

CALL AND NOTICE

REVISED

CALL AND NOTICE OF A SPECIAL MEETING OF THE FINANCE AND PERSONNEL COMMITTEE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS

As Chair of the Finance and Personnel Committee of the Association of Bay Area Governments (ABAG), I am calling a special meeting of the ABAG Finance and Personnel Committee as follows:

Special Meeting

Thursday, April 20, 2017, 5:00 p.m. to 6:00 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*
Greg Scharff, Mayor, City of Palo Alto—*Vice Chair*
Annie Campbell Washington, Councilmember, City of Oakland
Pradeep Gupta, Mayor, City of South San Francisco
Scott Haggerty, Supervisor, County of Alameda
Erin Hannigan, Supervisor, County of Solano
David Cortese, Supervisor, County of Santa Clara—*Ex officio*
Julie Pierce, Councilmember, City of Clayton—*Ex officio*
David Rabbitt, Supervisor, County of Sonoma—*Ex officio*

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

Agenda and attachments and webcast available at abag.ca.gov

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

1. **CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
2. **PUBLIC COMMENT**
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3. COMMITTEE ANNOUNCEMENTS

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4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON MARCH 16, 2017

ACTION

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

INFORMATION

6. UPDATE ON PROPOSAL TO CREATE A NEW CONDUIT FINANCING JOINT POWERS AUTHORITY

ACTION

7. REPORT ON PROPOSED BUDGET AND WORK PROGRAM FOR FISCAL YEAR 2017-2018, INCLUDING MEMBERSHIP DUES

ACTION

8. ADJOURNMENT

The next regular meeting of the ABAG Finance and Personnel Committee is on May 18, 2017.

Members of the public shall be provided an opportunity to directly address the ABAG Finance and Personnel Committee concerning any item described in this notice before consideration of that item.

Agendas and materials will be posted and distributed for this meeting by ABAG staff in the normal course of business.

Submitted:

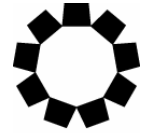
/s/ Karen Mitchoff
Chair, Finance and Personnel Committee

Date Submitted: April 6, 2017

Date Posted: April 18, 2017

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

AGENDA

REVISED

FINANCE AND PERSONNEL COMMITTEE

Special Meeting

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2. PUBLIC COMMENT

INFORMATION

3. COMMITTEE ANNOUNCEMENTS

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ABAG Finance and Personnel Committee

April 20, 2017

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4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON MARCH 16, 2017

ACTION

Attachment: Summary Minutes of March 16, 2017

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

INFORMATION

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

6. UPDATE ON PROPOSAL TO CREATE A NEW CONDUIT FINANCING JOINT POWERS AUTHORITY

ACTION

Staff will present a status report on the proposal to create a new conduit financing Joint Powers Authority, including drafts of the joint powers agreement and bylaws.

Attachments: Staff Memo; Draft Joint Powers Agreement; Draft Bylaws; Proposition 218 Opinion Letter

7. REPORT ON PROPOSED BUDGET AND WORK PROGRAM FOR FISCAL YEAR 2017-2018, INCLUDING MEMBERSHIP DUES

ACTION

Attachments: Staff Memo; Proposed Budget and Work Program for Fiscal Year 2017-2018; Work Plan Communications; Work Plan Planning

8. ADJOURNMENT

The next regular meeting of the ABAG Finance and Personnel Committee is on May 18, 2017.

Submitted:

/s/ Courtney Ruby, Finance and Administrative Services Director

Date Submitted: April 4, 2017

Date Posted: April 19, 2017

SUMMARY MINUTES (DRAFT)

ABAG Finance and Personnel Committee Meeting
Thursday, March 16, 2017
Bay Area Metro Center
375 Beale Street, Board Room
San Francisco, California

1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG Finance and Personnel Committee Chair Karen Mitchoff, Supervisor, County of Contra Costa, called the meeting to order at about 5:14 p.m.

A quorum of the Committee was present at about 5:14 p.m.

