	-	-
C&S	1,788,000	1,918,000	1,983,000	1,954,000	2,096,000	2,166,000	2,136,000	2,291,000
Water/ Energy	1,051,000	944,000	831,000	824,000	811,000	842,000	941,000	996,000
<u>Admin</u>	<u>1,298,000</u>	<u>1,328,000</u>	<u>1,365,000</u>	<u>1,306,000</u>	<u>1,335,000</u>	<u>1,376,000</u>	<u>1,382,000</u>	<u>1,424,000</u>
<u>EM&V</u>	<u>372,758</u>	<u>392,617</u>	<u>403,525</u>	<u>380,583</u>	<u>388,842</u>	<u>403,358</u>	<u>403,742</u>	<u>418,075</u>
Total	<u>22,738,258</u>	<u>23,949,617</u>	<u>24,615,025</u>	<u>23,215,583</u>	<u>23,719,342</u>	<u>24,604,858</u>	<u>24,628,242</u>	<u>25,502,575</u>

VII. The Threshold of Review for REN Programs is in Error as it is Different than what was Provided in D.12-11-015.

The Commission in D.12-11-015 established three areas upon which REN programs would be evaluated: activities that utilities cannot or do not intend to undertake; pilot activities where there is no current utility program offering, and where there is potential for scalability to a broader geographic reach, if successful; and pilot activities in hard-to-reach markets, whether or not there is a current utility program that may overlap. BayREN’s modification of Finding of Fact #52 should be adopted so that the criteria for evaluation of REN activities is consistent with D.12-11-015.

VIII. A Local Government Administrator should be Directed to Expand the Energy Atlas Across the State, Not an IOU.

In denying the Local Government Sustainable Energy Coalition (LGSEC) motion to expand the UCLA Energy Atlas tool to PG&E and SDG&E’s territory, the Commission directs the IOUs to work with LGPs to fill this gap. Significantly, the IOUs have not provided energy use data needed by local governments for implementation of energy efficiency programs, and certainly not at the level that is currently available to SCE and SCG customers via the Energy Atlas. To date the IOUs have attempted, but have been unable, to respond adequately to the data needs of local governments, as documented in the Energy Data Access Committee proceedings and by the LGSEC in this proceeding. In contrast, the Energy Atlas database created with SoCalREN funding has more effectively remedied the problem. It would be more appropriate for a local government entity to be responsible for coordinating the expansion of the Energy Atlas. In addition to past

demonstration of local governments having more success at this task, the emergence of CCA's and the need for local governments to access both IOU and CCA data is further reason why a local government is better suited than an IOU for this undertaking. BayREN supports LGSEC's request that LGC be the statewide lead for expansion of the Energy Atlas. In the alternative, if LGSEC's proposal is denied and LGC is not allowed to expand the current Energy Atlas into PG&E and SDG&E territory, BayREN posits that we are an appropriate alternative administrator. BayREN recommends that the Decision direct a local government program administrator, such as a REN, to conduct the activity of developing a statewide energy usage database, not an IOU, and that associated funding be allocated.

Modified Conclusions of Law #66 and Ordering Paragraph #31 should be adopted.

IX. The PAs and CPUC Staff Should Work Together on a Template Joint Cooperation Memo and to Ensure Transparency and Equity Among the PAs.

BayREN appreciates the Commission's provision of a mechanism to ensure program coordination among PAs. However, as the Joint Cooperation Memo (Memo) mechanism is formalized, the Commission should ensure the requirements for, and process established to facilitate the Memos, are consistent with guidance in D.12-11-015, including:

“the Commission should consider and select REN program proposals independently from utility program portfolios,”²¹ “the utilities should serve as the fiscal managers for contracts with RENs,”²² “the utilities should not have control over the design of or modifications to REN programs or delivery models,”²³ and “the RENs should be independently responsible to the Commission for delivering the results of their programs.”²⁴

BayREN is concerned that the requirement for a jointly authored IOU/REN Memo grants the IOUs authorities that exceed those established in D.12-11-015, especially as relates to the required discussion for how any REN activities that do not meet the HTR REN criteria are also something the IOU does not offer. As Ordering Paragraph #37 establishes the “required content of these joint cooperation memos” as outlined in Section 7.1 of the PD²⁵, BayREN requests the Commission modify the discussion in Section 7.1 for the Memo to provide greater value to all signatories and the Commission as follows:

²¹ D. 12-11-015 Conclusions of Law #1

²² D. 12-11-015 Conclusions of Law #4

²³ D. 12-11-015 Conclusions of Law #5

²⁴ D. 12-11-015 Conclusions of Law #6

²⁵ PD at pages 119-120.

1. The Memo process needs to include requirements for exchange of transparent IOU program data. In past coordination efforts with PG&E, BayREN's attempts to obtain data to support its claims that BayREN is offering a non-duplicative program have been unsuccessful.
2. Extend the requirement that the RENs include a summary of the programs they intend to run, and require the level of data provided be the same for all PAs. If PG&E lists all of its programs, and not simply the "similar" programs, it will help BayREN remain aware - and by extension ensure customers are aware - of those programs. There is also no reason to require BayREN to demonstrate it will not simply steer customers to its own programs without requiring the same of PG&E.
3. Discussion of target audiences and service delivery channels to help evaluate program duplication. For example, BayREN would propose that two different small commercial programs would be non-duplicative if one drives customers to a website for information and service while the other deploys a human advisor that provides customized site specific technical assistance throughout a customer's upgrade journey.
4. Apples to apples comparisons of metrics, including past performance and participation data. For example, the narrow scope of BayREN's residential programs would make a comparison of TRC between BayREN's and PG&E Residential Sector irrelevant. TRC and other metric comparisons need to be made between *comparable* programs in *comparable* geographies. Annual participation for similar programs and similar geographies (i.e., small and medium commercial annual program participants in the nine county Bay Area) will be similarly informative.
5. Discussion of launch timelines and key program milestones, triggers and opportunities for a non-IOU PA to initiate their proposed program if the IOU program does not hit its milestones.
6. Requirements that REN information/data requests to the IOUs must be responded to in a timely manner and at least 30 days prior to the Memo due date.
7. Commitment for CPUC approval/comment on the Memos a minimum of 15 days before the ABAL filing date so that ABAL forecasted energy savings goals and other metrics can be appropriately calibrated with activities presented in the Memos.

8. Clarification that the due date of the initial Memos is August 1, 2018 because there are discrepancies in the PD.²⁶

BayREN looks forward to working with staff to develop a common template for the Memo to be used by all PAs and requests modification of Ordering Paragraph #39 to include direction to staff to develop this Memo template.

X. Clarification is Requested Regarding the Metrics.

The process and timetable outlined in the PD for the requirement to “make a compliance filing ...within 60 days of the date of this decision with the final set of portfolio- and sector-level metrics”²⁷ should be adjusted. Many proposed REN activities will only be authorized pending Commission staff approval of the Memo and ABAL. The proposed 60-day metrics compliance filing will create confusion amongst stakeholders involved in the CAEECC metrics discussion and additional administrative burden for all parties, as the RENs will have to refile metrics almost immediately upon the Memo and ABAL approval. BayREN requests that:

1. PD Attachment A metrics be considered a draft and serve as a starting point for renewed discussion with stakeholders. Discussion on metrics should refer to the ALJ’s May 10, 2017 metrics ruling and the metrics in Attachment A to the PD should continue to be vetted through the CAEECC and with the Commission staff in the development of Implementation Plans.
2. Any metrics compliance filing would be submitted at the same time as the ABAL filing. The approved ABAL would provide the final set of metrics.

BayREN requests adoption of the proposed modification to Ordering Paragraph #10.

BayREN also requests additional guidance be added to the decision related to the requirement to report a metric defined as “the percentage of incentive dollars spent on measures verified to have been installed by contractors with a demonstrated commitment to provide career pathways to disadvantaged workers.” This is problematic for:

- Existing programs designed to pay incentives to customers, as introducing this reporting requirement for the contractor workforce would significantly disrupt

²⁶ See PD at page 120, and Ordering Paragraph 37 wherein the submittal date for the Memo is August 1, 2018, while the PD at page 133 states the submittal date is July 15, 2018.

²⁷ PD at page 23.

the current customer engagement process and create significant additional administrative burden for the implementing PA.

- Programs (new and existing) that target small contracting firms that serve single family and small multifamily residential properties and small/medium commercial business, which are not frequently equipped with the administrative resources to demonstrate this type of commitment.

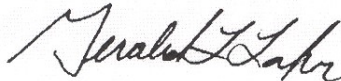
Therefore, BayREN requests clear direction through this Decision or subsequent Commission guidance:

1. On what constitutes sufficient evidence of “adoption of workforce diversity and inclusion goals” and or “a contractual agreement to hire through state-certified ...programs...”²⁸
2. That programs targeting participation from contracting firms under 10 employees are exempt from this reporting requirement.

XI. Conclusion

ABAG, on behalf of the BayREN, appreciates the consideration of these comments and requests modifications to Findings of Fact numbers 13 and 52, Conclusions of Law numbers 2, 8, 45, 49 and 66, and Ordering Paragraph numbers 3, 9, 10, 31 and 39, as provided in the attached Appendix A, are approved.

Dated: April 24, 2018



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Metropolitan Transportation Commission
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San Francisco, California 94105
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For THE SAN FRANCISCO BAY AREA
REGIONAL ENERGY NETWORK

²⁸ PD at pages 23-24.

APPENDIX A
PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW
AND ORDERING PARAGRAPHS

BayREN requests modification to the following Findings of Fact, Conclusions of Law and Ordering Paragraphs as reflected in tracked changes.

FINDINGS OF FACT

~~Finding of Fact #13: For purposes of administering energy efficiency programs, hard-to-reach customers are defined pursuant to criteria identified in Resolution G-3497: Specifically:~~

~~Specific criteria were developed by staff to be used in classifying a customer as hard-to-reach. Two criteria are considered sufficient if one of the criteria met is the geographic criteria defined below. There are common as well as separate criteria when defining hard-to-reach for residential versus small business customers. The barriers common to both include:~~

- ~~○ Those customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a combination of language, business size, geographic, and lease (split incentive) barriers. These barriers to consider include:~~
 - ~~● Language—Primary language spoken is other than English, and/or~~
 - ~~● Geographic—Businesses or homes in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area and the greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County.~~
- ~~○ For small business added criteria to the above to consider:~~
 - ~~● Business size—Less than ten employees and/or classified as Very Small (Customers whose annual electric demand is less than 20 kilowatts, or whose annual gas consumption is less than 10,000 therm, or both), and/or~~

- ~~● Leased or Rented Facilities— Investments in improvements to a facility rented or leased by a participating business customer~~
- ~~○ For residential added criteria to the above to consider:~~
 - ~~● Income— Those customers who qualify for the California Alternative Rates for Energy (CARE) or the Family Electric Rate Assistance Program (FERA), and/or~~
 - ~~● Housing Type— Multi-family and Mobile Home Tenants (rent and lease).~~

Findings of Fact #52: “RENs’ activities may only overlap with ~~other~~ PAs’ utilities’ activities when those activities are targeted at hard-to-reach customers.”

CONCLUSIONS OF LAW

Conclusion of Law #2: Implementation plans for new ~~currently available~~ programs should be required to be posted within 120 days of the issuance of this decision. For Third-party programs for which solicitations are forthcoming, implementation plans should be posted within 60 days of contract execution, or within 60 days of Commission approval if the contract is required by the terms of D.18-01-004 to be reviewed by the Commission.

Conclusion of Law # 8: The following minimum workforce standards should be required for all PAs to utilize in their new programs:

- All downstream or midstream heating, ventilation and air conditioning (HVAC) energy efficiency measures installed, subsidized, or paid for out of a PA’s energy efficiency program portfolio shall be installed by journeymen with five or more years of experience or apprentices currently enrolled in or having completed a federal or California state apprenticeship program.
- All downstream and midstream advanced lighting control installation, modification, or maintenance measures installed, subsidized or paid for under a PA’s energy efficiency portfolio shall be installed by workers that have been certified by the California Advanced Lighting Controls Training Program.

Residential and small commercial (defined as energy usage <500,000 kWh or < 250,000 therms or < 200 kW demand) are excluded from these workforce standards. Contracting firms with ten employees or less are exempt.

Conclusion of Law #45: The RENs should demonstrate that their activities meet the criteria established in D.12-11-015: they are activities that the utilities cannot or do not intend to undertake; pilot activities and approaches where there is no current utility program offering, and where there is potential for scalability to a broader reach, if successful, and ~~We should require RENs to demonstrate that their business plan activities do not duplicate the activities of other PAs with whom they share a service area, activities targeting except with respect to hard-to-reach customers whether or not there is a current utility offering that may overlap, and to otherwise demonstrate compliance with D.12-11-015.~~

~~Conclusion of Law #49: We should consider whether to continue to authorize REN programs and budgets based on evaluations of RENs' impact and success~~ and will assess REN performance going forward with an emphasis on tracking business plan metrics and assessing REN progress in meeting their designated targets.

Conclusion of Law #66. A local government administrator should expand the UCLA Energy Atlas and expand the effort to PG&E and SDG&E territories. The IOUs should work with LGP partners to improve LGP programs' cost-effectiveness and to meet LGP partners' needs with ~~respect to data sharing and~~ contract terms that align with local governments' budgeting, legal, etc. constraints.

ORDERING PARAGRAPHS

Ordering Paragraph # 3: Implementation Plans for new programs associated with the business plans adopted in this decision shall be posted within 120 days of the issuance of this decision. For third party programs that are part of the solicitation process adopted in D.18-01-004, implementation plans shall be posted no later than 60 days following contract execution or, for contracts where Commission approval is required, 60 days following Commission approval.

Ordering Paragraph #9: The following minimum workforce standards should be required for all PAs to utilize in their new programs:

- All downstream or midstream heating, ventilation and air conditioning (HVAC) energy efficiency measures installed, subsidized, or paid for out of a PA's energy efficiency program portfolio shall be installed by journeymen with five or more years of experience or apprentices currently enrolled in or having completed a federal or California state apprenticeship program.
- All downstream and midstream advanced lighting control installation, modification, or maintenance measures installed, subsidized or paid for under a PA's energy efficiency portfolio shall be installed by workers that have been certified by the California Advanced Lighting Controls Training Program.

Residential and small commercial (defined as energy usage <500,000 kWh or < 250,000 therms or < 200 kW demand) are excluded from these workforce standards. Contracting firms with ten employees or less are exempt.

Ordering Paragraph #10: All program administrators shall track progress toward the metrics and indicators included in Attachment A of this decision. Program administrators shall work with Commission staff to finalize the metrics, targets, and indicators and file an updated set of final metrics with the ABAL filing on September 3, 2018.

Ordering Paragraph #31: The investor owned utilities must quantify co-benefits and local economic benefits of Local Government Partnerships in hard-to-reach and disadvantaged communities; and support local governments' efforts to increase local capacity to conduct energy efficiency activities. In furtherance thereof, a local government administrator shall be directed to expand the UCLA Energy Atlas in the PG&E and SDG&E service territories and shall be provided an associated budget.

Ordering Paragraph #39: Staff must develop templates and further guidance as needed for the Joint Cooperation Memos (Memo) and annual budget advice letter (ABAL) submissions, beginning no later than June 1, 2018. Staff shall seek and incorporate program administrator input for these templates and associated guidance as much as possible. Program administrators must use the staff-developed templates for future Memo and ABAL submissions unless and until staff updates or otherwise amends these templates.



Contract Work Authorization (CWA) Change Order

This is Change Order ("CO") No. 5 to Contract Work Authorization No. C6252 (formerly 2500322994, CO2 and 2501322995, CO4) dated 5/13/2016 and 1/6/2016 issued under and pursuant to the Blanket Agreement or Master Service Agreement No. C657 (4400007460) dated 2/11/13 (the "MSA") between the below-named Contractor ("Contractor"), a joint Powers entity formed pursuant to California Government Code Section 6500 et seq., and Pacific Gas and Electric Company ("PG&E"), a California corporation with its headquarters located at 77 Beale Street, San Francisco, California 94105. Contractor shall perform all Work under this CWA, as amended by this Change Order, pursuant to and in accordance with the terms and conditions of the MSA.

Contractor's Legal Name: Association of Bay Area Governments (ABAG)

This Change Order consists of 6 pages.

Contractor's Address: 375 Beale Street, Suite 700
San Francisco, CA 94105

Project Name: Bay Area Regional Energy Network (BayREN)

Job Location: Various PG&E Service Territory

CHANGES: The Parties hereby modify the Contract Work Authorization referenced above as follows:

1. Change order 5 merges Contracts and Purchase Orders 2501322994 and 2501322995 into one contract.
2. Move \$33,616,705.25 to new contract C6252 from POs 2501322994 and 2501322995.
3. Revisions in CWA 2501322994 and 2501322995 as fully described in Addendum No 1 of this Change Order.



ATTACHMENTS: The following are attached to this CWA Change Order and incorporated herein by this reference.

Addendum No. 1 -2501322994 and 2501322995 Change Order

PRICING CHANGES:	Previous Total CWA Value:	\$67,989,267 (POs 2501322994 and 2501322995)
	Addition or Deduction:	\$34,372,561.75 (POs 2501322994 and 2501322995)
	Revised Total CWA Value:	\$33,616,705.25 (PO C6252)

All other terms and conditions of the CWA, as it may have been amended by previous CWA Change Order(s), if any, shall remain the same.

THE PARTIES, BY SIGNATURE OF THEIR AUTHORIZED REPRESENTATIVES, HEREBY AGREE TO THE TERMS OF THIS CWA CHANGE ORDER.

PACIFIC GAS AND ELECTRIC COMPANY		CONTRACTOR: Association of Bay Area Governments (ABAG)	
Signature	 DocuSigned by: Richard Cordova A012C62C8FC147C...	Signature	 DocuSigned by: Steve Heminger 021DA2847D43405...
Name	Richard Cordova	Name	Steve Heminger
Title	Manager, Sourcing	Title	Metropolitan Transportation Commission Executive Director, Acting Pursuant to the Contract for Services dated May 30, 2017
Date	4/9/2018	Date	4/5/2018



Contract Work Authorization No. C6252
 CWA Change Order No. 5
 Page 2 of 2

ADMINISTRATION			
PG&E Negotiator	Pamela Wogsberg	Contractor Representative	Jennifer K. Berg
Phone	415-973-1032	Phone	415-820-7947
Email:	pew6@pge.com	Email:	jberg@bayareametro.gov
Accounting Reference			

INTERNAL PG&E USE ONLY		
Distribution Date		
Distribution of Copies:	<input type="checkbox"/> Document Services (Signed Original Copy) Mail Code N5D 245 MARKET ST., SAN FRANCISCO	<input type="checkbox"/> Contractor (Signed Original Copy)
	<input type="checkbox"/> Work Supervisor	<input type="checkbox"/> Manager
	<input type="checkbox"/> Invoice Approver	<input type="checkbox"/> Supervisor
	<input type="checkbox"/> V.P.	<input type="checkbox"/> Sourcing/ Purchasing
	<input type="checkbox"/> Director	<input type="checkbox"/> Law

CWA NO. 2501322994
CHANGE ORDER ADDENDUM

Vendor Number: 1085860

Addendum No.1 to 2501322994 Change Order ("CO") No. 2: Changes to Contract Work Authorization (CWA) No. 2501322994 dated 01/06/2016, issued under and pursuant to the Master Service Agreement No. 4400007460 dated 02/11/2013 ("MSA") between ABAG and PG&E ("Contract").

ABAG/BayREN, CWA: 2501322994 and CWA:2501322995

The following changes are hereby authorized subject to the terms and conditions contained in the Contract referred to above, as amended by this Addendum. Unless otherwise defined herein, all terms and conditions used herein shall have the same meaning as in the Contract. In the event of any conflict between the terms of this Addendum 1 and the Contract, this Addendum 1 shall control.

The purpose of this Addendum to C6252 Change Order No.5 is to:

1. Merge the two separate CWAs, #2501322995 (for Time & Materials expenditures) with #2501322994 (for incentives expenditures) to one single contract.
2. Specify that in addition to the earlier agreed upon contract, BayREN may be reimbursed in 2018 for Evaluation, Measurement & Verification (EM&V) expenses totaling \$189,486 in accordance with PG&E Advice 3753-G-D/4901-E-D, approved by Energy Division Disposition Letter dated July 26, 2017.
3. Revise the value of this CWA per the table, below.

BayREN's 2018-2019 program budget for Time & Materials (CWA: 2501322995) and Incentives (CWA: 2501322994) –including EM&V funds for 2018 and Carry-over funds (remaining EM&V Funds from 2017 and MF-CAP 2015 Committed Funds) – is \$33,616,705.25.

To account for these funding additions, the total 2018-2019 contract for the new contract (merging PO# 2501322995 and PO#2501322994) is modified as follows:

Table Follows on Next Page.

Attachment 1
C6252, CO5
ABAG

Item Line #	Description	Job Order Number	2018 Allocated Funds	2019 Allocated Funds	2018-2019 Contract Total
1	Single Family Program Administration	8133461	\$343,260.00	\$275,260.00	\$618,520.00
2	Single Family Program Marketing	8133463	\$594,580.00	\$594,582.00	\$1,189,162.00
3	Single Family Program Implementation	8133462	\$1,135,409.00	\$1,203,407.00	\$2,338,816.00
4	Single Family Program Incentives	8134620	\$5,100,000.00	\$5,100,000.00	\$10,200,000.00
5	Multi Family Program Administration	8133445	\$396,400.00	\$370,400.00	\$766,800.00
6	Multi Family Program Marketing	8133447	\$148,500.00	\$190,500.00	\$339,000.00
7	Multi Family Program Implementation	8133446	\$2,181,700.00	\$2,165,700.00	\$4,347,400.00
8	Multi Family Program Incentives	8134619	\$3,750,000.00	\$3,750,000.00	\$7,500,000.00
9	PACE Administration	8133448	\$37,300.00	\$36,800.00	\$74,100.00
10	PACE Marketing	8133450	\$5,000.00	\$13,000.00	\$18,000.00
11	PACE Implementation	8133449	\$209,205.00	\$201,705.00	\$410,910.00
12	PAYS Administration	8133451	\$34,610.00	\$34,610.00	\$69,220.00
13	PAYS Marketing	8133454	\$69,451.00	\$69,451.00	\$138,902.00
14	PAYS Implementation	8133452	\$257,085.00	\$257,085.00	\$514,170.00
15	Codes and Standards Administration	8133439	\$161,500.00	\$171,500.00	\$333,000.00
16	Codes and Standards Marketing	8133441	\$ -	\$265,000.00	\$265,000.00
17	Codes and Standards Implementation	8133440	\$1,113,000.00	\$838,000.00	\$1,951,000.00
18	MF-CAP Administration	8133442	\$70,000.00	\$45,000.00	\$115,000.00
19	MF-CAP Marketing	8133444	\$50,000.00	\$25,000.00	\$75,000.00
20	MF-CAP Implementation	8133443	\$880,000.00	\$930,000.00	\$1,810,000.00
21	MF-CAP 2015 Committed Funds-IMP ¹	8180907	\$183,219.25	\$ -	\$183,219.25
22	EM&V Funds ²	8173543	\$359,486.00	\$ -	\$359,486.00
		Grand Total	\$17,079,705.25	\$16,537,000.00	\$33,616,705.25

Table Notes -

¹Re Line 21: MF-CAP 2015 Committed Funds (Implementation) will continue to be available until the end of the contract or the funds are exhausted. Therefore any remaining MF-CAP 2015 Committed Funds as of 12/31/18 will rollover to 2019.

²Re Line 22: This includes \$170,000 from EM&V funds committed in 2017, and \$189,486 in EM&V for 2018

CWA No. 2501322995
CHANGE ORDER ADDENDUM

Vendor Number: 1085860

Addendum No.1 to 2501322995 Change Order ("CO") No. 4 : Changes to Contract Work Authorization (CWA) No. 2501322995 dated 01/06/2016, issued under and pursuant to the Master Service Agreement No. 4400007460 dated 02/11/2013 ("MSA") between ABAG and PG&E ("Contract").

ABAG/BayREN, CWA: 2501322995 and CWA: 2501322994

The following changes are hereby authorized subject to the terms and conditions contained in the Contract referred to above, as amended by this Addendum. Unless otherwise defined herein, all terms and conditions used herein shall have the same meaning as in the Contract. In the event of any conflict between the terms of this Addendum 1 and the Contract, this Addendum 1 shall control.

The purpose of this Addendum to C6252 Change Order No.5 is to:

1. Merge the two separate CWAs, #2501322995 (for Time & Materials expenditures) with #2501322994 (for incentives expenditures) to one single contract.
2. Specify that in addition to the earlier agreed upon contract, BayREN may be reimbursed in 2018 for Evaluation, Measurement & Verification (EM&V) expenses totaling \$189,486 in accordance with PG&E Advice 3753-G-D/4901-E-D, approved by Energy Division Disposition Letter dated July 26, 2017.
3. Revise the value of this CWA per the table, below.

BayREN's 2018-2019 program budget for Time & Materials (CWA: 2501322995) and Incentives (CWA: 2501322994) –including EM&V funds for 2018 and Carry-over funds (remaining EM&V Funds from 2017 and MF-CAP 2015 Committed Funds) – is \$33,616,705.25.

To account for these funding additions, the total 2018-2019 contract for the new contract (merging PO# 2501322995 and PO#2501322994) is modified as follows:

Table Follows on Next Page.

CWA No. 2501322995

Item Line #	Description	Job Order Number	2018 Allocated Funds	2019 Allocated Funds	2018-2019 Contract Total
1	Single Family Program Administration	8133461	\$343,260.00	\$275,260.00	\$618,520.00
2	Single Family Program Marketing	8133463	\$594,580.00	\$594,582.00	\$1,189,162.00
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9	PACE Administration	8133448	\$37,300.00	\$36,800.00	\$74,100.00
10	PACE Marketing	8133450	\$5,000.00	\$13,000.00	\$18,000.00
11	PACE Implementation	8133449	\$209,205.00	\$201,705.00	\$410,910.00
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20	MF-CAP Implementation	8133443	\$880,000.00	\$930,000.00	\$1,810,000.00
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		Grand Total	\$17,079,705.25	\$16,537,000.00	\$33,616,705.25

Table Notes -

¹ Re Line 21: MF-CAP 2015 Committed Funds (Implementation) will continue to be available until the end of the contract or the funds are exhausted. Therefore, any remaining MF-CAP 2015 Committed Funds as of 12/31/18 will rollover to 2019.

² Re Line 22: This includes \$170,000 from EM&V funds committed in 2017, and \$189,486 in EM&V for 2018.

Bay Area Regional Energy Network 2017 Energy Efficiency Annual Report



April 20, 2018

BayREN is administered by the Association of Bay Area Governments (ABAG)
Bay Area Metro Center, 375 Beale Street, Suite 700, San Francisco, California 94105-2066
(415) 820- 7947 | www.BayREN.org | JBerg@bayareametro.gov

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Executive Summary

The San Francisco Bay Area Regional Energy Network (BayREN) is a collaboration of the nine counties that make up the Bay Area. Led by the Association of Bay Area Governments (ABAG), BayREN is a program administrator (PA) that implements effective energy saving programs on a regional level and draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful energy efficiency, climate, resource, and sustainability programs.

BayREN is funded by California utility ratepayers under the auspices of the California Public Utilities Commission (CPUC), as well as through grants and funding from member agencies, other state and federal agencies, and foundations. One of only two Regional Energy Networks in the state, BayREN represents 20% of the state's population.

Since its inception, BayREN has been addressing the three areas indicated by CPUC Decision 12-11-015 in the formation and implementation of the RENs: filling gaps that the investor-owned utilities (IOUs) are not serving; developing programs for hard-to-reach markets; and piloting new approaches to programs that can potentially scale and offer innovative avenues to energy savings.

BayREN's services complement and supplement IOU programs, fills gaps, and finds synergies among approaches to maximize opportunities for customers and other market actors. For example, BayREN provides a regional solution that better connects to local communities and conditions than is typically possible from a large utility. In addition, the BayREN provides services across jurisdictions that municipal-only programs cannot achieve.

BayREN's governance is through the "Coordinating Circle," which includes representation from ABAG and all nine Bay Area counties. Each BayREN member agency designates a voting member to the Coordinating Circle. This body makes decisions regarding overall policy, high-level programmatic issues, and budgets.

To date, BayREN programs have provided over **\$33 million in incentives to Bay Area property owners, and savings of 12 million kWh and 5 million therms.** BayREN has

Highlights & Achievements

In 2017, BayREN:

- Paid Bay Area Residents and Property Owners over \$7M in incentives, with savings over 2.7 GWh and 0.28 MM therms

Resource Programs exceeded 2017 goals:

- Provided Technical Assistance to property owners of over 16,000 multifamily housing units
- Upgraded over 5,000 multifamily units awarding \$3.9M in incentives
- Served over 7,500 single family customers and made over 10,000 program referrals
- Enabled over 2,000 Home Upgrade and Advanced Home Upgrade projects awarding \$3.4M in incentives

Non-Resource Programs achieved outstanding results:

- The Codes and Standards Program facilitated four "Regional Forums" with over 275 attendees; delivered 43 Title 24 training sessions with 495 attendees
- Provided over 695 Home Energy Scores and \$49,000 in rebates
- Commercial PACE assisted with successful closing of \$117K lighting retrofit in Petaluma, helped secure \$50K in rebates, and obtained multiple lender consents
- Water Bill Savings Program reserved Partner Utility funds for 1,283 multifamily units; current pipeline estimates a total program efficiency charge value of \$556,809 and rebate value of \$207,416

enhanced the typical incentive program model with customer-focused technical assistance, innovative financing, marketing and outreach, and capacity building services that improve the uptake, satisfaction, and effectiveness of the incentives. BayREN programs saw continued success in 2017 as highlighted in this report. BayREN's offers services in the following four key program areas:

- **Single Family Home Upgrade.** BayREN is the exclusive implementer of Energy Upgrade California® Home Upgrade Program in the nine Bay Area counties. As part of this program, BayREN developed the Home Upgrade Advisor, a phone-based service that works with both contractors and home owners. **The Advisor service has resulted in more robust uptake in the Home Upgrade program and more leads to the Advanced Home Upgrade Program.** BayREN member agencies leverage their experience with residential programs to educate homeowners, recruit and train installation contractors, and enhance participation in Home Upgrade.
- **Multifamily Upgrade.** This model program offers no-cost technical assistance and a per-unit rebate for multiple measure energy upgrade scopes that save a minimum percentage of the whole building's energy usage. Unlike the IOU programs that focus on tenants, this program engages property owners over the long-term, helping them plan and undertake upgrades over extended periods.
- **Codes and Standards.** BayREN leverages its unique relationship with local governments to build local capacity, as well as to measure, monitor, and improve compliance with energy codes, and to develop energy efficiency policies and ordinances.
- **Financing:**
 - **Multifamily Capital Advance.** BayREN enables deep energy upgrades by offering no-interest capital for co-financing through multifamily lenders, lowering the cost of capital for property owners while maintaining a repaid pool of funds for future program cycles.
 - **Commercial PACE.** C-PACE provides channel outreach, education, and ongoing support services to enable contractors to fully integrate the compelling business case for C-PACE financing into their proposal and project development process. Moreover, the program provides **personalized advisory services to building owners** considering energy efficiency improvements, including coordination with PACE capital providers to drive comprehensive energy efficiency projects that building owners are unable to self-fund.
 - **The Water Bill Savings Program, formally known as Pay as You Save ® (PAYS®).** This program offering is an innovative water-energy nexus pilot to provide technical assistance and program design to Bay Area municipal water utilities seeking to offer on-water-bill financing to facilitate water utility customers' installation of water efficiency and energy efficiency improvements. This program has influence in multiple markets, including renters and low-income housing, and offers customers a simple and attractive path to install energy- and water-saving technologies with no up-front cost.

2017 Energy Efficiency Programs Overview

Single Family Home Upgrade Program

Program Description

BayREN is the exclusive implementer of the Home Upgrade Program within the nine Bay Area counties. Home Upgrade is a statewide, prescriptive incentive program that eliminates the need for energy modeling and reduces the number of homeowner interactions to demystify the whole house energy efficiency upgrade approach. Home Upgrade offers a balanced approach intended to produce a high volume of energy efficiency upgrades and energy savings while maintaining a reasonable level of technical rigor and quality assurance.

All projects must be performed by an Energy Upgrade California® Home Upgrade Participating Contractor. BayREN maintains a strong commitment to its Participating Contractors, the driving force of the program. Each Participating Contractor is assigned to a personal Account Manager, who is available to assist with any programmatic questions (e.g., paperwork, eligibility), training needs, and guidance on business best practices. Participating Contractors find the personalized assistance helpful and many are now incorporating home performance installations into their business models for the first time.

BayREN's Home Upgrade Program provides many "non-resource" benefits including:

Multi-tiered Marketing, Education, and Outreach Campaign

Home Upgrade is supported by a Marketing, Education, and Outreach (ME&O) campaign implemented on both the regional and local level. As trusted messengers within our local communities, each BayREN member agency is responsible for local marketing activities. While tactics vary from county to county depending on the specific needs of the jurisdiction, they primarily include a mix of homeowner workshops, presentations to community groups, tabling at community events, door-to-door canvassing, and local media buys/direct mail. Counties also engage with their local Participating Contractors to include them in outreach

2017 Key Single Family Goals

- Provide comprehensive customer engagement, contractor support, and consistent program design
- Provide individualized and tailored contractor trainings and networking opportunities
- Offer services that provide long term support and education to help drive program participation and deeper energy savings
- Implement a multi-tiered Marketing, Education, and Outreach campaign on both the regional and local level
- Engage communities through homeowner workshops, presentations and tabling at community groups, door-to-door canvassing and local media buys/direct mail
- Offer a \$300 Assessment Incentive to encourage participation in the Advanced Home Upgrade Program
- Require proof of permit closure to align with SB1414 mandates
- Improve rebate and check processing turnaround times
- Increase the number of Home Energy Score (HEScore) assessors to support services
- Further integrate with Department of Energy (DOE) Home Energy Score to facilitating an additional Home Upgrade entry point

events. As an Energy Upgrade California program implementer, BayREN works closely with the Statewide ME&O administrator to coordinate marketing efforts.

Advanced Home Upgrade Assessment Incentive

In addition to implementing Home Upgrade, BayREN contributes significantly to PG&E's implementation of Advanced Home Upgrade in our shared service territory by providing a \$300 Assessment Incentive to help offset the cost to the homeowner of the requisite comprehensive energy assessment. This added incentive reduces the barrier-to-entry for customers interested in this program pathway.

Home Energy Score

The Regional Home Energy Score (HEScore) Program is a low-cost asset-rating program that engages contractors, home inspectors, and raters to offer Home Energy Scores in the Bay Area. HEScore provides training and mentoring for qualified Assessors, marketing and outreach campaigns, and the creation of a customized energy efficiency recommendations report that aligns with the Home Upgrade Program. Along with the Score and a customized report, the Single Family Program provides homeowners with associated energy and cost saving estimates, and referrals to home upgrade programs, incentives, and financing tools. HEScore also supports the implementation of local policy initiatives like the City of Berkeley's Energy Saving Ordinance and the City of Albany's HEScore pilot program. There was significant uptake in both the number of Assessors trained on HEScore and homes scored in 2017.

Energy Advisor Service

The Energy Advisor offers both consumer- and contractor-facing services for ongoing support and education to help drive program participation and deeper energy savings. Although not all participants are interested in Home Upgrade, Advisors take a consultative approach to identify additional programs and/or services that support the homeowner's goals of becoming more efficient, including complementary program referrals to various energy and water efficiency programs in the Bay Area such as those offered by PG&E, Marin Clean Energy, Energy Watch partnerships, and others.

Program Performance and Major Accomplishments

The program maintained consistent performance in 2017. Accomplishments include:

- Successful implementation of program changes to manage project volume and incentive budget.
- 1,585 Home Upgrade projects completed.
- 84 Participating Contractors who submitted at least one project, correlating to an estimated 63 jobs created¹.

¹ Simple Rule for Estimating Job-Years Created by Government Spending: \$92,000 of government spending creates 1 job-year: <https://obamawhitehouse.archives.gov/administration/eop/cea/Estimate-of-Job-Creation/>

- Average estimated energy savings per Home Upgrade of 414 kWh and 110 therms.
- A total of \$3,410,640 in incentives paid by BayREN for 1,585 Home Upgrades and 458 Advanced Home Upgrade Assessments. On average, Home Upgrade projects cost \$17,668 and received \$2,332 in incentives.