Members Present

Karen Mitchoff, Supervisor, County of Contra Costa—Chair
David 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
Julie Pierce, Councilmember, City of Clayton—*Ex officio*
Greg Scharff, Mayor, City of Palo Alto

Members Absent

Annie Campbell Washington, Councilmember, City of Oakland
David Rabbitt, Supervisor, County of Sonoma—*Ex officio*

Staff Present

Brad Paul, Acting Executive Director
Kenneth Moy, Legal Counsel
Courtney Ruby, Finance and Administrative Services Director
Marti Paschal, Interim Assistant Director of Administrative Services
Mike Hurtado, Financial Services Director
Sheelagh Flanagan, Senior Advisor to ABAG FAN

2. PUBLIC COMMENT

There was no public comment.

3. COMMITTEE ANNOUNCEMENTS

Chair Mitchoff welcomed Annie Campbell Washington, Councilmember, City of Oakland, and Erin Hannigan, Supervisor, County of Solano.

Chair Mitchoff announced a special Committee meeting on April 20, 2017 to consider the Proposed Budget and Work Plan for 2017-2018.

4. APPROVAL OF ABAG FINANCE AND PERSONNEL COMMITTEE SUMMARY MINUTES OF MEETING ON JANUARY 19, 2017

Chair Mitchoff recognized a motion by Greg Scharff, Mayor, City of Palo Alto, which was seconded by Julie Pierce, Councilmember, City of Clayton, to approve ABAG Finance and Personnel Committee summary minutes of meeting on January 19, 2017.

There was no discussion.

There was no public comment.

The aye votes were: Cortese, Gupta, Haggerty, Hannigan, Mitchoff, Pierce, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Campbell Washington, Rabbitt.

The motion passed unanimously.

5. REPORT ON FINANCIAL REPORT FOR JANUARY 2017

Courtney Ruby, Finance and Administrative Services Director, presented the Financial Report for January 2017.

Members discussed PERS reduced discount rate and liabilities.

Chair Mitchoff recognized a motion by Pierce, which was seconded by Scott Haggerty, Supervisor, County of Alameda, to approve the financial report for January 2017.

There was no public comment.

The aye votes were: Gupta, Haggerty, Hannigan, Mitchoff, Pierce, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Campbell Washington, Cortese, Rabbitt.

The motion passed.

6. REPORT ON PAYMENT OF MEMBERSHIP DUES FOR FISCAL YEAR 2016-2017

Ruby reported that all membership dues for Fiscal Year 2016-2017 have been paid.

The Committee accepted the staff report.

7. REPORT ON AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2015-2016

Ruby presented the audited financial statements for Fiscal Year 2015-2016, including Basic Financial Statements for the year ended June 30, 2016; Memorandum of Internal Control and Required Communications for the year ended June 30, 2016; and the Single Audit Report for the year ended June 30, 2016.

Members discussed ABAG's ownership interests in the Bay Area Metro Center, San Francisco, property and the Metro Center, Oakland property.

Chair Mitchoff recognized a motion by Haggerty, which was seconded by Pierce, to approve the report on audited financial statements for Fiscal Year 2015-2016.

There was no public comment.

The aye votes were: Cortese, Gupta, Haggerty, Hannigan, Mitchoff, Pierce, Scharff.

The nay votes were: None.

Abstentions were: None.

Absent were: Campbell Washington, Rabbitt.

The motion passed unanimously.

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

Michael Hurtado, Financial Services Director, and Sheelagh Flanagan, Senior Advisor to ABAG FAN, reported on The ABAG Finance Authority: A Conduit Issuer, including conduit issuer, private placement, public offering, private placement format, public offering format, conduit issuer process, conduit process post-issuance, pro forma revenues, new internal controls, and new Finance Authority JPA.

Members discussed accounting internal controls; elected officials in fiduciary positions within an agency; Political Reform Act and material financial interests; requesting an Attorney General opinion regarding a financial JPA; current ABAG FAN executive committee; proposed ABAG FAN board members; projected revenues.

The Committee entered into Closed Session at about 6:03 p.m.

9. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

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

Employee organization: SEIU Local 1021

The Committee returned into Open Session at about 6:37 p.m.

Chair Mitchoff announced that the Committee gave direction to staff and that no reportable action was taken in Closed Session.

10. ADJOURNMENT

The meeting adjourned at about 6:37 p.m.