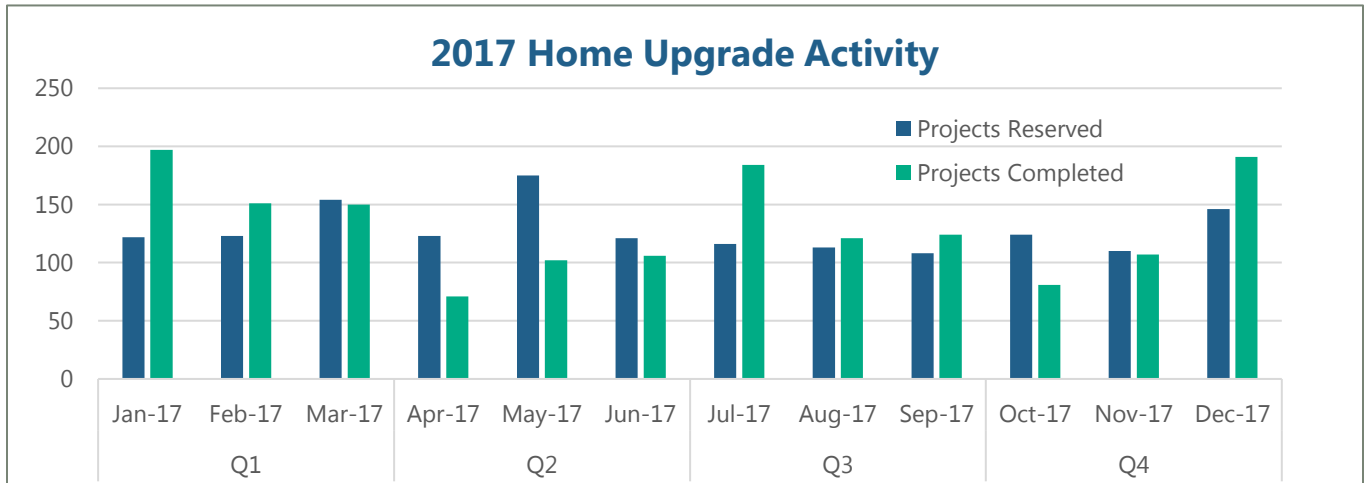


Figure 1. Home Upgrade Project Pipeline and Activity

- Energy Advisor impacts include:
 - 7,892 customers served and 10,323 referrals to other energy efficiency, water, and complementary programs.
 - HUA tracked 184 completed projects with a 57% program conversion rate. Illustrating the benefit of long-term engagement, 3 of these completed projects were done by homeowners who originally engaged with a HUA in 2013 (2%), 9 in 2014 (5%), 17 in 2015 (9%), and 79 in 2016 (43%).
 - Homeowners who worked with an Energy Advisor and completed Home Upgrade and Advanced Home Upgrade projects realized on average 18% greater energy savings compared to projects completed without a HUA.
 - Referrals from friends or family members totaled 154 in 2017, bringing the program-to-date total referrals from friends or family members to 387.
- Technical, business, sales trainings, and networking events for Participating Contractors, include:
 - Industry updates, technical and sales training opportunities, and workforce development announcements in 12 contractor newsletters with over 300 BayREN contractor, representatives subscribed, resulting in 3,920 contractor newsletter impressions in 2017.
 - Technical, program, and processing support for 848 Participating Contractor support cases resulting in 2,100 contractor interactions in 2017. Since program launch in 2013, BayREN has logged 2,300+ support cases resulting in 7,000+ contractor interactions.

- Full-suite BPI Building Analyst training (13 participants).
- Energy industry networking events (33 participants).
- Local marketing activities organized and facilitated across BayREN territory, include:
 - 26 homeowner workshops and 21 presentations with a combined attendance of 2,031.
 - 53 tabling events and 24 canvassing days (door-to-door outreach) with a combined engagement of over 6,000 residents.
 - 63,909 targeted homeowners reached through direct mail.
 - 497 real estate professionals engaged through 16 local events.
 - 43 local government and community based organization partnerships leveraged for outreach.
- The program website (www.bayareaenergyupgrade.org) received over 29,156 web hits with an average of nearly 2 minutes spent on the site.

HEScore Program accomplishments include:

- Successfully enrolled 25 Assessors, increasing the number of qualified Assessors to 53.
- Scored 695 homes throughout eight Bay Area counties.
- Issued 267 rebates, totaling \$49,500.
- Performed 50 Assessments with a qualified HEScore Mentor onsite.
- Organized and held 4 two-day HEScore Boot Camps for raters, contractors, and home inspectors to become qualified Assessors.
- Developed an Assessment Tracking Database that generates a custom recommendations report with the home's estimated annual energy costs and carbon footprint.
- Coordinated with the Home Upgrade Advisor to provide support to homeowners who received a Score.
- Provided Assessor and Score support to the City of Albany for their HEScore Pilot.

Opportunities in 2018 and Beyond

To improve program outcomes and increase participation of single family residents, property owners, and contractors in BayREN residential program, while also addressing hard-to-reach markets and gaps in program delivery, BayREN will introduce the following changes and improvements for 2018:

- Deploy a Smart Communicating Thermostat measure kicker for Home Upgrade projects to achieve greater savings and customer satisfaction by addressing occupant behavior at the same time as envelope and HVAC upgrades, as recommended in the 2015 Home Upgrade Impact Evaluation.
- Deploy a Participating Contractor Calendar for contractors, raters, and assessors to remove barriers to identifying training opportunities and support workforce development.
- Further Energy Advisor support for Bay Area customers unable to assume the high costs of the Home Upgrade Program to improve customer satisfaction, drive complementary program participation, and to

help homeowners identify affordable improvements that meet their needs.

- Test various energy data management tools to overcome barriers related to accessing customer meter data, customer targeting, analyzing contractor performance, and to improve behavioral savings and plug load management as recommended in the 2015 Home Upgrade Program Impact Evaluation.
- Align measure requirements with the latest version of the Home Upgrade work paper to address Title 24 updates, Energy Division Dispositions, and changes to measure costs.
- Introduce Home Upgrade data collection points to identify whether area or equipment was added to the home, addressing best practice recommendations from the 2015 Home Upgrade Program Impact Evaluation.

As described in BayREN's Energy Efficiency Business Plan², BayREN plans to transition out of the Home Upgrade Program while building on successful elements and experience from the past four years to introduce a more affordable program and incremental approach to whole house efficiency for moderate income homeowners and renters, leveraging the Home Upgrade Advisor to enable the customer journey. While enacting the improvements described above for the 2018 program year, BayREN will prepare to transition to a new single family program, following the CPUC's Business Plan approval. Preparations include continued market research and planning for a program that provides wrap-around services, support, and financing to drive program adoption and performance through properly aligned incentives, low-cost introductory efficiency services, and improved equitable access to services and upgrades.

² <https://www.caeec.org/business-plans-1>

Bay Area Multifamily Building Enhancement Program (BAMBE)

Program Description

BayREN offers the Bay Area Multifamily Building Enhancements Program (BAMBE) throughout the nine-county Bay Area. BAMBE fills an existing program gap by providing a “middle of the road” participation path for multifamily building owners. It achieves deeper and more customized savings than direct install or single measure programs, but does entail the up-front cost of the investment-grade energy assessment associated with a whole-building performance program. The overwhelmingly positive response from the multifamily sector shows that the program has succeeded in filling this gap and taps into previously elusive savings potential. Property owners report that the streamlined and customized technical assistance and multiple-measure incentive motivates them to take a holistic approach to energy efficiency planning. BayREN continues to refine BAMBE to encourage greater energy savings while continuing to appeal to a wide range of the market. Participant building types represent the diverse Bay Area multifamily market with respect to size, age, location, affordability, and ownership types.

2017 Key Multifamily Goals

- Incentivize 5,000 dwelling-units worth of upgrades
- Provide technical assistance to develop a customized scope of work, and encourage property owners to install whole house measures that go beyond the status quo
- Offer a simple, flat incentive of \$750 per unit on multiple measures saving 15% or more of the whole building’s energy usage
- Provide referral assistance to other multifamily incentive programs in the Bay Area that are better suited
- Organize and facilitate outreach events and meetings across BayREN territory

Program Performance and Major Accomplishments

BAMBE has maintained its popularity since inception in 2013, and has provided technical assistance to more than 76,500 units. Over 26,000 units have been upgraded, receiving more than \$19,500,000 in rebates for a total of 383 projects. In 2017, the goals for completed projects and the target for technical assistance was exceeded. The program demonstrates an effective model for achieving multiple-measure upgrades in every segment of this hard-to-reach sector. The portfolio of completed projects is as diverse as the housing stock. Major accomplishments for 2017 include:

- Technical assistance provided to more than 16,000 units.
- Approximately 7,350 units’ worth of incentives reserved:
 - 64 projects, representing 5,195 units, completed upgrades receiving \$3,896,250 in incentives.
 - Average project size was 81 units and average estimated energy savings per project was 16%.
 - Average estimated energy savings for completed project was 471 kWh and 30 Therms per unit.
- Over 2,998 units referred to other multifamily incentive programs in the Bay Area.
- Outreach efforts includes 7 Workshops and 3 Industry Events:

- 115 building owners or property managers attended a workshop.
- 47 attendees completed a program interest form.
- 11 mailer campaigns conducted throughout the region.
- Program participants recognized at 2 local government events.
- Coverage of the program in 3 issues of a publication (4 articles and 1 advertisement).

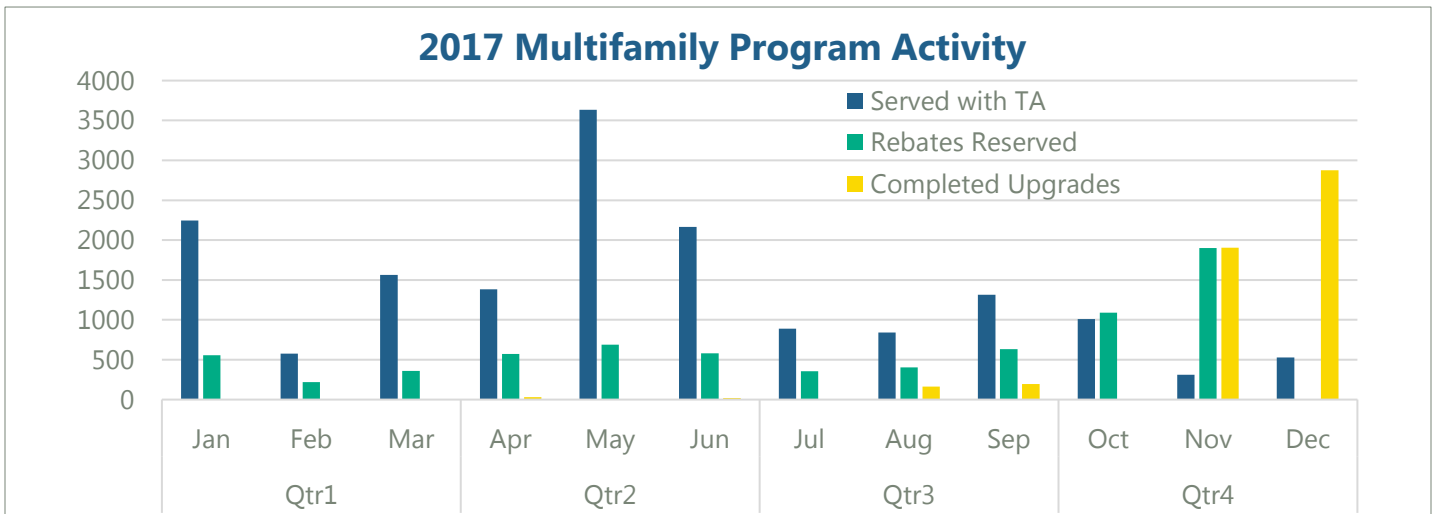


Figure 2. 2017 BAMBE Project Pipeline and Activity

Opportunities in 2018 and Beyond

As detailed in the Business Plan, BayREN plans to continue BAMBE in the short- to mid-term until a substantial portion of the multifamily market has been reached. From the more than 380 properties that have participated in BAMBE, BayREN has gained valuable insight into how to evolve the program to target the deep energy savings required to meet California’s efficiency and climate goals. New and complementary strategies will be added to create long-term relationships with participants. As the current program reaches substantial market share, BayREN will begin to reduce and sunset the rebates as currently structured, replacing them in the mid- to long-term with other market drivers such as green labeling, local government policies, and financing. Incentives and technical assistance will then be restructured to support these mid- to long-term market drivers.

Multifamily Capital Advance Program

Program Description

The Multifamily Capital Advance Program (BAMCAP) advances up to 50% of the total loan principal related to the costs of approved energy efficiency measures, at 0% interest rate to participating lenders. This arrangement results in an effective interest rate that is as low as half of the lender’s interest rate, significantly reducing the cost of capital for the property owner. The program is designed to work within the larger multifamily program and minimize additional administration by leveraging the scope development and quality assurance provided

by BayREN multifamily subprogram or similar programs. BAMCAP leverages lenders' existing infrastructure and procedures, and utilizes an open market model to better serve the multifamily sector, which typically has limitations on supplemental loans and limited flexibility in the choice of lenders.

2017 Goals and Strategies

- Continue to close deals and expand the roster of participating lenders
- Assess the program's ability to serve the diverse range of multifamily properties and identify any remaining gaps

Program Performance and Major Accomplishments

- Participated in 4 loans totaling \$1,060,000 of BayREN capital
- Projects served include four non-profit affordable housing projects

Opportunities in 2018 and Beyond

In 2017, BayREN conducted an in-depth analysis of the types of projects best served by BAMCAP, and identified ways to fill remaining gaps. In 2018, BAMCAP will launch a Lender Referral Service to determine if energy efficiency financing products that exist in the market can meet the needs of property owners looking to finance amounts under \$100,000. The service aims to simplify the financing decision making process for property owners and reduce transaction costs for lenders by providing access to a pipeline of finance-ready energy efficiency projects.

Codes and Standards

Program Description

The Codes and Standards Program leverages the expertise and direct alliances among local governments to offer an integrated process that reflects needs specific to the Bay Area for:

- Enhancing the enforcement of energy, water, and green building codes.
- Establishing and institutionalizing measurement of code compliance.
- Sharing expertise and best practices on the development of reach codes and working to align policies and enforcement across jurisdictions.
- Preparing to implement future code updates.

Program Performance and Major Accomplishments

In 2017, the Codes and Standards Program delivered 43 classroom training sessions related to Title 24, Part 6 standards to 495 building professionals, primarily local building department staff, across the region. The program also closely collaborated with the City of San Jose to develop a new training session for building professionals on ZNE-related topics in relation to residential new construction.

The BayREN team continued to develop and demonstrate potential opportunities for and benefits of electronic compliance enhancement tools (eTools), including:

- The CodeCycle platform assessed T24 commercial lighting compliance for 78 projects, representing more than one million square feet of building space, providing improved compliance with the complex requirements of this portion of the Code.
- In close collaboration with Contra Costa County, the BayREN team updated the Energy Code Permit Guide eTool, which is designed to improve the user experience for homeowners, and developed a new fenestration module, (a hot water heater module was developed previously).

Throughout 2017, the Codes and Standards team collaborated with the California Energy Commission, Statewide IOU Reach Code Team, and the Bay Area Regional Collaborative (BARC) to support local adoption of ordinances that exceed statewide minimum requirements. As part of this collaboration, BayREN participated in regional and statewide reach code working groups, reviewed IOU-developed cost-effectiveness studies, provided policy support to local governments, and facilitated a “Regional Forum” on the topic of a mandatory solar photovoltaic ordinance.

2017 Key Codes and Standards Goals

- Deliver 30 classroom training sessions, including the newly developed session on ZNE Residential New Construction, with 300 attendees
- Continue to provide Permit Guides to local building departments and encourage additional jurisdictions to use the guides
- Expand work with Compliance Improvement eTools serving BayREN agencies
- Facilitate four “Regional Forums” with over 270 attendees
- Collaborate with the Statewide IOU Reach Code team and Bay Area local governments to support adoption of local energy ordinances
- Assist local jurisdictions in reviewing and commenting on proposed changes to Title 24 Part 6 Standards

Overall, the Codes and Standards Program facilitated four “Regional Forums” that drew approximately 279 attendees. Topics included:

- Household Electrification as a Pathway to On-site ZNE.
- Local Mandatory Solar Ordinance as a Pathway for New Residential ZNE Construction.
- Municipal Buildings Leading by Example.
- Matching Supply with Demand.

BayREN’s Municipal Zero Net Energy Technical Assistance Subprogram provided ZNE-related design assistance for 6 projects of various municipal building types, including recreation centers, animal shelters, youth centers, and emergency dispatch centers. Also in support of municipal building energy performance, the BayREN team improved the Energy Performance Targeting and Verification Calculator and developed Zero Energy Performance Index (zEPI) methodologies for additional municipal buildings types, including adult education centers, childcare centers, libraries, medical clinics, police/fire stations, and recreation centers. San Francisco updated its Green Building Requirements for city buildings in 2017 to require use of the zEPI tool.

Opportunities in 2018 and Beyond

As detailed in the Business Plan, the Codes & Standards Program will be further developed, based upon feedback from key program stakeholders and partners including Bay Area building professionals, building departments, chapters of the International Code Council (ICC), Bay Area planning and policy agencies, the Statewide IOU Codes & Standards Team, the California Energy Commission, and the California Building Officials Organization (CALBO). Near- and mid-term tactics are intended to enhance code compliance opportunities specific to local Bay Area governments. While new activities will be proposed, several existing services (like energy code compliance tools, specialized and focused trainings, and stakeholder engagement and policy development activities) will continue as cross-cutting, expanded supports more closely aligned with other BayREN programs.

Water Bill Savings Program (WBSP)

Program Description

BayREN Water Bill Savings Program (WBSP)³, provides Partner Municipal Water Utilities with model tariffs, on-bill program designs, and technical assistance to enable a means to collect repayment for costs related to the installation and service of water and energy efficiency improvements on a utility customer’s property.

Participating customers pay for these services through a monthly tariffed “efficiency charge”, which appears as a line item on their water utility bill and is based on their metered use.

WBSP helps local governments, residents, and businesses pursue property improvements required by code changes, time-of-sale requirements, and increasingly stringent water-use regulations. Participating customers who voluntarily purchase eligible program improvements are assured:

- No up-front payment, no new debt obligation, no credit checks, and no liens.
- A utility-approved monthly tariffed efficiency charge that is lower than estimated generated savings.
- Repayment required only while the customer resides at the project location.
- A guarantee that failed improvements are repaired or the payment obligation ends.

Work to date has allowed the Town of Windsor, the City of Hayward, and East Bay Municipal Utility District (EBMUD) to provide single family and multifamily water customers with services to install high efficiency indoor plumbing fixtures and lighting measures, convert lawns to drought tolerant landscapes, retrofit hot water heating systems, and repair and upgrade irrigation systems. These cost-effective on-bill improvements are intended to produce total utility bill savings that exceed the monthly tariffed efficiency charge. The different programs are:

2017 Water Bill Savings Goals

- Provide technical assistance and support for:
 - East Bay Municipal Utility District’s Water Smart On-Bill Program
 - City of Hayward’s Green Hayward PAYS®
 - Town of Windsor’s Windsor Efficient PAYS® Program
- Development of a regional model for program delivery, identification of potential implementation barriers for the regional model, and engagement with key local stakeholder groups
- Research and program design updates to effectively record notice of program participation with the Sonoma County Office of the Recorder
- Research and outreach to engage a more diverse contractor base to support Partner Utility Programs
- Increase marketing support for Partner Utility Programs



Figure 3. WBSP Concept Overview

³ Formally known as the BayREN Pay As You Save® (PAYS®) Program

- Town of Windsor – Windsor Efficiency PAYS®: Single Family and Multifamily residential field services since October 2012. Services include indoor plumbing fixtures and outdoor turf conversion to drought tolerate landscapes.
- City of Hayward – Green Hayward PAYS®: Multifamily residential indoor and landscaping services since August 2015. Services include indoor plumbing fixtures, common area energy measures, and weather based irrigation controllers.
- East Bay Municipal Utility District – EBMUD WaterSmart On-Bill Program: Multifamily residential indoor and single family/multifamily/commercial landscaping component approved for test projects, with field services available since July 2016.

Program Performance and Major Accomplishments

The WBSP three Partner Utilities have retrofitted 448 multifamily units and 247 single family homes for a total program efficiency charge value of \$602,589⁴ after utilizing approximately \$156,353 in rebates. The WBSP repayment history has been successful, with a default rate of less than 0.1%. Additionally, 16 single family accounts have successfully transferred their total efficiency charges to successor customers at the project locations. Major accomplishments for 2017 include:

- Ensured that the program design was aligned with SB-564 Joint Powers Authorities: Water Bill Savings Act⁵ signed by Governor Brown on October 2nd, 2017.
- Implemented the DocuSign platform to the Green Hayward PAYS® program to manage every stage of the program’s workflow from preparing and sending documents through signing.
- Installed water efficiency measures in 81 multifamily units for a total efficiency charge of \$16,846.
- Conducted marketing and outreach efforts, which helped secure two projects completed in January 2018 and reserve funds for over 1,283 multifamily units in the project pipeline, projecting a total program efficiency charge value of \$556,809 and a rebate value of \$207,416.
- Coordinated outreach with key partners and stakeholder groups including the BAMBE program, the East Bay Rental Housing Association (EBRHA) and Rental Housing Association of Southern Alameda County (RHASAC).
- Researched prevailing wage requirements for publicly funded residential water conservation and energy efficiency projects and performed analysis to inform cost-effectiveness of future on-bill program designs requiring prevailing wage. Conducted market surveys of Bay Area plumbing and landscaping contractors regarding their familiarity with prevailing wage and public works projects governed by Department of Industrial Relations (DIR) regulations.

⁴ The total Program efficiency charge includes funds reserved in 2017 for projects completed in January 2018.

⁵ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB564

- Supported the development of the Assignment and Assumption Agreement for the Windsor Efficiency PAYS® Program, a mechanism to ensure successor customers are informed of and assume the responsibilities and obligations associated with the improvements installed at participating properties including requirements to pay the efficiency charge.
- Began preliminary discussions about low-cost financing options and how to effectively raise capital and fund services at Partner Utilities within a regional-scale program.

Opportunities in 2018 and Beyond

Contingent upon Business Plan approval, BayREN will:

- Expand the number of participating municipal utility partners to scale on-bill market and service delivery.
- Facilitate adoption of model tariffs and on-bill program design for market consistency.
- Provide technical assistance to support current Partner Utilities and refine program components to meet efficiency needs specific to target customer classes.
- Continue development of a regional program that would centralize funding and administration under a JPA or other governance structure.
- Engage more diverse contractors and enable qualified contractors and building professionals to deliver turnkey water and energy efficiency projects.

Commercial PACE

Program Description

The Commercial PACE (C-PACE) Financing Subprogram is designed to increase uptake in C-PACE financing available through a variety of Program Administrators (PAs) and Capital Providers (CPs) in the Bay Area. BayREN supports these goals by providing advanced contractor training, education, and project development support that is responsive to the priorities of the entire range of PACE “gatekeepers”: building owners, first mortgage lenders, capital providers/PACE administrators, and perhaps most importantly, contractors.

Building upon strong start-up activities, BayREN’s C-PACE program consultant Sustainable Real Estate Solutions (SRS) has delivered a recurring training and support program for Bay Area commercial contractors, focused on educating them on the funding mechanics and unique programmatic landscape of PACE programs in the Bay Area region (i.e., overlapping funders/program administrators in a competitive “open market” environment), and introducing them to SRS’ technical and financial underwriting systems and tools. In earlier program years, activities focused on delivering contractor trainings. In 2017, the program continued assisting in the development of projects in the pipeline and expanding engagement to important market actors who have traditionally not participated in energy efficiency (EE) programs: commercial HVAC contractors. Program efforts for these contractors, who are primarily called upon to replace failing equipment, now concentrate on marshalling existing EE resources (rebates, incentives, and technical assistance) to generate additional savings that turns the capital cost of the replacement project into an energy efficiency investment that achieves positive cash flow.

Program Performance and Major Accomplishments

In 2017, direct assistance to commercial contractors on multiple project opportunities continued, including project scenario development, attending owner meetings, validation of savings estimates, etc.

BayREN C-PACE Subprogram helped Moresco Distributing close a PACE bond through Sonoma County Energy Independence Program (SCEIP) to finance a comprehensive LED lighting retrofit at its main facility in Petaluma. Moresco is a leading supplier of packaging products serving food retailers and other similar customers throughout California and the Pacific Northwest. Project details are:

- \$167,992 total project cost.

2017 Commercial PACE Goals

- Continue to build upon prior year program activities
- Create a BayREN-branded Energy Efficiency Advisory (EEA) service that is highly versed in C-PACE, and can provide guidance on multiple financing solutions
- Introduce new tools and forms to streamline property qualification for C-PACE financing, reducing risks and uncertainties for contractors who are investing their valuable time and resources into the development process
- Continue offering targeted ongoing contractor training and education, but generally shift resources to one-on-one contractor assistance

- \$50,000 rebate.
- \$117,992 net project cost.
- \$125,632 total bonded cost (including capitalized interest).

BayREN worked with the contractor (SmartWatt) to illustrate project economics through the lenses of: a self-finance; on-bill finance (\$100k+17k out of pocket) and a 5-year EE loan. BayREN explained the benefits and logistics of C-PACE, contacted SCEIP to begin the application process, and managed the information and data exchange between the parties. SRS took the lead on securing lender consent (SCEIP does not assist with this), and submitted a data package for underwriting that met each of the existing lenders' needs (Wells Fargo, Bank of the West, and the SBA in Washington, D.C.).

This was the first C-PACE project to close. The project pipeline as of February 2018 is strong and includes:

- 10 projects in development valued at \$5 million, all with preliminary SIR >1⁶.
- 1 project for which SRS has solicited financing term sheets from a C-PACE capital provider, as well as lease-to-own.

Opportunities in 2018 and Beyond

- Continue Energy Efficiency Advisor (EEA) services and support for small and medium commercial HVAC contractors to illustrate how project economics on the single measure equipment replacement can be enhanced with additional EE measures and incentives.
- Work with contractors, Energy Watch (EW) programs, and PG&E to identify free analysis opportunities and rebates and incentives, and include deemed savings in project economics.
- Partner with Bay Area C-PACE capital providers and PG&E on-bill finance for outreach activities and explore streamlined offerings for smaller projects.
- Leverage future BayREN commercial programs and U.S. DOE-funded BayREN Integrated Commercial Retrofits (BRICR) tool to assist with customer targeting and interface, high-level energy modeling, and savings calculations to increase utilization of C-PACE.
- ABAG has assumed a leadership role in the region by entering into a Regional Collaborative Services Agreement (RCSA) with most of the PACE Administrators operating in the Bay Area. The RCSA is a consumer protection agreement that ensures some protections about PACE financing for local governments and their constituents. BayREN staff, who received complaints about misleading advertising used by some of the PACE contractors, have taken steps to prevent this from happening again.

⁶ Savings-to-Investment Ratio "SIR" > 1, where "S" = projected energy cost savings over ECMs effective useful life (EUL) & "I" = cost of equipment, installation and financing costs.

Evaluation, Measurement and Verification (EM&V)

Program Description

In D.12-11-015, the RENs were authorized for the first time to conduct their own EM&V studies. BayREN's EM&V budget was approved in late 2017.

Program Performance and Major Accomplishments

After completing a competitive procurement, the following studies began in 2017:

1. Single Family Moderate Income Market Characterization

This study supports a potential change to the single family program offering. Specifically, as proposed in the Business Plan, BayREN will transition out of implementing the Home Upgrade Program and create a new suite of programs targeted at moderate income homeowners and renters that will encourage whole house savings over time, engaging and leveraging existing Home Upgrade contractors as much as possible. The study's goal is to enable data-driven program design by providing characteristics of single family moderate income households (\$48,000-\$125,000) within the BayREN service territory. Study objectives include determining what this population wants as part of an energy efficiency and/or whole house program and to understand how BayREN members can best reach these customers. The report is scheduled to be completed by August 2018.

2. Small Medium Business (SMB) Non-Deemed Market Characterization Study

For the SMB market, BayREN began a study in 2017 to assess the general presence and relative size (preponderance of) certain energy consuming equipment and measure types that currently receive little-to-no ratepayer incentives and are considered capital intensive. Major objectives are to determine the relative market size and retrofit opportunity of these measures and equipment types, and associated costs and savings potential. The study will enable BayREN and other Program Administrators to evaluate the range of possible investment levels to get at these stranded savings, increase understanding of the specific market drivers that may be leveraged, and inform potential incentive and financing options, market needs, and possible outreach strategies. The final report is expected in June 2018.

Energy Savings

In 2017, BayREN administered two resource programs within the Residential Sector that have reported energy savings: The Single Family Home Upgrade and Multifamily Programs.

Single Family Home Upgrade

The original compliance filing goals filed in 2012 and April 2013 were based on Regional Energy Network (REN) work papers that were not approved in May 2013 by the Energy Division. Subsequently, BayREN utilized approved IOU work papers, which produced lower goals and impacts. All Single Family Program cost-effectiveness calculations in this filing use the approved IOU work paper for the Home Upgrade as the basis for energy savings.

Multifamily Upgrade

Multifamily project energy savings are based on the EnergyPro Lite (EPL) tool developed in consultation with the Energy Division technical reviewer (Phase 1) for this program. Custom measures such as lighting are modeled using IOUs' workpapers and custom calculators, as approved by the CPUC.

Table 1. Electricity and Natural Gas Savings and Demand Reduction

Electricity and Natural Gas Savings and Demand Reduction (Gross)	Annual Energy Savings (GWh)	Lifecycle Energy Savings (GWh)	Annual Natural Gas Savings (MMth)	Lifecycle Natural Gas Savings (MMth)	Peak Demand Savings (MW)
Single Family Savings	0.52	4.98	0.14	2.10	0.79
Multifamily Savings	2.20	27.88	0.14	2.00	0.80
Total Portfolio Savings	2.72	32.86	0.28	4.11	1.59
CPUC Goal Adopted ⁷	2.77	35.17	0.34	4.99	1.34
% of Goal	98	93	82	82	119

⁷ CPUC approved goals for the 2017 Annual Budget Advice Letter submission. Annual Budget Advice Letter submissions consists of a letter document and database submission uploaded to the Commission's California Energy Data and Reporting System (CEDARS).

Environmental Impacts

Environmental impacts are shown in Table 2. These results are generated by the Commission-approved Cost Effectiveness Tool (CET). The CET is designed to calculate energy efficiency program cost effectiveness. Although emissions data are available through the CET, D. 12-11-015 does not direct BayREN to track emissions.

Table 2. Environmental Impacts (tons of avoided emissions)⁸

Annual Results 2017	Annual CO2 (tons)	Lifecycle CO2 (tons)	Annual NOx (tons)	Lifecycle NOx (tons)	Annual PM10 (tons)	Lifecycle PM10 (tons)
Single Family	817	15,078	40	738	20	359
Multifamily	1,988	26,601	299	3,794	153	1,940
Total Portfolio	2,806	41,679	340	4,532	173	2,299

⁸ Environmental Impacts are Gross Annual and Lifecycle Tons of Avoided Emissions.

Expenditures

Table 3. 2017 Program Expenditures

Program Name	2017 Adopted Program Budget	2017 Operating Program Budget	2017 Program Expenditures	Expenditures as % of Portfolio Operating Budget	% of Total Portfolio Expenditures
Single Family	\$7,173,249	\$7,224,162	\$5,822,883	34.8%	38.9%
Multifamily	\$6,476,600	\$6,562,317	\$6,503,383	38.9%	43.4%
Codes and Standards	\$1,274,500	\$1,478,625	\$1,413,379	8.4%	9.4%
Financing	\$1,612,651	\$1,271,896	\$1,227,598	7.3%	8.2%
EM&V	\$189,486	\$189,486	\$14,297	0.1%	0.1%
Total Portfolio	\$16,726,486	\$16,726,486	\$14,981,540	89.5%	100%

Table 4. 2017 Program Expenditures by Cost Type

Program Name	2017 Program Expenditures	2017 Administrative Costs	2017 Marketing Costs	2017 Direct Implementation Costs	2017 Incentives Paid
Single Family	\$5,822,883	\$346,325	\$809,053	\$1,235,865	\$3,431,640
Multifamily	\$6,503,383	\$337,594	\$132,992	\$2,136,547	\$3,896,250
Codes and Standards	\$1,413,379	\$141,516	\$21,093	\$1,250,770	\$0
Financing	\$1,227,598	\$184,743	\$119,741	\$923,114	\$0
EM&V	\$14,297	\$0	\$0	\$14,297	\$0
Total Portfolio	\$14,981,540	\$1,010,177	\$1,082,880	\$5,560,593	\$7,327,890

Cost-Effectiveness

While the RENs are not subject to the same cost-effectiveness test that the IOUs are because of the limitations on the programs that can be offered, (i.e. implementing those programs that are the most difficult, both in design and implementation, programs that the IOUs do not want to offer for these reasons, and serving hard to reach markets), BayREN has an eye towards cost effectiveness. The Commission has recognized that it is not realistic to expect REN programs to be cost-effective within the traditional IOU definition.⁹ With these restrictions, and far smaller portfolios, RENs do not have the advantage of using high savings programs (such as primary lighting or large commercial) to balance residential and small commercial activities that typically and historically have low cost effectiveness.

The Total Resource Cost Test (TRC) measures the net benefit of a program relative to the participant and administration costs. Total TRC costs in Table 5 are the sum of total administrative costs and incremental measure or participant cost. The Program Administrator Cost Test (PAC) measures net benefits relative to total program costs (including incentive and administration costs). Total PAC costs in Table 5 are the sum of total program administrative and incentive costs.

Table 5. 2017 Cost-Effectiveness

PA	TRC Cost to Billpayers (TRC)	Total Savings to Billpayers (TRC)	Net Benefits to Billpayers (TRC)	TRC Ratio	Total Cost to Billpayers (PAC)	PAC Ratio	Levelized Cost TRC	Levelized Cost PAC
Single Family	\$9,615,109	\$2,116,127	(\$7,498,982)	0.22	\$5,663,265	0.37	1.37	1.01
Multifamily	\$10,808,920	\$7,097,366	(\$3,711,554)	0.66	\$6,224,811	1.14	0.56	0.32
Codes and Standards	\$1,413,379	\$0	(\$1,413,379)	0.00	\$1,413,379	0.00	0.00	0.00
Financing	\$1,227,598	\$0	(\$1,227,598)	0.00	\$1,227,598	0.00	0.00	0.00
EM&V	\$14,297	\$0	(\$14,297)	0.00	\$14,297	0.00	0.00	0.00
Portfolio Total	\$23,079,303	\$9,213,493	(\$13,865,809)	0.40	\$14,543,350	0.63	0.89	0.56

⁹ CPUC D. 12-11-015, page 18

Savings by End-Use

Only the Single Family Home Upgrade and BayREN Multifamily Programs contributed to 2017 installed energy savings.

Table 6. 2017 Annual Savings

Annual Results	2017 Annual Savings		
	Electric (GWh)	Demand (MW)	Gas (MMTh)
Single Family	0.52	0.79	0.14
Multifamily	2.20	0.80	0.14
Total Portfolio	2.72	1.59	0.28

Table 7. Annual Savings by End-Use

Use Category	GWH	% of Total	MW	% of Total	MMTh	% of Total
Commercial Refrigeration	0	0%	0	0%	0	0%
Codes & Standards	0	0%	0	0%	0	0%
Food Service	0	0%	0	0%	0	0%
HVAC	0	0%	0	0%	0	0%
Irrigation	0	0%	0	0%	0	0%
Lighting	0	0%	0	0%	0	0%
Non-Savings Measure	0	0%	0	0%	0	0%
Process Distribution	0	0%	0	0%	0	0%
Process Drying	0	0%	0	0%	0	0%
Process Heat	0	0%	0	0%	0	0%
Process Refrigeration	0	0%	0	0%	0	0%
Recreation	0	0%	0	0%	0	0%
Service	0	0%	0	0%	0	0%
Service and Domestic Hot Water	0	0%	0	0%	0	0%
Whole Building	2.72	100%	1.59	100%	0.28	100%

Commitments

Commitments provided in Table 8 were made in the past year with expected implementation by December 2018.

Table 8. Commitments

Program	Committed Funds ¹⁰	Expected Energy Savings		
		GWh	MW	MMth
Single Family	\$774,190	0.03	0.05	0.01
Multifamily	\$1,798,500	1.33	0.19	0.08
Total Portfolio	\$2,572,690	1.36	0.24	0.09

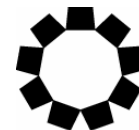
¹⁰ Committed Funds represent the incentive dollar amounts in the pipeline at the end of 2017 per program reporting databases.

Appendix A: BayREN Programs for 2017

CPUC ID	Program Name	Date Added	Date Removed
BayREN01	Single Family Home Upgrade	1/1/2013	N/A
BayREN02	Multifamily	1/1/2013	N/A
BayREN03	Codes and Standards	1/1/2013	N/A
BayREN04	Financing	1/1/2013	N/A
BayREN04-1	Multifamily Capital Advance	1/1/2013	N/A
BayREN04-2	Commercial PACE	1/1/2013	N/A
BayREN04-3	Water Bill Savings Program (WBSP)	1/1/2013	N/A
BayREN05	Evaluation, Measurement & Verification (EM&V)	1/1/2017	N/A

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 9, 2018

To: ABAG Executive Board

From: Executive Director

Subject: **Approval of Contract Amendment between CLEAResult Consulting, Inc. and Bay Area Regional Energy Network (BayREN) extending the existing Contract through the end of Calendar Year 2018, updating the Scope of Work, and providing Associated Budget not to exceed \$6,377,000**

Executive Summary

The Bay Area Regional Energy Network (BayREN) implements a portfolio of energy efficiency programs across the region. The Association of Bay Area Governments (ABAG) serves as the program administrator and lead agency for a 10-member unincorporated association of local government entities. The California Public Utilities Commission (CPUC), in Decision 12-11-015, authorized funding for BayREN. Thereafter, in Decision 14-10-046, the CPUC authorized BayREN funding through 2025, or when the Commission issues a superseding decision. The current annual budget is approximately \$17 million and is set on a calendar year basis.