Submitted:

/s/ Courtney Ruby, Finance and Administrative Services Director

Date Submitted: April 5, 2017

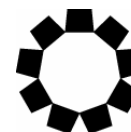
Date Approved:

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913 or FredC@abag.ca.gov.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: April 5, 2017

To: ABAG Finance and Personnel Committee

From: Courtney Ruby
Director of Finance and Administrative Services

Subject: **Contracts between \$20,000 and \$50,000 from January 2017 to April 2017**

Executive Summary

ABAG has entered into contracts with the following consultants/contractors for contract amounts between \$20,000 and \$50,000 from January to March 2017. This is for information only.

- ABAG entered into a contract amendment #4 with Wilsey Ham to perform design services. The amendment extends the term of the original subcontract agreement and adds \$25,001 to the contract amount. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG entered into a contract amendment #1 (EPA Funded) with Ariel Okamoto to provide editorial and management services on ESTUARY Magazine Production. The amendment extends the term of the original contract, revises the scope of services, and adds \$28,000 to the contract amount. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG entered into a contract amendment #4 (Donation Funded) with Ariel Okamoto to provide editorial and management services on ESTUARY Magazine Production. The amendment extends the term of the original contract, revises the scope of services, and adds \$20,000 to \$60,000 to the contract amount. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG entered into a contract with Point Blue Conservation Science to elicit input on revision and improvement of the SediMatch web tool. The maximum amount to be funded by the EPA and disbursed through ABAG to Point Blue shall be \$19,200. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG entered into a contract with Cornelius De Snoo to provide services related to planning for the BayRen, including support for program development for near-term deployment and support for long-term strategic planning. The total contract amount \$10,000. This contract was negotiated by Jerry Lahr, Program Director for Energy.

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

April 5, 2017

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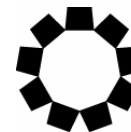
- ABAG entered into a contract with ICF Resources to perform extended services for the BayRen, including the staging and production websites for BayRen, reporting, rollover 2016 application and payment process, 2016 check reissuance, and overflow communications. The contract amount \$12,839. This contract was negotiated by Jerry Lahr, Program Director for Energy.
- ABAG entered into a contract with Canopy to assist with planning and installation of urban greening projects in East Palo Alto schools, parks, and neighborhoods. The maximum amount to be funded by the EPA and disbursed through ABAG to Canopy shall be \$38,000. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG entered into a contract amendment #4 with Contra Costa County (Dept. of Public Works) for task 8, construction for the North Richmond Stormwater Pump Station Diversion Project under the San Francisco Bay Water Quality Improvement grant. The amendment adds \$40,000 to the contract amount. This contract was negotiated by Caitlin Sweeney, Program Director for SFEP.
- ABAG entered into a contract with Frontier Energy, Inc. to assist with technical tasks associated with ABAG's BEAT Scope of Work. The contract amount \$10,000. This contract was negotiated by Jerry Lahr, Program Director for Energy.

Recommended Action

Information

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

To: Finance and Personnel Committee
Fr: Kenneth Moy, Legal Counsel
Dt: April 18, 2017
Re: Update on Proposal to Create a New Conduit Financing Joint Powers Authority

Summary and Requested Action: This memorandum addresses several issues raised by the committee members in response to the January staff presentation regarding the proposed formation of a new joint powers authority (Authority) to succeed the ABAG Finance Authority for Nonprofit Corporations (FAN). This memorandum also transmits a draft of the joint powers agreement creating the Authority (Draft JPA) and draft Bylaws for adoption by Board of the Authority (Draft Bylaws). Staff requests committee discussion and input on the Draft JPA and Draft Bylaws.

A. Status of FAN Governance

FAN is a joint powers authority comprised of public entities in the State of California. Jurisdictions within the nine Bay Area counties can only join as Voting Members who have a vote on the FAN Board of Directors (Board). Jurisdictions outside the nine Bay Area counties may join as an Associate Members or, upon approval of the FAN Board, a Voting Member¹. Each member appoints a director, who must be an elected official, to the FAN Board². Directors who cease to be an elected official automatically vacate their seats on the Board³.

Each director may appoint up to two alternates who are not required to be an elected official⁴. Alternates may vote only if the director for whom the alternate serves is absent but, except as otherwise noted in the Bylaws, all provisions of the Bylaws relating to directors also apply to alternates⁵. Alternates serve until a disqualifying event occurs or the appointing director revokes their appointment⁶.