ABAG has contracts with BayREN member agencies and with third-party consultants. The budget for each member agency is determined by the activities the agency selects, including whether an agency is a lead for a particular program. The third-party consultants were selected through a competitive process to assist in the implementation of the programs. The overall BayREN budget is developed each calendar year and contracts are thereafter amended on an annual basis or as needed. CLEAResult Consulting, Inc. is the implementer of BayREN's Single Family Energy Retrofit Program which includes contractor and home owner outreach, processing and payment of incentives, regional marketing, assistance with regulatory reporting, and filings relating to the Single Family Program.

On November 17, 2017, the Executive Board authorized the Executive Director of the Metropolitan Transportation Commission (MTC) to execute a six-month (January-June 2018) agreement for services with CLEAResult in the amount of \$3,086,500, consisting primarily of \$2.5 million in incentive funding for payment to qualified property owners. The six-month time frame for this contract reflected the anticipated hire of a new Single Family Program Manager position which is expected to be filled in May or June.

Staff proposes approval of a contract amendment with CLEAResult to extend the contract through the end of calendar year 2018, together with an associated increase to the contract budget for 2018 to \$6,377,000. Of the \$3.3 million proposed amendment, \$2.6 million is

Contract Amendment CLEAResult

May 9, 2018

Page 2

allocated to incentive funding, similar to the January through June allocation. Funding for this amendment is included in BayREN's current budget.

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract amendment with CLEAResult Consulting, Inc. in an amount not to exceed \$3,290,500 million to continue existing services and provide for expanded services through the end of calendar year 2018, for a total contracted amount of \$6,377,000 million.



Steve Heminger

Attachment

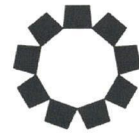
Summary Approval



SUMMARY OF EXECUTIVE BOARD APPROVAL

Work Item No.:	1721 (NFSN 2307 & 2309)
Consultant:	CLEAResult Consulting San Bruno, CA
Work Project Title:	BayREN
Purpose of Project:	Implement a portfolio of energy efficiency programs across the region.
Brief Scope of Work:	Provides consulting services for BayREN's Single Family energy retrofit program, including contractor and home owner outreach, incentive processing and payment, regional marketing, and assistance with regulatory reporting and filings related to the Single Family program.
Project Cost Not to Exceed:	\$6,377,000
Funding Source:	PG&E (ratepayer funds) as directed by the CPUC
Fiscal Impact:	Funds programmed in FY 2017-18 Budget
Motion by Committee:	The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to enter into a contract amendment with CLEAResult Consulting, Inc. in an amount not to exceed \$3,290,500 million to continue existing services and provide for expanded services through the end of calendar year 2018, for a total contracted amount of \$6,377,000.
Executive Board Approval:	David Rabbitt, ABAG President
Approval Date:	

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Date: May 15, 2018
To: ABAG Executive Board
From: Executive Director
Subject: **AB 2923 (Chiu): BART Transit Oriented Development (TOD)**

Executive Summary

Assembly Bill 2923 (Chiu) would require that the BART board adopt specific TOD zoning standards (hereafter referred to as “BART standards”), consistent with their current TOD Policy, to support established goals for TOD projects on BART-owned land within ½ mile of existing or planned BART stations located in the jurisdictions represented on the BART board (i.e. within Alameda and Contra Costa counties and the City and County of San Francisco). The bill would require that local zoning applicable to such parcels be revised, if necessary, to be consistent with BART standards within two years of BART’s adoption of the standards.

Recommended Action

The Executive Board is requested to take a “support if amended” position on the bill.

Discussion

On May 11th, the Joint MTC and ABAG Legislation Committees met and discussed AB 2923 (Chiu). The ABAG Legislation Committee approved a recommendation of “support if amended” but the final motion included three additional amendments beyond those originally proposed and detailed in the attached memo. Those additional amendments as understood by staff are described below, with a minor detailed suggestion added by staff for clarity shown in *italics*. The Committee recommendation is to take a “support if amended” position on AB 2923 that incorporates the three ideas below and the others detailed in the original May 4th memo, attached.

1. Codify BART’s Current Parking Policy as it Relates to Replacement Parking

To address concerns about the impact on access to BART if it redevelops land that is currently used for BART parking, the committee directed staff to seek amendments to codify BART’s current parking policy, which, in practice, recognizes a need for 1:1 replacement at its auto-dependent stations (including Dublin, Orinda, Lafayette and West-Dublin/Pleasanton). To address the potential that BART may change this policy in the future, the amendments would propose a floor of 1:1 parking replacement for development of BART land at auto-dependent stations.

AB 2923 (Chiu): BART TOD Guidelines

May 15, 2015

Page 2

2. Limit Bill's Reach to Existing or Adjacent Land

To address a concern that the bill could apply to a potentially unlimited amount of land that BART could purchase in the future (notwithstanding its significant budget limitations), limit the applicability of the bill's new TOD guidelines to currently-owned land (approximately 250 acres) within one-half mile of existing or future BART stations, with an allowance provided for parcels purchased by BART at a future date only if they are: 1) adjacent to land owned as of July 1, 2018 and 2) if BART adopts a finding that the new contiguous parcels are necessary to complete a TOD project.

3. End-of-Line Stations

Pursue an amendment that provides "end-of-line stations" special consideration with regard to replacement parking and potential parking expansion needs overall in recognition that auto access is often the predominant way to access such stations. The proposed amendment could be drafted so that "end of line" stations are revised as BART expands and correspond with those that truly function as "end of line" stations.



Steve Heminger

Attachments

Memo AB 2923
Urban Density Guidelines Matrix

Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: May 4, 2018

FR: Deputy Executive Director, Policy

RE: AB 2923 (Chiu): BART Transit Oriented Development – Support and Seek Amendments

Background

In 2016, San Francisco Bay Area Rapid Transit District (BART) adopted an ambitious transit oriented development (TOD) program to deliver 20,000 housing units, including 7,000 affordable units, and 4.5 million square feet of commercial space on BART-owned land surrounding existing and planned BART stations. This was followed in 2017 by TOD Guidelines which outlined BART's development process and identified the transit-supportive land use regulations – including specific parking and density recommendations (i.e. units/acre) – needed for BART to achieve the ambitious goals listed above. According to a BART analysis, of the roughly 250 developable acres of BART-owned property located around 28 stations, only 8 percent (seven stations) meet BART's minimum density and parking requirements for developments on BART-owned property.

Assembly Bill 2923 (Chiu) would require that the BART board adopt specific TOD zoning standards (hereafter referred to as “BART standards”), consistent with the agency's 2017 TOD Guidelines, that support established goals for TOD projects on BART-owned land within ½ mile of existing or planned BART stations located in Alameda and Contra Costa counties and the City and County of San Francisco – i.e. the jurisdictions represented on the BART board. The bill would require that local zoning for BART-owned land be consistent with these TOD zoning standards within two years of BART's adoption of the standards. Jurisdictions where the local zoning is not already consistent with the BART standards would be required to adopt an ordinance approving the applicability of the BART standards, subject to BART board review that the local zoning ordinance is consistent with its standards. If BART finds the local zoning ordinance to be inconsistent with its standards two years after BART's adoption of the standards, the BART standards shall apply for applicable parcels in that jurisdiction. Parcels subject to the bill are located in the cities of Berkeley, Concord, Dublin, El Cerrito, Fremont, Hayward, Lafayette, Oakland, Pittsburg, Pleasanton, Union City, San Francisco, and San Leandro according to the author's office.

TOD projects on the eligible BART-owned parcels would need to comply with minimum anti-displacement and affordability requirements (20 percent of a project's units would be required to be affordable to very low, low-, and moderate-income households) as well as certain prevailing wage and workforce requirements. The BART standards themselves and revised local zoning standards would be subject to the California Environmental Quality Act (CEQA). Developers seeking to build projects on BART-owned land would be required to comply with all other local zoning standards and design guidelines.

The attached map, excerpted from BART's 2017 TOD Guidelines, provides a snapshot of the land that could be subject to the provisions of AB 2923.

Recommendation: Support and seek amendments

Discussion

Housing and commercial development around BART stations at the scale outlined in BART’s 2017 TOD policy has the potential to not only deliver significant new housing, but to also help the region make progress toward the goals laid out in Plan Bay Area 2040, including reducing greenhouse gas emissions, improving equity, mitigating congestion, increasing transit ridership and improving access to jobs. Given that existing local zoning on 92 percent of BART-owned land does not meet the minimum standards identified by BART for TOD development, AB 2923 would be expected to significantly expand the opportunity to build additional housing and mixed-use developments near its stations. If the region cannot figure out a way to adequately develop 250 acres of land adjacent to BART stations, we will never be able to tackle the Bay Area’s housing crisis.

Staff does have some technical concerns with the bill. It currently states that specified height requirements and floor-area-ratios be included in the BART standards even though height targets referenced in the 2017 BART TOD Guidelines were intended to be illustrative examples, rather than mandatory and even though BART has not adopted policy related to floor area ratios for TOD developments. Given that density requirements can be met at different height limits and floor area ratios depending on the size of the units, staff recommends striking these references from the bill so that the BART standards would be limited to density (75 units per acre) and parking, based on BART’s TOD parking guidelines, described below:


- No minimum parking requirements. Parking provided should be unbundled from the regular lease.
- Maximum parking thresholds as follows:

BART TOD Place Type	Residential Auto Parking Maximum (spaces/unit)	Office Auto Parking Maximum (spaces/1,000 sf)
Regional Center	0.375	0
Urban Neighborhood/City Center	0.5	1.6
Neighborhood/Town Center	1	2.5

These proposed amendments would preserve the ability of local agencies to set most zoning requirements in a manner consistent with local priorities – as long as they don’t undermine the BART TOD minimum density and parking allowances – while also facilitating significant new housing opportunities near eligible BART stations.

For the reasons stated above, staff recommends a “support and seek amendments” position on AB 2923 directing staff to work with the author.

Known Positions
See Attachment B



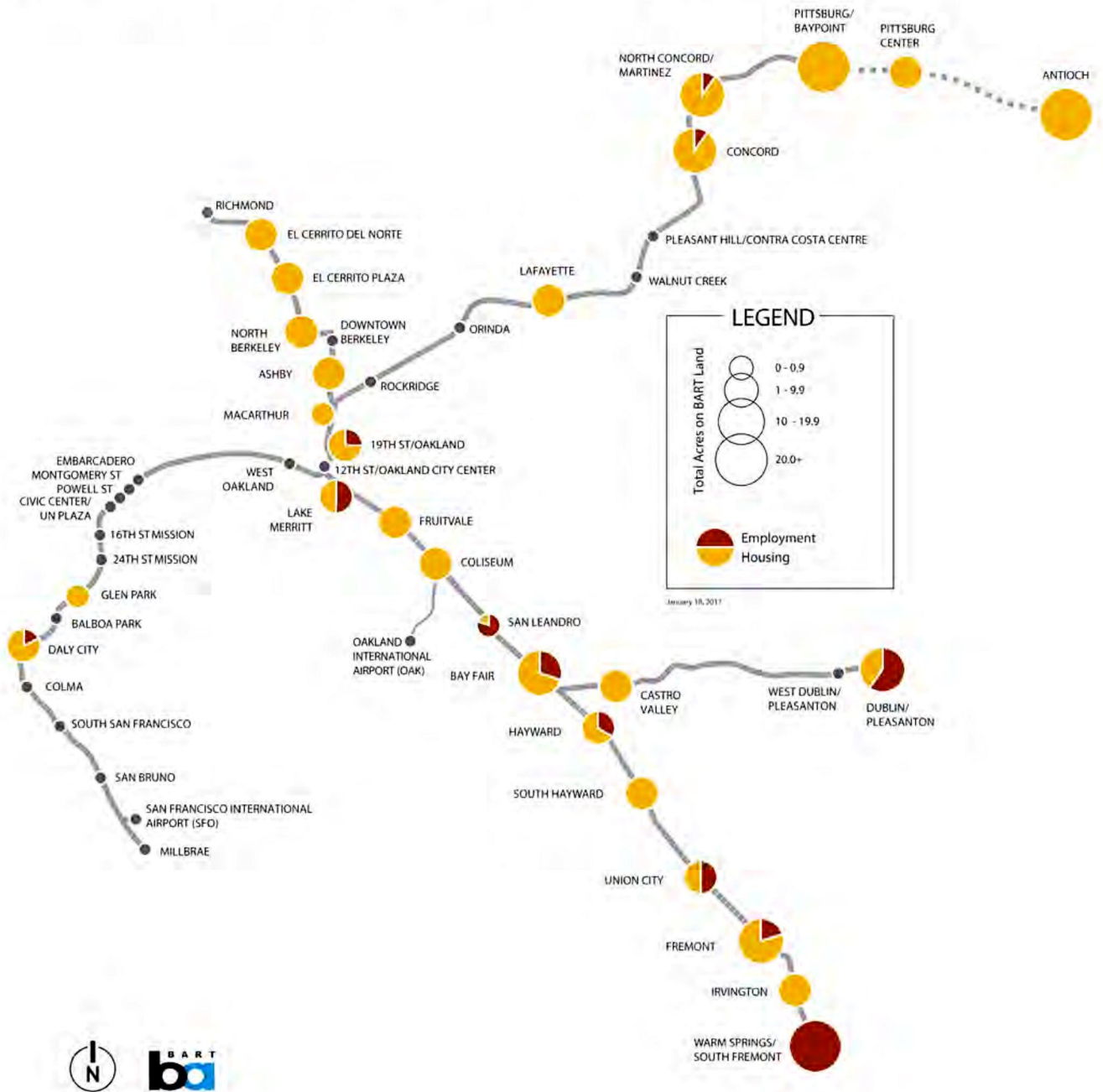
Alix A. Bockelman

Attachments:

- Attachment A: Map
- Attachment B: AB 2923 Known Positions

AAB:ggd

Figure 2. Potential Allocation of Developable BART Land for Employment and Housing



AB 2923 (Chiu) Known Positions

Support

Non-Profit Housing Association of Northern California (co-sponsor)
State Building and Construction Trades Council (co-sponsor)
350 Bay Area
A. Philip Randolph Institute
Bay Area Council
Brightline Defense Project
CalAsian Chamber of Commerce
California Apartment Association
California League of Conservation Voters
California YIMBY
City and County of San Francisco
Council of Infill Builders
Greenbelt Alliance
Habitat for Humanity California
International Association of Sheet Metal, Air, Rail and Transportation Workers
Mission Hiring Hall
San Francisco Electrical Construction Industry
San Francisco Housing Action Coalition
Sheet Metal Workers' Local Union No. 104
Silicon Valley Leadership Group
TransForm
Up for Growth California
Young Community Developers
YIMBY Action

Opposition

American Planning Association California Chapter (unless amended)
City of Concord
City of Lafayette
League of California Cities

Urban Density Guidelines Matrix
The following classifications are located in Urban Service Areas as defined in the Statewide Land Use Plan, and are served by public water and sewer.

Urban Centers
Unit per Acre 60-170

An urban center is a large and densely populated urban area with a civic, social and cultural infrastructure. It is zoned for mixed use residential, groundfloor retail and business and also provides open space for public and private uses. It is easily walkable or accessible through various modes of public and personal transit. Examples of urban centers include Downtown Providence, Newport and Pawtucket.



77 units per acre

84 units per acre

125 units per acre

Urban Corridors
Unit per Acre 40-80

An urban corridor serves as a main thoroughfare in a densely populated area. It has the civic and cultural elements of an urban community and contains infrastructure for retail, business and residential use. Examples include Elmwood Ave. and Broad St. in Providence and North Main St. in North Providence.



44 units per acre

62 units per acre

66 units per acre

Metropolitan Corridors
Unit per Acre 20-40

A metropolitan corridor, may be located in a suburban area, is less densely populated and though it has the infrastructure for retail, business and residential use, it generally carries more height restrictions. Examples of this include Reservoir Ave. and Park Ave. in Cranston, Warwick Ave. in Warwick, Post Rd. in North Kingstown and Newport Ave. in Pawtucket and East Providence.



28 units per acre

28 units per acre

34 units per acre

Town Centers

Unit per Acre 15-30

A town center is a traditional downtown at a smaller scale, where a town's civic, commercial and social infrastructure is concentrated. In Rhode Island, it is characterized by first floor retail and under utilized upper stories. It is zoned with greater height restrictions. Facilities are situated within walking distance of private residences. Examples of this include Warren, Bristol and East Greenwich



18 units per acre



19 units per acre



23 units per acre

Village Centers

Unit per Acre 8-15

A village center is smaller than a town center, and will generally have first floor retail and offices frequently with upper story residential. Private residences are within close proximity. Examples include Lonsdale, Conimicut, and Peacedale.



11 units per acre



13 units per acre



15 units per acre

Transit Oriented Developments Urban Centers

Unit per Acre 60-150

A TOD in an urban center concentrates developments around existing downtown areas, adjacent to a commuter rail, maximizing access by transit and non-motorized vehicles. Urban centers normally have the infrastructure for intermodal transportation, allowing convenient access to rail and bus lines as well as parking structures. Zoning will emphasize mixed-use development which encourages and facilitates walkability. Locations include Downtown Providence and Pawtucket.



Transit Oriented Developments around Commuter Rail Stops

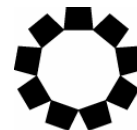
Unit per Acre 30-50

A TOD around commuter rail stops is a transportation hub surrounded by relatively high-density development with progressively lower-density spreading outwards. New TODs may be developed around planned commuter rail stops in Rhode Island. TOD town centers may have a transit station and a few multi-story commercial and residential buildings surrounded by several blocks of townhouses and small-lot single-family residential. Zoning will emphasize mixed-use development. Potential locations include East Greenwich, Warwick Station, Wickford and Westerly.



ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

FINANCE COMMITTEE

Thursday, May 17, 2018, 5:00 p.m.

Location:

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

Committee Members:

Karen Mitchoff, Supervisor, County of Contra Costa—*Chair*
Annie Campbell Washington, Councilmember, City of Oakland
Cindy Chavez, Supervisor, County of Santa Clara
Dave Cortese, Supervisor, County of Santa Clara
Pradeep Gupta, Mayor, City of South San Francisco
Scott Haggerty, Supervisor, County of Alameda
Erin Hannigan, Supervisor, County of Solano—*Vice Chair*
Julie Pierce, Councilmember, City of Clayton—*Ex officio*
David Rabbitt, Supervisor, County of Sonoma—*Ex officio*
Greg Scharff, Mayor, City of Palo Alto—*Ex officio*

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

Agenda and attachments available at <http://abag.ca.gov/meetings/financepersonnel.html>

*This meeting is scheduled to be webcast live at
<http://abag.ca.gov/meetings/financepersonnel.html>*

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

ABAG Finance Committee

May 17, 2018

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4. APPROVAL OF ABAG FINANCE COMMITTEE SUMMARY MINUTES OF MEETING ON MARCH 15, 2018

ACTION

Attachment: Summary Minutes of March 15, 2018

5. REPORT ON ABAG FINANCIAL STATEMENTS FROM JULY 2017 TO FEBRUARY 2018 (UNAUDITED)

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachments: Memo Financial Statements; Financial Statements

6. REPORT ON ABAG CONTRACTS AND PURCHASE REQUISITIONS BETWEEN \$20,000 AND \$50,000 FROM JANUARY TO FEBRUARY 2018

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

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

7. REPORT ON INVESTMENTS FOR MARCH 2018

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachments: Memo Investment; Investment Report

8. ADJOURNMENT

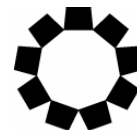
The next regular meeting of the ABAG Finance Committee is on July 19, 2018.

Date Submitted: April 20, 2018

Date Posted: May 10, 2018

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018
To: ABAG Executive Board
From: Executive Director
Subject: **Bay Area Economic Development District—US Economic Development Administration Application**

Executive Summary

For more than two years, ABAG (now Integrated Regional Planning Department) staff, under direction from the ABAG Executive Board, has been working with the US Economic Development Administration (USEDA), the East Bay EDA director and staff, the Bay Area Council, and the Economic Strategy Committee (ESC) of the RPC to compile a Comprehensive Economic Development Strategy (CEDS) for the San Francisco Bay Area and apply for designation as a Regional Economic Development District (EDD).

The EDD designation will make jurisdictions and organizations in the Bay Area more competitive for grants and other programs from Federal and state agencies and foundations. Becoming a regional EDD also establishes a framework for intraregional cooperation on economic initiatives and concerns among elected officials and jurisdictions, economic, workforce, business, labor, and community organizations and directly with businesses.

As directed by the Executive Board, staff has prepared the Comprehensive Economic Development Strategy (attached) and has obtained endorsements from a majority of the Bay Area counties on the vision, goals and objectives, and concept of an Economic Development District. Staff will report on the EDD organizational structure and the Economic Action Plan.

The Process and Current Status

- The ESC was set up in July 2016 as a subcommittee of the ABAG Regional Planning Committee (RPC), with additional members from beyond the RPC, to act as a technical advisory committee for preparing the CEDS (required to establish the EDD).
- The CEDS includes:
 - An Economic Profile of the region, prepared in 2016 and updated in 2017
 - A strengths, weaknesses, opportunities and threats (SWOT) analysis
 - Vision, Goals and Objectives for the region (finalized September 2017)
 - An Economic Action Plan (most recent draft March 2018)

Bay Area Economic Development District

May 10, 2018

Page 2

- The engagement process for developing the Economic Action Plan has included briefings and conversations with a broad range of stakeholders beyond those on the ESC.
- Between September and December 2017, the majority of County Boards of Supervisors in the region endorsed the Vision, Goals and Objectives and the concept of establishing a regional EDD.
- The EDD is proposed to be organized as a 501(c)(3) with approximately 25 board members. (See discussion below).

The CEDS Executive Summary, Economic Profile and SWOT, Vision, Goals and Objectives, and Economic Action Plan as of March 2018, posted online at <https://abag.ca.gov/planning/economic.html>, are available for a final round of comments.

Organization Structure

The organization structure is proposed to be a nonprofit closely affiliated with the ABAG Executive Board (similar to the Bay Trail). To ensure alignment with ABAG objectives and initiatives, key actions or decisions affecting regional plans or programs (e.g., Plan Bay Area 2040) will also require the approval of the ABAG board. The organization will be staffed by the joint planning staff, but most of the actions will be carried out by partner entities, including those represented on the EDD board. The EDD Board is proposed to include:

- The President of the ABAG Executive Board and the Chair of the RPC
- A supervisor or supervisor-designated representative from each county in the district
- City representatives, rotating, representing major employment centers, distressed areas
- Representatives from partner Bay Area economic and workforce development organizations
- Partner business organizations
- Community and labor organizations

Staff proposes building the initial, approximately 25 member EDD board by drawing some representatives from the existing ESC and adding additional supervisors and other representatives where gaps exist. This new board would replace the current ESC.

Economic Action Plan

The Economic Action Plan focuses on broad consensus, high priority actions, consolidates the earlier comprehensive and extensive set of strategies and actions discussed by the ESC, and incorporates recommendations by organizations, jurisdictions, elected officials and individuals during briefings and meetings and through conversations and correspondence. The attached draft final document (pending any new comments) defines twenty actions within four strategy goals.

Bay Area Economic Development District

May 10, 2018

Page 3

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to submit an application to the U.S. Economic Development Administration to establish a Greater Bay Area regional Economic Development District.



Steve Heminger

Attachments

Comprehensive Economic Development Strategy Highlights
Draft Economic Action Plan
Presentation

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COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR THE SAN FRANCISCO BAY AREA: HIGHLIGHTS

WITH A STRONGLY COMPETITIVE GLOBAL ECONOMY, DIVERSE RANGE OF INNOVATIVE, KNOWLEDGE-BASED INDUSTRIES, A WELL-EDUCATED LABOR FORCE, LOW UNEMPLOYMENT, AND COMPARATIVELY HIGH HOUSEHOLD INCOMES, THE NINE-COUNTY BAY AREA HAS AN ECONOMY THAT HAS MUCH TO EMULATE. YET THIS PROSPERITY HAS CREATED CHALLENGES THAT THE REGION IS STRUGGLING TO ADDRESS. HOUSING PRICES THAT RANK AMONG THE HIGHEST IN THE NATION AND TRAFFIC CONGESTION THAT RANKS SECOND, CRITICAL INFRASTRUCTURE THAT IS IN NEED OF REPAIR, VULNERABILITY TO NATURAL HAZARDS, AND TENS OF THOUSANDS OF PEOPLE LIVING IN IMPOVERISHED COMMUNITIES WITH LIMITED OPPORTUNITIES, PUT THE CONTINUED PROSPERITY OF THE BAY AREA AND THE REGION'S CONTRIBUTIONS TO THE GLOBAL ECONOMY AT RISK.

BAY AREA LEADERS IN BUSINESS, ECONOMIC AND WORKFORCE DEVELOPMENT, GOVERNMENT, AND COMMUNITY ORGANIZATIONS RECOGNIZE THE NEED TO WORK COLLABORATIVELY TO MEET THE REGION'S CHALLENGES HEAD ON. BY FORMING A REGIONAL ECONOMIC DEVELOPMENT DISTRICT (EDD), SHAPED BY A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) THAT BUILDS ON RELATED REGIONAL, COUNTY AND LOCAL PLANS IS A FIRST STEP. THE GOAL IS TO MAINTAIN AND IMPROVE UPON, THE REGION'S ECONOMIC PROSPERITY AND QUALITY OF LIFE IN A MORE RESILIENT, SUSTAINABLE AND EQUITABLE FASHION.

INTRODUCTION

This report is just one part of a larger process in creating the Bay Area Economic Development District (EDD) as recognized by the US Economic Development Administration (US EDA). The Bay Area EDD is more than just a US EDA funding organization. Creating the EDD and the process of producing and regularly updating a Comprehensive Economic Development Strategy (CEDS) will support cooperation and collaboration among organizations and local jurisdictions to address shared problems, realize mutual goals and leverage regional resources. Improving our understanding of the regional economy can support broader initiatives within a wide range of federal, state, foundation and local partners. This report was prepared under the guidance of the region-wide Economic Strategy Committee and draws on the work of many organizations within the region.

ECONOMIC DEVELOPMENT DISTRICT

An EDD is a regional designation by the US EDA that provides a flexible framework for crafting a regional economic strategy and a platform for public and private collaboration to address regional issues that no single jurisdiction, organization or business can solve alone. It supports local economic efforts and also improves access to grants and technical assistance from multiple federal and state agencies, as well as private foundations. Having a regional strategy, and a clear implementation action plan, enables local jurisdictions and potential funders to understand how the different parts of the region interact and affect one another.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

The purpose of the CEDS is to strengthen the foundation, performance and inclusiveness of the region's economy through collaboratively developed strategies addressing mutually identified challenges. The CEDS report describes the region's economy and the actions that could improve it and is a living document that will be updated regularly.

The CEDS is the regional economic and workforce development strategy — which also reflects local priorities — that identifies the region's strengths and challenges and provides an action plan to achieve our economic goals. It includes the following sections:

1. Economic profile of the Bay Area, which provides the background information necessary to craft a strategy response
2. Strengths, Weaknesses, Opportunities and Threats analysis that identifies the region's major assets and challenges
3. Vision, Goals and Objectives that underlie and shape the consensus strategic framework and actions
4. Economic Action Plan that identifies actions and steps to build a stronger more resilient Bay Area Economy

The CEDS draws on the strong analytic work of earlier Bay Area planning efforts, and incorporates elements of earlier regional, subregional and local economic strategies and plans. An Economic Strategy Committee of representatives from cities and counties,

economic and workforce development organizations, and equity and business organizations has overseen and shaped the Vision, Goals, and Objectives and the Economic Action Plan.

TOWARD A RESILIENT, PROSPEROUS AND EQUITABLE ECONOMY

The report identifies agreement on several overarching themes:

- A strong economy and economic growth is necessary to create the environment for greater shared economic prosperity.
- The creative forces that generate innovation in the region are driven by a different set of dynamics than the equally critical local services that support the region’s population; these differences lead to unique stresses that must be solved for the survival of the Bay Area’s unique economic advantages.
- Economic growth and opportunity are integrally tied to regional housing production, which in recent years has not matched regional economic growth, either numerically or spatially.
- The region’s economic prosperity has not been shared by all communities, with the North Bay and East Bay lagging behind the West Bay and South Bay.
- Economic strengths and barriers do not stop at jurisdictional borders and actions taken for one part of the region affect rich and poor areas alike.
- In order to maintain competitiveness of industries and employers, higher skill levels are needed in many new and replacement jobs.
- Career paths to middle wage jobs will require improved skills for lower wage workers, while retaining middle wage earners in the region requires a broader housing base.
- Transportation, goods movement, water systems, broadband and other infrastructure investments are needed to make the region more resilient to economic downturns and natural hazards.
- Planning funding and regulatory reform at the regional, state and federal levels are required to improve comprehensive planning to address our challenges.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

This regional economic and workforce development strategy, reflects local priorities, identifies the region’s strengths and challenges and provides an action plan to achieve economic goals. The CEDS includes:

1. Economic profile of the Bay Area — background information necessary to craft a strategy response
2. Strengths, Weaknesses, Opportunities and Threats — analysis that identifies the region’s major assets and challenges
3. Vision, Goals and Objectives — underlie the strategic framework that builds from the unique strengths and challenges of the Bay Area
4. Economic Action Plan — address the region’s strengths and challenges with a goal of building a stronger, more resilient Bay Area Economy.

1. ECONOMIC PROFILE - HIGHLIGHTS EXISTING CONDITIONS IN THE BAY AREA

The region’s economy, population, and physical assets have made it a global model for innovation and growth. Yet the position is not a secure one, and this growth raises challenges for the environment, housing and circulation, fixed infrastructure, and especially for residents and communities least equipped to compete.

INDUSTRY AND EMPLOYMENT

Strong growth and volatility are two sides of the region’s economy. The report found that:

- Bay Area economic output exceeded \$720 billion in 2015 and growth outpaced the nation.
- Most job growth is attributable to local firms starting and growing, and small and mid-sized firms (fewer than 250 employees) employ the most workers.
- The region’s wage and salary employment exceeded 3.8 million in 2016. Growth was led by professional and business services, education and healthcare, construction, and information, which accounted for almost two-thirds of jobs gained between 1990 and 2016. Professional and business services and education and healthcare have replaced manufacturing and government as the region’s two largest employment sectors.
- Yet, while the region has outpaced the state and nation since 2010, it also outpaced both in job loss during the previous two recessions. Volatility in the region’s key sectors and barriers to development strain the region as a whole in periods of downturn.

- Between 1990 and 2010, manufacturing employment dropped by one-third, but has seen a small upturn in employment since 2010.
- The Bay Area has more than twice the share of employment in the information sector than the nation as a whole, and 1.4 times the share of employment in professional and business services nationwide. The surge in the information sector has been concentrated almost exclusively in the West Bay and South Bay around Silicon Valley.
- The top five export related clusters – Business Services, Distribution of Electronic Commerce, Information Technology and Analytical Instruments, Education and Knowledge Creation, and Hospitality and Tourism-- had almost 800,000 jobs in 2014.
- Between 2010 and 2015, major occupations categories that pay high wages grew the most, but low-wage major occupation categories had the largest number of jobs in total (nearly 1.5 million jobs). Regionally, Computer and Mathematical Occupations grew by the greatest amount, over 85,000 jobs, followed by Food Preparation and Serving Related Occupations (57,530 jobs) and Management Occupations (50,720 jobs).

POPULATION AND THE COMMUNITY

The Bay Area’s population is one of the region’s strong assets, yet at times one of the most challenged.

- The Bay Area had 7.7 million people at the beginning of 2017, or an increase of over 500,000 from 2010, and is projected to grow to 9.5 million people according to *Plan Bay Area 2040*. This level of growth is dependent on in-migration, which is fueled by the economy.
- The region’s labor force is highly educated and diverse. In 2015, 45 percent of the Bay Area population 25 and older had attained a bachelor’s degree or higher, compared to 30.6 percent nationwide and 30.9 percent in California.
- A significant share of the population lack the skills necessary to improve their career opportunities and incomes over time. Over 300,000 adults aged 25 or older do not speak English well—more than 170,000 of these adults have less than a high-school education.
- High income and low poverty characterize the region as a whole, but not all of its parts. Every county in the region has neighborhoods where incomes fall below 80 percent of US per capita levels, a US EDA threshold point for distress.
- Household income has not kept up over time and all Bay Area Counties except San Francisco had household median incomes in 2015 below 1989, 1999 and 2005 levels when adjusted for inflation.

SHELTER, MOBILITY AND RESILIENCE

The strength of the economy and high levels of wealth juxtaposed with poverty have challenged the region to keep up with the demands of a diversity of businesses and individuals. Housing is the number one concern listed by many business and economic development organizations, while transportation comes in a close second. Aging infrastructure and the underlying risks from the natural environment raise questions around the long term resilience of the region’s built spaces and connecting networks.

- High prices and low production levels characterize the Bay Area’s housing market. In 2015 almost half of all renters paid 30 percent or more of their income towards housing, with 24 percent paying half or more of their income on rent, while homeowners have generally benefited from rapid price appreciation and low interest rates on mortgages.
- As many as 150,000 housing units, largely in distressed communities, could be unusable after a major regional earthquake.
- Maintenance costs absorb almost 90 percent of discretionary capital funding for transportation. These expenditures have improved road conditions and bridge safety, but leave little to meet new demands.
- As the economy strengthens, so do Bay Area roadway and transit demand. Congestion delays increased by 28 percent between the previous peak in 2006 and the more recent period measured in 2015.
- The region’s infrastructure is aging, our energy infrastructure has not kept pace with demand, and our water supply is challenged in years of drought.

2. STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

The characteristics illustrated in the profile highlight the region’s major strengths and weaknesses, as well as opportunities for actions and challenges from within and outside.

Strengths

- Diverse, educated labor force
- Employment and GDP growth outpacing nation
- Innovative culture & venture capital spur new industries

- Historic industries that generate innovation spillover opportunities
- Natural and built environment and quality of life attracts talent and investment
- Cluster of leading higher education institutions
- Infrastructure networks that tie together a nine-county region and beyond.

Challenges

- Housing affordability gap affects many income groups
- Traffic congestion that impedes regional mobility
- Retirement of skilled baby boomers
- Groups with language limitations, skill deficits
- Funding gaps for transportation projects, housing, and workforce development programs
- Technological change that will alter or eliminate occupations
- History of volatility, periods of high unemployment
- Aging Infrastructure, shortfall in funding , and natural hazards
- Fragmented governance structure and complex regulations impede growth.

The willingness of voters to take on the costs of transportation and housing is an opportunity to address some of the region’s weaknesses, but further channels of funding and successful land use management on the part of local jurisdictions and the region will also be needed. The region also needs a strong framework to address possible challenges to the economy that are beyond local control, from cyclical and technological changes to the hazards that would be posed by a seismic event.

3. VISION, GOALS AND OBJECTIVES

The majority of bay area counties have endorsed the Vision, Goals and Objectives developed by the Economic Strategy Committee in a collaborative process that incorporated feedback from diverse stakeholders, organizations, and geographies within the Bay Area.

VISION

A dynamic and resilient economy, spurred by a culture of innovation and inclusion, providing opportunities, shared prosperity, and a sustainable quality of life for all residents and workers.

Goal 1 BUSINESS CLIMATE. Develop policies to improve the business climate to retain and expand our strong economic base and culture of innovation.

Objective 1.1 Support key industry clusters that drive the economy and improve the capacity for new clusters to develop throughout the region.

Objective 1.2 Retain and expand the region’s culture of innovation and enable companies to start, grow and thrive here.

Objective 1.3 Improve the business climate for middle wage industries, small and medium sized firms, and entrepreneurship, especially within disadvantaged communities.

Objective 1.4 Strengthen economic resilience across business cycles and within vulnerable parts of the region.

Objective 1.5 Strengthen the economic development capacity of local jurisdictions by sharing best practices and data.

Goal 2 WORKFORCE. Improve workforce training and provide pathways to better jobs by improving the alignment between workforce skills, business and employer needs, and working conditions and earnings in low wage occupations.

Objective 2.1 Enhance the quality and access of pre-K through High School education to better prepare children and young adults for future success.

Objective 2.2 Improve the Bay Area and California’s higher education and other post-secondary systems to generate a globally competitive workforce.

Objective 2.3 Support economic growth and economic mobility in employment and wages for all workers at all stages of life, particularly low- and moderate-wage workers.

Objective 2.4 Strengthen the local economy by supporting the role of immigrants in the region’s labor market.

Goal 3 HOUSING AND WORK PLACES. House the labor force needed to fill the low, middle and high wage jobs required by our economy as well as the nonworking population, while providing flexibility for timely expansion of work places.

- Objective 3.1 Enhance Plan Bay Area (PBA) to ensure a land use pattern with space for all activities, particularly the “fit” between jobs and housing at the subregional level, that contribute to the regional economy.*
- Objective 3.2 Work toward providing enough housing to meet the affordability needs at wage and salary levels that exist in the Bay Area’s current and future population.*
- Objective 3.3 Encourage local regulations and permitting processes that support retention and expansion of local business and infill development.*
- Objective 3.4 Advocate for changes to state regulations that impede local infill development, and strengthen the region’s ability to provide related infrastructure and services.*

Goal 4 INFRASTRUCTURE. Prioritize investments to address the growing strains on public services transportation, water, energy and communications.