FAN's records indicate that there are 27 Voting Members of FAN⁷, 10 of which are outside the region. Due to the requirement that the director be an elected official and the attrition

¹ FAN Joint Powers Agreement (JPA) Article VIII

² JPA Article IX and Bylaws section VI.2

³ Bylaws, section VI.4(a)(ii)

⁴ JPA Article IX and Bylaws section VI.2

⁵ Bylaws, section VI.2

⁶ Bylaws section VI.4(v)

⁷ Bay Area Counties: Alameda, Contra Costa, Santa Clara, Marin, Sonoma, San Mateo and Solano
Bay Area Cities: Concord, Foster City, Novato, Petaluma, Redwood City, Rohnert Park, San Mateo, Union City and Vallejo
City and County of San Francisco

occasioned by term limits, resignations, retirement and electoral fortunes, there are only two directors from Voting Members: the Counties of Contra Costa and Solano. We have no record of a Board meeting since July 2000.

FAN has a single standing committee, the Executive Committee which “shall be charged with exercising all powers of the Board of Directors, except as otherwise prescribed in these Bylaws and the JPA, during times when the Board of Directors does not meet or is unable to convene a meeting”⁸. The JPA and Bylaws prohibit the Executive Committee from taking the following actions:

1. changes to the FAN Bylaws and administrative policies and procedures for the transaction of its business⁹;
2. amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
3. appoint any other committees of the Board of Directors or the members of these committees; or
4. approve any transaction (a) to which FAN is a party and one or more directors have a material financial interest as defined in the California Government Code; or (b) between FAN and one or more of its directors or (c) between FAN [and] any person in which one or more of its directors have a material financial interest.

Under the current exigent circumstances where the Board cannot convene for lack of appointed directors, the Executive Committee exercises all the powers of the Board except for the four listed above. Therefore, the Executive Committee has the power to discontinue FAN operations and to create a conduit financing joint powers authority; has directed staff to pursue that course of action and adopted a budget with funding to support that effort.

B. Proposed Authority Governance

FAN staff, ABAG senior management and I have proposed that FAN and ABAG create a new conduit financing joint powers authority tentatively named the ABAG Finance Authority (Authority). This approach will provide better service to ABAG members and their constituents and an additional source of revenues to support ABAG’s mission and programs¹⁰. The initial draft joint powers agreement (Draft JPA) and bylaws (Draft Bylaws) are attached.¹¹

Other Cities: Davis, Escondido, Grass Valley, Lincoln, Oxnard, Rocklin, Roseville, Sacramento, South Lake Tahoe and West Covina

⁸ Bylaws, section VII.3

⁹ JPA section XI

¹⁰ This approach is also consistent with the provisions in section 4.1 of the draft Contract for Services that recommend the placement of FAN in ‘runout mode’ and creation of a successor conduit issuer.

¹¹ Drafted by the law firm of Quint & Thimmig, a municipal finance firm retained and paid for by FAN.

Establishing a new conduit issuer has the following advantages:

1. enables a fresh start to ABAG's marketing of public financing services after the FAN defalcation,
2. explicitly articulate that one of the purposes of the Authority is to provide funds not needed for the Authority's prudent reserves to ABAG, and
3. establishes a governance structure that improves oversight by ABAG.

The first point has previously been presented to the committee by the FAN staff. The second is self-evident and the potential conflict of interest issue raised at a prior committee meeting is addressed later in this memorandum.

On the third point, section 3.01 of the Draft JPA provides that the following comprise the Board of the Authority:

- the President of ABAG,
- the Chair of the Finance and Personnel Committee (F&P) and
- three members of F&P jointly chosen by the President and Chair will be the Board of the Authority.

The Draft Bylaws provide that the Chair of F&P serves as Chair of the Board and the President as Vice-Chair. They also provide the Board with the power to set financing guidelines and fee schedules and the power to provide funds in excess of the Authority's needs to ABAG. This governance structure is proposed to address concerns expressed at the January meeting of this committee regarding the lack of direct policy oversight of the financing activities of FAN by an ABAG based policy body. The Draft JPA also provides explicit authority for transfer of funds to ABAG.