- Objective 4.1 Improve Regional Mobility through transportation system enhancements and investments.*
- Objective 4.2 Increase access to jobs and economic opportunity for all workers, particularly low income workers, by expanding access to transportation.*
- Objective 4.3 Prepare for the future by expanding investment in communications and sustainable energy infrastructure, and ensure the existing regulatory framework supports these developments.*
- Objective 4.4 Reduce the impact of natural hazards on community infrastructure, particularly in distressed or disadvantaged communities that are most at risk.*
- Objective 4.5 Improve the management of existing resources, increase funding to rebuild and expand infrastructure, and develop infrastructure to be compatible with anticipated technological changes.*
- Objective 4.6 Recognize the natural environment as “green-infrastructure” that underlies some of the region’s key economic activities, attracts and retains workers, and could potentially generate new green-industries, clusters and economic activity.*

4. ECONOMIC ACTION PLAN - IMPLEMENTATION

The framework for action presented in the CEDS is a consolidation of ideas and proposals from the past five years of efforts throughout the region and from economic development, workforce, business, and equity organizations that have participated in the CEDS process to date. The Economic Action Plan focuses on broad consensus, high priority actions. In addition to the 20 actions listed below, the Economic Action Plan also describes the steps regional actors, with their local public and private, state and federal partners, can take to maintain the resilience of the Bay Area economy while extending its benefits to a wider range of workers and residents.

Goal One: Business Climate

1. Identify the business, economic, workforce and community organizations within the region and establish a communication framework among them.
2. Share organization best practices and knowledge of the most effective ways to protect and improve the economy.
3. Prioritize programs to expand entrepreneurship and business ownership opportunities particularly in distressed communities.
4. Support clusters and related industries that drive innovation and serve our communities.
5. Enhance the Bay Area’s innovation and entrepreneurship ecosystem.
6. Document the changing structure of employment and its implications

Goal Two: Workforce

7. Improve the primary, secondary and higher education systems to create a globally competitive workforce.
8. Target middle, high school and community college education and training opportunities to disadvantaged students and districts to improve the home-grown workforce.
9. Expand economic opportunity and upward mobility in employment and wages at all life stages.
10. Enhance apprenticeship opportunities throughout the region.
11. Expand sector-specific paid internship programs for high school students.

Goal Three: Housing and Work Places

12. Identify and implement best practices to support housing production, preservation and affordability.

13. Encourage employment growth around transit, transportation improvements near employment centers, and employment growth adjacent to workforce housing.
14. Support and strengthen the Production, Goods Movement and Repair Cluster.

Goal Four: Infrastructure

15. Identify existing and develop new infrastructure funding resources and ways of augmenting availability at the regional level.
16. Improve and coordinate transportation systems and regional mobility.
17. Improve travel access to economic opportunity for low income workers.
18. Enhance and strengthen communications, energy and water systems.
19. Reduce vulnerability to climate change and natural hazards.
20. Recognize the region's agricultural land, bay lands and open space as an economic asset.

The Economic Action Plan describes a five-year agenda for supporting the Bay Area economy, workforce, residents and communities. As needed, objectives and actions may be modified in recognition of changing conditions. The Economic Development District staff and board will monitor and evaluate the effectiveness of actions over time.



**BAY AREA ECONOMIC DEVELOPMENT DISTRICT
DRAFT ECONOMIC ACTION PLAN**

In a region with much to envy—

The Bay Area economy has had an expansion stronger than most would have anticipated since recovery from the Great Recession began. Recent economic growth has ridden on a wave of new communications tools, new ways of doing business, and new and redesigned business locations. This growth has built on proactive city policy and business leadership and has brought new opportunities for struggling infill areas throughout the urban core and its linked transportation corridors, including places in San Francisco, Oakland, San Jose, Redwood City, San Leandro, Vallejo, and many other Bay Area cities. The source of much of the growth is from innovations in the region's strongest sectors.

There are still many challenges—

- A housing market that displaces lower income renters, encourages existing residents to consider relocating to other regions, and discourages potential new residents from moving into the region.
- An economy where agglomeration costs (#1 for housing and workspace) may outweigh the agglomeration benefits of locating or expanding in the Bay Area
- A stratified workforce where even highly paid workers are paying high shares of income of housing, where middle wage workers must trade off high housing prices for long and costly commutes, and where lower wage workers double up or move beyond the region, as wages lag costs of living in the area.
- An employer/workforce mismatch, with local educational institutions producing only a fraction of the labor force skills needed by employers, and local labor struggling to find the training needed to match employer demands.
- 19th and 20th century infrastructure handicapping the growth of 21st century ideas and products.

The Vision—

A dynamic and resilient economy, spurred by a culture of innovation and inclusion, providing opportunities, shared prosperity, and a sustainable quality of life for all residents and workers.

The Bay Area Economic Action Plan—

Built on a vision and set of goals from a collaborative regional effort among economic stakeholders, the Economic Action Plan describes the steps regional actors, with their local public and private, state and federal partners, can take to maintain the resilience of the Bay Area economy while extending its benefits to a wider range of workers and residents.

20 ACTIONS TOWARDS MEETING BAY AREA ECONOMIC GOALS

Goal One: Business Climate

1. Identify the business, economic, workforce and community organizations within the region and establish a communication framework among them.
2. Share organization best practices and knowledge of the most effective ways to protect and improve the economy.
3. Prioritize programs to expand entrepreneurship and business ownership opportunities particularly in distressed communities.
4. Support clusters and related industries that drive innovation and serve our communities.
5. Enhance the Bay Area's innovation and entrepreneurship ecosystem.
6. Document the changing structure of employment and its implications

Goal Two: Workforce

7. Improve the primary, secondary and higher education systems to create a globally competitive workforce.
8. Focus improvement efforts on middle, high school and community college education and training opportunities for disadvantaged students and districts to improve the home-grown workforce.
9. Expand economic opportunity and upward mobility in employment and wages at all life stages.
10. Enhance apprenticeship opportunities throughout the region.
11. Expand sector-specific paid internship programs for high school, and community college students.

Goal Three: Housing and Work Places

12. Identify and implement best practices to support housing production, preservation and affordability.
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16. Improve and coordinate transportation systems and regional mobility.
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18. Enhance and strengthen communications, energy and water systems.
19. Reduce vulnerability to climate change and natural hazards.
20. Recognize the region's agricultural land, bay lands and open space as an economic asset.

Goal One: Business Climate

1. Identify the business, economic, workforce and community organizations within the region and establish a communication framework among them.

1.1. Inventory

- key business organizations
- sector working groups
- economic development programs
- workforce agencies
- labor organizations
- community based organizations
- community colleges

Timeline: Year 1 start and ongoing

Actor: Association of Bay Area Governments (ABAG)/Metropolitan Transportation Commission (MTC) in partnership with major regional/subregional economic development and business organizations

1.2. Enhance the ability to take shared action towards specific goals that benefit both local areas and the region as a whole, through, for example:

- Regularly scheduled meetings and workshops associated with the regional Economic Development District (EDD)
- Postings of grant opportunities
- Forums to plan cooperative ventures

Timeline: Year 1 start and ongoing

Actor: Communication and collaboration may be initiated by the regional EDD through ABAG/MTC or through any of the partner organizations. One approach may be to schedule regular meetings hosted by different business or economic development partners, to which participants throughout the region are invited.

2. Share organization best practices and knowledge of the most effective ways to protect and improve the economy.

2.1. Inventory support programs, efforts and initiatives throughout the region so jurisdictions and organizations can learn from each other and identify gaps and opportunities for collaboration.

Timeline: Year 1-2 start and ongoing

Actor: ABAG/MTC and EDD partners, universities, sector working groups and business organizations

2.2. Create an easily accessible web-based clearinghouse of best practices tailored to local conditions.

Timeline: Year 1-2 start and ongoing

Actor: ABAG/MTC and EDD partners, universities, sector working groups and business organizations

2.3. Outreach to other regions to identify case examples of actions that could also be implemented locally or at the regional level. Add results to the clearing house.

Timeline: Year 1-2 start and ongoing

Actor: ABAG/MTC and EDD partners, universities, sector working groups and business organizations

3. Prioritize programs to expand entrepreneurship and business ownership opportunities particularly in distressed communities.

3.1. Improve business access to capital for emerging growth companies and small businesses; identify existing efforts of organizations and groups including:

- Types of programs
- Sources of funds
- Entities involved

Timeline: Year 1

Actor: US Small Business Administration (US SBA), local banks, existing incubator programs, economic development and business organizations, ABAG/MTC or universities

3.2. Develop and expand mentor programs where successful entrepreneurs and business owners work with potential and new entrepreneurs to advise them on how to enter into the Bay Area business realm:

- Identify existing programs
- Advise on business and financial management
- Create prototypes and case examples
- Develop targeted efforts to generate business ownership or location in distressed areas

Timeline: Year 2

Actor: Local jurisdictions, US SBA SCORE program, community colleges

3.3. Identify underserved locations and business sectors where incubator programs could improve success in business establishment and expansion.

Timeline: Year 2-5

Actor: US SBA, local banks, existing incubator programs, economic development and business organizations. ABAG/MTC or universities could provide research on program types and underserved locations

4. Support clusters and related industries that drive innovation and serve our communities.

- 4.1.** Identify key cluster organizations, particularly those that represent companies and investors who are committed to investing and hiring within the region.

Timeline: Year 1

Actor: Business organizations and leadership councils, supported by research groups such as ABAG/MTC, Bay Area Council Economic Institute (BACEI), Joint Venture Silicon Valley (JVSV), universities

- 4.2.** Identify sectors and firms that contribute to the regional supply chain for existing clusters and collaborate with cluster organizations and firms to expand operations, or attract suppliers.

Timeline: Year 2-3

Actor: Business organizations and leadership councils, supported by research groups such as ABAG/MTC, BACEI, JVSV, Bay Area Urban Manufacturing Initiative (SFMade/BAUMI), universities

- 4.3.** Improve outreach about existing funding mechanisms and develop new financing or funding mechanisms for cluster expansion and new cluster development.

Timeline: Year 2-3

Actor: Business organizations and leadership councils, supported by research groups such as ABAG/MTC, BACEI, JVSV, universities

5. Enhance the Bay Area's innovation and entrepreneurship ecosystem.

- 5.1.** Identify existing cross-silo collaboration programs that build a relationship between business, community, education and research institutions and economic stakeholder groups such as workforce training and equity groups.

Timeline: Year 2-3

Actor: National Labs, universities, economic development non-profits

- 5.2.** Support local technology commercialization by linking research institutions to mission-oriented incubators in high-value manufacturing sectors.

Timeline: Year 2-3

Actor: National Labs, universities, economic development non-profits

- 5.3.** Create a program to provide support to entrepreneurs ready to move new products to market.

Timeline: Year 2-3

Actor: National Labs, universities, economic development non-profits

6. Document the changing structure of employment and its implications

- 6.1.** Define and track trends in contract labor in the Bay Area including gig workers, older displaced workers and retirees; and analyze and describe the implications for business structure

Timeline: Year 1

Actors: ABAG/MTC, BACEI

- 6.2.** Identify programs and support that may be needed for contract workers (e.g. Establishing trade organizations that can access retirement plans and benefits across occupations and sectors or expand access to existing programs of this type)

Timeline: Year 2, 3

Actors: US SBA, community colleges, BACEI, labor unions, cluster trade organizations

- 6.3.** Develop a plan for meeting support needs for a workforce not integrated into the employer resource system.

Timeline: Years 2-4

Actors: TBD

NOTE: this action overlaps with Goal 2.

Goal Two: Workforce

7. Improve the primary, secondary and higher education systems to create a globally competitive workforce.

7.1 Advance collaboration and strengthen alignment throughout the entire education system from pre-K, K-12, higher education and adult education. Expand educational reach/resources.

- Establish an advisory group to oversee the effort
- Support universal access to preschool as a stepping stone to improved education outcomes
- Develop collaborative settings between high schools and colleges to provide resources for expanding high school achievement

Timeline: Ongoing

Actor: Bay Area Community College Consortium (BACCC), individual school districts and workforce boards, educational training institutions, labor representatives, employers

7.2 Coordinate regional job training resources with business needs in growing key industries.

Timeline: Ongoing

Actor: BACCC, individual school districts and workforce boards, educational training institutions, labor representatives, employers

8. Focus improvement efforts on middle, high school and community college education and training opportunities for disadvantaged students and districts to improve the home-grown workforce.

8.1. Identify best-practices for programs to upgrade the quality of education in poorly performing school districts, toward the goal of creating college or work-ready graduates.

Timeline: Ongoing

Actor: BACCC, individual school districts, labor representatives, sector working groups

8.2. Provide curriculum design and teacher training to strengthen the outcomes for students in low performing parts of the region.

Timeline: Ongoing

Actor: BACCC, individual school districts, labor representatives, sector working groups

8.3. Develop case studies of successful programs that can be implemented in local districts.

Timeline: Ongoing

Actor: BACCC, individual school districts, sector working groups

8.4. Seek financial support for regional school district efforts to expand existing career exposure programs in public middle and high schools.

Timeline: Ongoing

Actor: BACCC, SFMade/BAUMI, individual school districts, sector working groups

- 8.5.** Develop prototype programs to guide jurisdictions, organizations and companies toward developing new programs.

Timeline: Ongoing

Actor: BACCC, individual school districts, sector working groups

- 8.6.** Explore ways to lower overall education costs for low income students, including childcare costs, housing cost, cost per credit.

Timeline: Ongoing

Actor: BACCC, local governments, state partners, foundations, affordable housing developers, Community Development Financial Institutions (CDFIs)

9. Expand economic opportunity and upward mobility in employment and wages at all life stages.

- 9.1.** Build on earlier analyses by BACCC, SPUR, and Center for Continuing Study of the California Economy (CCSCE) to identify sectors with large job growth and waves of upcoming retirements that offer opportunities for upward job mobility.

Timeline: Year 1-2, ongoing case studies

Actor: BACCC, local Centers of Excellence, sector working groups

- 9.2.** Identify or develop case studies of successful programs partnering businesses with training initiatives.

Timeline: Year 1-2, ongoing case studies

Actor: BACCC, local Centers of Excellence, sector working groups, labor organizations

- 9.3.** Identify skill gaps and strengthen capacity of training programs that bridge the gap for low-income workers to middle-wage jobs, for veterans into the civilian workforce, and for older workers transitioning to new careers.

Timeline: Year 1-5 and ongoing

Actor: BACCC, local Centers of Excellence, sector working groups, labor organizations

- 9.4.** Expand job-focused basic skills training including English language proficiency, basic and digital literacy, and soft skills.

Timeline: Year 1-5 and ongoing

Actor: BACCC, local Centers of Excellence, sector working groups, labor organizations, community based organizations

- 9.5.** Identify and develop work-based learning programs such as paid internships and subsidized wage programs for college students, experienced workers seeking career advancement, and workers transitioning due to factors such as job displacement, veteran status or age.

Timeline: Year 1-5 and ongoing

Actor: Workforce boards, BACCC, local Centers of Excellence, sector working groups, labor organizations

- 9.6.** Provide flexible employment arrangements and options for older workers.

Timeline: Ongoing

Actor: Sector working groups, employers, labor organizations

10. Enhance apprenticeship opportunities throughout the region.

- 10.1.** Coordinate programs and applications regionally

Timeline: Year 1-3?

Actor: Workforce organizations, BACCC, labor organizations, employers

- 10.2.** Expand apprenticeship opportunities in public agencies and nontraditional sectors

Timeline: Year 1-3?

Actor: BACCC, local governments, health sector employers, labor organizations

- 10.3.** Expand apprenticeship programs in occupations such as construction and manufacturing trades facing acute shortages of trained workers.

Timeline: Year 1-2

Actor: Labor unions, SFMade/BAUMI, community colleges, employers

- 10.4.** Develop pooled liability and workers compensation programs

Timeline: Year 1-3?

Actor: Labor organizations, business organizations

11. Expand sector-specific paid internship programs for high school, and community college students.

- 11.1.** Identify examples where internships targeted to high school and community college students provide wider perspective on employment possibilities

Timeline: Year 1-2

Actor: High schools, community colleges, workforce boards, labor unions, employers, research institutions

- 11.2.** Evaluate success and area applicability (transferability to other communities, occupations)

Timeline: Year 2

Actor: High schools, community colleges, workforce boards, labor unions, employers, research institutions

11.3. Develop program guidelines and identify partner companies and schools.

Timeline: Year 3

Actor: High schools, community colleges, workforce boards, labor unions, employers

11.4. Link internships to career planning and contextualized basic skills. Also, address payment and liability for interns

Timeline: Year 3-5

Actor: High schools, community colleges, workforce boards, employers, labor unions, SFMade/BAUMI

Goal Three: Housing and Work Places

12. Identify and implement best practices to support housing production, preservation and affordability.

- 12.1.** Work closely with the CASA initiative to support programs to improve the supply and affordability of housing, especially for the region's workforce.

Timeline: Year 2-5

Actor: Business organizations, employers, local governments, foundations, regional agencies, state partners

- 12.2.** Identify strategies to involve major employers in expanding housing stock near their employment concentrations.

Timeline: Year 2-5

Actor: Business organizations, employers, local governments, foundations, regional agencies, state partners

- 12.3.** Develop funding mechanisms to produce additional employer sponsored housing that accommodates a large and diverse workforce including farmworkers.

Timeline: Year 2-5

Actor: Business organizations, employers, local governments, foundations, regional agencies, financial institutions, state partners

- 12.4.** Support local building code updates that adapt to innovations in construction technology that lower costs.

Timeline: Year 1-5 and ongoing

Actor: Regional agencies resilience team, local governments, state partners, Federal partners, foundations

- 12.5.** Develop strategies and financing mechanisms to encourage property owners to retrofit fragile housing in seismic hazard areas, especially affordable rental units.

Timeline: Year 1-5 and ongoing

Actor: Regional agencies resilience team, local governments, state partners, Federal partners, foundations, financial institutions

- 12.6.** Develop anticipatory measures to replace affordable housing lost during a natural disaster.

Timeline: Year 1-5 and ongoing

Actor: Regional agencies resilience team, local governments, state partners, Federal partners, foundations

13. Encourage employment growth around transit, transportation improvements near employment centers, and employment growth adjacent to workforce housing.

- 13.1.** Broaden core capacity transit study partnership to cover a larger geography to plan for major transportation capital investments.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, California Department of Transportation (CalTrans), Congestion Management Agencies (CMAs), California Air Resources Board (CARB), universities.

- 13.2.** Identify and support new sources for transportation funding to improve maintenance and expand capital resources, including public-private partnership opportunities and local revenue measures

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, universities.

- 13.3.** Evaluate ways for transportation investments and operations to foster transit connectivity between employment centers and housing.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, universities.

- 13.4.** Continue to refine PBA to facilitate the co-location of housing and jobs. Evaluate expanded support for local transit systems that address first-mile and last-mile problems.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, employers, developers, universities.

- 13.5.** Identify situations where transportation investments can be an effective element supporting middle-wage employment growth near workforce housing (e.g. Supporting new cluster development around industries centered closer to lower cost suburban housing).

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, sector cluster organizations, universities.

- 13.6.** Coordinate transportation funding with areas engaged in broader economic development.

Timeline: Ongoing

Actor: Economic development and research organizations in the region. Partnering with MTC, CalTrans, CMAs, CARB, universities.

- 13.7.** Inventory potential sites and infrastructure needs for business startup and expansion outside major job centers close to workforce housing

Timeline: Ongoing

Actor: Local governments, regional agencies, economic development organizations, real estate brokers

14. Support and strengthen the Production, Goods Movement and Repair Cluster.

- 14.1.** Identify target clusters on industrially zoned land dependent on investment for Goods Movement and related Production, Distribution and Repair activities.

Timeline: Year 1-3

Actor: Regional agencies, CalTrans, CARB, jurisdictions, major logistics employers, SFMade/BAUMI

- 14.2.** Develop criteria and sample ordinances for a Priority Production Area feature in Plan Bay Area to enable local jurisdictions to plan for and invest in areas needed for manufacturing, distribution and repair while assessing ways of meeting other critical needs such as housing

Timeline: Year 1-3

Actor: Regional agencies, CalTrans, CARB, jurisdictions, major logistics employers, SFMade/BAUMI

- 14.3.** Identify workforce gaps and support workforce development for the targeted clusters

Timeline: Year 1-3

Actor: Regional agencies, major logistics employers, BACCC, labor unions, community based organizations, SFMade/BAUMI

Goal Four: Infrastructure

15. Develop a funding “warehouse” for infrastructure projects

- 15.1. Identify and track state and federal programs that provide funding for infrastructure, and new funding mechanisms that can be applied regionally

Timeline: Years 1 and 2

Actor: Regional EDD, subregional economic development organizations, US Economic Development Administration (USEDA), major infrastructure providers, university researchers

- 15.2. Provide technical assistance for funding applications

Timing: Years 1-5

Actor: Regional EDD, subregional economic development organizations, USED A

- 15.3. Develop programs to enhance resources by coordinating efforts across geographic areas, or coordinating different types of infrastructure investments to minimize costs.

Timeline: Years 2-5

Actor: California infrastructure bank, major business organizations, regional EDD, US EDA

16. Improve and coordinate transportation systems and regional mobility.

- 16.1. Evaluate how tolls, congestion pricing, or other new revenue sources can be used to improve travel along key corridors and access to jobs for middle and lower wage workers.

Timeline: Year 1-5

Actor: MTC, CalTrans, port authorities, CMAs, and transit providers

- 16.2. Prioritize improvements to port, rail, airport, roads and other critical Goods Movement infrastructure.

- Preserve and strengthen multi-modal systems that support freight movement.
- Coordinate Good Movement infrastructure with passenger transportation systems and local land use decisions.

Timeline: Year 1-5

Actor: MTC, CalTrans, port authorities, CMAs, and transit providers

17. Improve travel access to economic opportunity for low income workers.

- 17.1. Develop regional means-based pricing for transit, tolls and other pricing mechanisms to take into account costs of new sources to low-income commuters.

Timeline: Year 1-2
Actor: MTC, CMAs

- 17.2.** Go-Pass Subsidies from higher wage to lower wage employers to improve viability of support services

Timeline: Year 1-2
Actor: MTC, CMAs, employers

- 17.3.** Priority Development Area Specific Plans, zoning codes and other regulating language to increase opportunities for affordable and workforce housing near transit.

Timeline: Ongoing
Actor: MTC, CMAs.

18. Enhance and strengthen communications, energy and water systems.

- 18.1.** Identify and develop funding sources to expand investment in communications, and sustainable energy infrastructure and water systems.

Timeline: Ongoing
Actor: USEDA, ABAG energy group, local jurisdictions, energy, communications and water utilities, universities and nonprofits, Community Choice Aggregators, sector working group

- 18.2.** Expand the quality and capacity of communications infrastructure and energy infrastructure. Improve the speed of communication throughout the region

Timeline: Ongoing
Actor: USEDA, ABAG energy group, local jurisdictions, energy, communications and water utilities, universities and nonprofits, Community Choice Aggregators, sector working group

- 18.3.** Plan for networks and expedite local permitting processes to encourage colocation and expanded broadband infrastructure, encourage investment and reduce permitting delays.

Timeline: Ongoing
Actor: USEDA, ABAG energy group, local jurisdictions, energy, communications and water utilities, universities and nonprofits, Community Choice Aggregators, sector working group

- 18.4.** Support investment in and design of water recycling and reuse technologies to lower costs and increase supply available to users.

Timeline: Ongoing
Actor: USEDA, ABAG energy group, local jurisdictions, energy, communications and water utilities, universities and nonprofits, Community Choice Aggregators, sector working group

19. Reduce vulnerability to climate change and natural hazards.

- 19.1.** Maintain a Lifelines council to integrate resilience planning into all planning activities and provide assistance to implement resilience actions.

Timeline: Year 1-3

Actor: Regional agency resilience staff, power, water and communications utilities, nonprofits

- 19.2.** Identify and develop financial incentives to promote and underwrite resilience action, and identify staff and resources within the regional agencies to provide support for the Lifelines Council.

Timeline: Year 1-3

Actor: Federal agencies (Federal Emergency Management Agency (FEMA), U.S. Department of Housing and Urban Development (HUD)), regional agencies, local jurisdictions, financial institutions

- 19.3.** Promote research of eco-systems services provided by farm and ranch lands that support climate change adaptation and mitigation.

Timeline: Year 1-3

Actor: American Farmland Trust (AFT), Sustainable Agriculture Education (SAGE), university research centers, Open Space Districts, Resource Conservation Districts (RCDs), land management organizations

20. Recognize the region's agricultural land, bay lands and open space as an economic asset.

- 20.1.** Identify key economic activities that rely on the region's "green infrastructure" and evaluate their current and potential contribution to the economy.

Timeline: Year 1-5

Actor: AFT, SAGE, university research centers, Open Space Districts, RCDs, land management organizations

Related Resources

Strategy Documents Consulted for the CEDS

- ABAG Housing and Resilience Program various reports: <http://abag.ca.gov/planning/housing/>, <http://resilience.abag.ca.gov/>
- ABAG/MTC Plan Bay Area 2040: <http://planbayarea.org/index.php>
- Bay Area Community College Consortium, *Bay Region Collaborative Workforce Development Plan 0.1*, <http://www.baccc.net/>
- Bay Area Council Economic Institute, Roadmap for Economic Resilience and other topical white papers: <http://www.bayareaeconomy.org/publications-list/>
- Bay Area Council Priorities: <http://www.bayareacouncil.org/?s=priorities>
- California Community Colleges Task Force on Workforce, Job Creation and a Strong Economy 2015, and Strong Workforce Initiative: <http://doingwhatmatters.cccco.edu/StrongWorkforce.aspx>
- California Economic Summit Priorities: <http://www.caeconomy.org/resources>
- Chang-Tai Hsieh & Enrico Moretti, *Why Do Cities Matter*, 2015: <http://faculty.chicagobooth.edu/chang-tai.hsieh/research/growth.pdf>
- Contra Costa County, Northern Waterfront Economic Development Initiative, *Revitalizing Contra Costa's Northern Waterfront report*, 2014: <http://www.cccounty.us/DocumentCenter/View/28228>
- Draft Sonoma – Mendocino CEDS, 2016: <http://www.sonomamendocinoceds.com/2016/08/15/final-draft-ceds-available-for-public-comment/>
- East Bay Economic Development Alliance, *Building on our Assets* and other economic reports: <http://www.eastbayeda.org/default.page>
- Joint Venture Silicon Valley Index 2016 <http://www.jointventure.org/publications/silicon-valley-index>
- LAO, *California's High Housing Costs 2015*: <http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>
- League for Innovation in the Community College: <https://www.league.org/>
- Los Angeles County Economic Development Corporation, various reports: <http://laedc.org/>
- Marin CEDS, 2015: http://marinemployment.org/sites/default/files/upload_files/Marin%20County%20Comprehensive%20Economic%20Development%20Strategy-RobEyler,%20MEF.pdf
- MTC / ACTC, Goods Movement Update: <http://www.mtc.ca.gov/planning/rgm/>
- North Bay Leadership Council, *Education to Employment* and other topical white papers: <http://www.northbayleadership.org/>
- Puget Sound Regional Council, *Regional Economic Strategy 2012 (CEDS)*: <http://www.psrc.org/econdev/res>
- Silicon Valley Community Foundation (SVCF), *Community Economic Development Brief* and other topical white papers: <http://www.siliconvalleycf.org/publications>
- Solano County Economic Development Corporation <https://solanoedc.org/about/about-solano-edc>, *Moving Solano Forward*, www.solanocounty.com/civicax/filebank/blobdload.aspx?BlobID=22441
- SPUR, SMCUCA, Working Partnerships, CCSCE *Economic Prosperity Strategy (EPS) 2014*: <http://www.spur.org/publications/spur-report/2014-10-01/economic-prosperity-strategy>

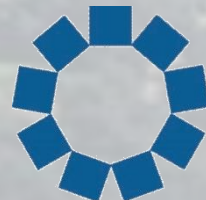
- UC Berkeley / ABAG / MTC, Industrial Land Study, <http://www.planningfor.jobs/research>
- University of California, Preparing California For Its Future – Enhancing Community College Student Transfer to UC 2014: <http://ucop.edu/transfer-action-team/transfer-action-team-report-2014.pdf>

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Bay Area Regional Economic Development District Application

Cynthia Kroll, Chief Economist and Assistant Director
Johnny Jaramillo, Principal Planner, Economic Program
Manager

ABAG Executive Board
May 17, 2018



Project Scope: A Regional Economic Development District (EDD)

- Plan Bay Area 2040 action area
- US Economic Development Administration/ East Bay Economic Development Alliance and other partners request
- Economic Strategy Committee (ESC) representing stakeholders
- Engagement through briefings, individual meetings, web postings
- Comprehensive Economic Development Strategy (CEDS)



Note: Sonoma County has already formed its own economic development district with Mendocino County, will only participate in the Bay Area EDD was non-voting member initially.

Regional Economic Development District Benefits

- Promotes regional economic collaboration
- Improves access to grants and technical assistance
- Provides a forum for addressing challenges no single organization can solve

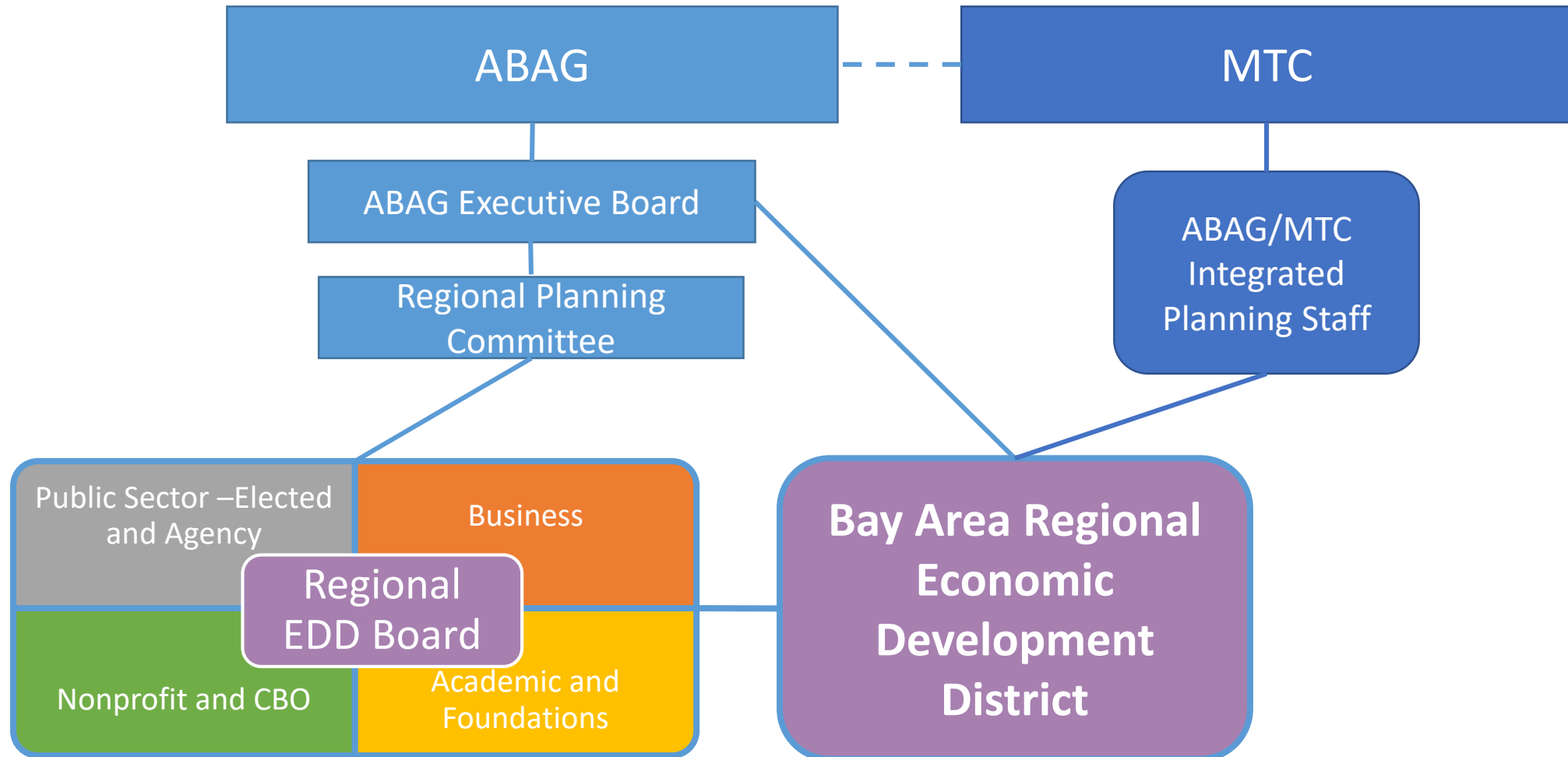
Developing a Comprehensive Economic Development Strategy (CEDS)

- Bay Area Economic Profile
- Strength, Weakness, Opportunities and Threat (SWOT) analysis of Bay Area's economy
- Vision, Goals and Objectives for regional economic development, endorsed by majority of counties
- Economic Action Plan
- Organizational Structure
- ABAG Executive Board endorsement

Proposed Organization Structure

- A nonprofit initially under the ABAG board (similar to Bay Trail structure)
- Staffed by the ABAG/MTC Integrated Regional Planning Program
- Actions and initiatives carried out by EDD partners
- Initial EDD board drawing primarily from and replacing the Economic Strategy Committee (ESC) of the Regional Planning Committee (RPC)

Regional EDD Organization Structure



Note: Dashed line indicates the contract for service relationship between ABAG and MTC, an agreement entered on May 30, 2017.

Proposed Initial Board (~25 members)

Representative Category	USEDA Requirement/Other Purpose
ABAG Executive Board President	Provides direct connection to ABAG governance structure
RPC Chair	
County Elected or Government	Elected or government officials
ESC* Cities	Elected, government, some distressed areas
ESC Business Organizations	Business community
ESC Nonprofits	Distressed communities, health, equity
ESC Economic Development Organizations	Subregional Economic Development
ESC Workforce Boards, Community Colleges	WDBs, Educational
ESC Foundations	Foundations and other nonprofits
Key stakeholders, individuals not previously on ESC	Labor, business, distress, health

Economic Action Plan

- Draft plan developed and confirmed during Feb 20th Economic Strategy Committee meeting
- Representing actions where there is broad consensus on the importance of the action area and level of priority
- Including 20 action areas underlying 4 goals

GOAL 1: BUSINESS CLIMATE

1. Inventory the business, economic, workforce and community *organizations within the region* and establish a *communication framework* among them.
2. Share organization *best practices* and knowledge of the most effective ways to protect and improve the economy.
3. Prioritize programs to expand *entrepreneurship and business ownership* opportunities particularly in *distressed communities*.
4. Support *clusters and related industries* that drive innovation and serve our communities.
5. Enhance the Bay Area's *innovation and entrepreneurship ecosystem*.
6. Document the changing *structure of employment* and its implications.

Business Climate Actors and Steps

Actors

- ABAG/MTC staff
- Regional/subregional business organizations
- Subregional economic development organizations
- Universities
- Industry cluster organizations
- US SBA and Community Colleges
- Financial institutions
- National Labs
- Labor Unions

Steps

- Enhance information
 - Inventories
 - Web sites
 - Meetings and workshops
- Services
 - Entrepreneurs—mentoring
 - Distressed areas—training, capital
 - Innovation—cross silo collaboration, products to market
- Structural change resilience
 - Measure changes
 - Support systems for contract workers

GOAL 2: WORKFORCE

7. Improve the *primary, secondary and higher education* systems to create a *globally competitive workforce*.
8. Target middle, high school and community college *education and training opportunities* to *disadvantaged students* and districts to improve the home-grown workforce.
9. Expand *economic opportunity and upward mobility* in employment and wages at all life stages.
10. Enhance *apprenticeship opportunities* throughout the region.
11. Expand sector-specific *paid internship programs for high school students*.

GOAL 3: HOUSING AND WORK SPACES

12. Identify and implement *best practices* to support *housing production, preservation and affordability*.
13. Encourage *employment growth around transit, transportation improvements near employment centers*, and employment growth *adjacent to workforce housing*.
14. Support and strengthen the *Production, Goods Movement and Repair Cluster*.

GOAL 4: INFRASTRUCTURE

15. Identify existing and develop new infrastructure *funding resources* and ways of augmenting availability at the regional level.
16. Improve and *coordinate transportation systems and regional mobility*.
17. Improve travel *access to economic opportunity* for low income workers.
18. Enhance and strengthen *communications, energy and water systems*.
19. Reduce vulnerability to *climate change and natural hazards*.
20. Recognize the region's *agricultural land, bay lands and open space* as an economic asset.

Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to submit an application to the U.S. Economic Development Administration to establish a Greater Bay Area regional Economic Development District.

Thank You

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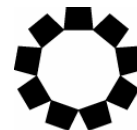
<http://abag.ca.gov/planning/economic.html>



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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: May 10, 2018
To: ABAG Executive Board
From: Executive Director
Subject: **Report on North Bay Fire Support Efforts**

In October 2017, Sonoma and Napa Counties experienced devastating fires that led to extensive loss of structures and new governmental challenges. The Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) responded to member cities by offering support and assistance to help facilitate the rebuilding and recovery process. The primary effort in this undertaking was hiring Henry Gardner as a technical advisor to the City of Santa Rosa.

Henry was the Executive Director of ABAG from 2005-2010 and was City Manager in the City of Oakland from 1981-1993, including during the 1991 Oakland Hills Firestorm. In recent years, Henry founded and leads the Gardner Group, LLC, offering management consultant assistance to local governments. Henry draws from a deep well of city management experience, particularly in the aftermath of disaster.

Since November, Henry has been spending one to two days per week in Santa Rosa and assisting the City Manager's office to craft a cogent recovery response using lessons learned from past Bay Area disasters. Henry will provide an information item sharing his findings from Santa Rosa's recovery process and offer lessons learned applicable to other Bay Area jurisdictions.



Steve Heminger

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