Further, section 4.01 of the Draft JPA provides that the officers of the Authority will be designated as follows:

- the President of the Authority will be the Acting Executive Director of ABAG until June 30 and the Deputy Executive Director for Local Government Services of the Metropolitan Transportation Commission (MTC) from July 1¹² onwards;
- the Treasurer/Auditor will be Director of Finance and Administrative Services of ABAG until June 30 and the Chief Financial Officer of MTC from July 1 onwards; and

¹² The transition of the officers from ABAG staff to the consolidated staff under MTC on July 1 is based on the current timeline for implementation of the IAP for Option 7.

- the Secretary will be Financial Services Manager of ABAG until June 30 and the equivalent position at MTC from July 1 onwards.

This arrangement is proposed to address concerns about the ‘dual capacity ‘of ABAG staff who also serve as officers of FAN¹³. With the governance structure described above, staff members who serve as officers of the Authority report to an ABAG based policy body.

Under section 5.03 of the Draft JPA, all financings will be approved by an Executive Committee comprised of the members of the FAN Executive Committee¹⁴. This structure vests the power to approve financing in a committee with the expertise and experience to assess the public benefits of the projects to be funded and the creditworthiness of the financial transactions. It also enables the existing FAN Executive Committee to remain in existence to take needed action on the existing FAN portfolio in its ‘runout mode’.

The following matters in the Draft JPA and Draft Bylaws may be of interest to the committee:

- > The debts and obligations of the Authority (including bonds and other financing issued by the Authority) are not debts or obligations of either ABAG or FAN or their officers or policymakers (Draft JPA section 2.04, Draft Bylaws Article V).
- > Project sponsors/borrowers provide a complete defense and indemnity for claims arising out of the Project funded by the Authority and for their obligations under the financings (Draft Bylaws section 9.02).
- > All projects financed by the Authority require the jurisdiction in which the project is located become Associate Members of the Authority [Draft Bylaws section 4.02(c)]. The Associate Members are then required to conduct a public hearing on the proposed project.
- > Board has authority to terminate Associate Memberships in the interests of the Authority (Draft Bylaws section 4.04)
- > Board sets fee schedule for financing transactions (Draft Bylaws section 10.02)
- > Executive Committee establishes guidelines for the types of project financings undertaken by the Authority (Draft Bylaws section 9.01)
- > Annual budget for the Authority set by agreement between ABAG and FAN (Draft Bylaws section 12.05)¹⁵

¹³ This approach also addresses the need expressed in section 6.5 of the draft Contract for Services to have members of the consolidated staff serve as officers of the successor conduit issuer.

¹⁴ Current members: Charles Lomeli, Treasurer-Tax Collector-County Clerk for the County of Solano; Russell Watts, Treasurer-Tax Collector for the County of Contra Costa; Jonathan Kadlec, Assistant Auditor -Controller-Treasurer-Tax Collector for the County of Sonoma and Paul McDonough, Debt Management Officer for the County of Santa Clara.

¹⁵ Budget for FY 2016-17 for FAN includes funding for the creation of the Authority. Discussions at the Executive Committee of FAN indicate that FAN will contribute the entire budget for the operation of the Authority until the Authority establishes a revenue stream that can contribute to the Authority budget.

Staff request committee feedback on the foregoing and any other provision of the Draft JPA or Draft Bylaws

C. Potential Conflict of Interest

In January, the committee requested that staff seek an opinion from the Attorney General regarding possible conflicts of interest in having some members of F&P acting as the Board of the Authority. To obtain such an opinion, ABAG and FAN will need to submit the proposed form of the joint powers agreement for the Authority to the Attorney General's office for its guidance on potential conflicts of interest. To that end, staff and I are requesting that F&P accept the Draft JPA as presented or as amended by this committee.

4. Proposition 218

At the January committee meeting, a request was made for an opinion regarding the possible application of Proposition 218 to the Authority's fees. Attached please find an opinion letter from Quint & Thimmig concluding that Proposition 218 does not apply to such fees.

Cc: Brad Paul, Acting Executive Director, ABAG AND President, FAN
Michael Hurtado, Financial Services Manager, ABAG and Secretary, FAN
Courtney Ruby, Director of Finance and Administrative Services, ABAG and Chief Financial Officer, FAN
Sheelagh Flanagan, Senior Advisor, FAN
Steve Heminger, Executive Director, MTC
Brian Mayhew, Chief Financial Officer, MTC
Susan Woo, Director of the Treasury, MTC

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BYLAWS

of the

ABAG FINANCE AUTHORITY

adopted _____, 2017

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BYLAWS

of the

ABAG FINANCE AUTHORITY

These Bylaws are for the ABAG Finance Authority, a joint exercise of powers agency created pursuant to a Joint Exercise of Powers Agreement, dated _____, 2017 (the "Joint Powers Agreement"), between the Association of Bay Area Governments and the ABAG Finance Authority For Nonprofit Corporations. In the event of any conflict between any provision of these Bylaws and the provisions of the Joint Powers Agreement, the provisions of the Joint Powers Agreement shall prevail. Capitalized terms used in these Bylaws and not otherwise defined herein have the meanings given to them in Section 1.01 of the Joint Powers Agreement.

ARTICLE I

NAME

Section 1.01. Name. The name of the public entity created pursuant to the Joint Powers Agreement is the ABAG Finance Authority.

ARTICLE II

OFFICES

Section 2.01. Principal Office. The principal office for the transaction of the business of the Authority is located at the Bay Area Metro Center, 375 Beale Street, Suite 700, San Francisco, California. The Board may from time to time change the principal office of the Authority from one location to another.

Section 2.02. Other Offices. The Board may at any time establish branch or subordinate offices at any place or places.

ARTICLE III

LIMITATION ON AUTHORITY; ADMINISTRATIVE AGENCY

Section 3.01. Limitation on Authority. The Authority's exercise of its power under the Joint Powers Agreement and these Bylaws shall be restricted to the extent required under California Government Code Section 6509. ABAG is designated in Section 5.03 of the Joint Powers Agreement pursuant to said Section 6509.

Section 3.02. Administrative Agency. While Section 2.01 of the Joint Powers Agreement specifies that the Authority will administer the Agreement, and Section 4.02 of the Joint Powers Agreement designates certain officers of the Authority, it is expected that ABAG will provide any administrative services that the Authority needs to conduct its operations. Such services, and any compensation by the Authority therefor, may be set forth in an agreement between ABAG and the Authority as may be approved by the Board from time to time.

ARTICLE IV

PARTIES; ASSOCIATE MEMBERS

Section 4.01. Parties. The Joint Powers Agreement shall only be amended by approval of both of the Parties, without any requirement for approval of or notice to any Associate Members.

Section 4.02. Associate Members.

(a) All Public Agencies in the State shall be eligible to join the Authority as Associate Members, subject to the approval by the Board of an Associate Membership Agreement between the Authority and the respective Public Agency.

(b) Associate Members shall be entitled to attend all meetings of the Board but shall not be entitled to vote or participate in debate.

(c) The Authority shall not participate in any Bond issue or other financing transaction in respect of property or a Public Agency, unless and until a Public Agency in whose jurisdiction the property is located, or the Public Agency, respectively, enters into an Associate Membership Agreement with the Authority.

Section 4.03. Conditions for Admission of a New Associate Member. Each applicant for Associate Membership shall meet the following minimum qualifications:

(a) such prospective Associate Member shall be a Public Agency;

(b) such prospective Associate Member shall have acknowledged the Joint Powers Agreement and these Bylaws; and

(c) such prospective Associate Member shall enter into an Associate Membership Agreement with the Authority in a form consistent with the requirements of Section 8.02 and 8.04 of the Joint Powers Agreement, and that is in a form that has been approved by the Board in accordance with Section 8.03 of the Joint Powers Agreement.

Section 4.04. Termination of Associate Membership. A Public Agency that is an Associate Member shall cease to be an Associate Member upon termination of its Associate Membership Agreement with the Authority. An Associate Membership Agreement may be terminated under the following conditions:

(a) without any action by the Board or the respective Associate Member, upon expiration of the term of the Associate Membership Agreement, as such term is specified in Section 8.04 of the Joint Powers Agreement;

(b) upon written notice by the chief executive officer of the respective Associate Member delivered to the Executive Director of the Authority specifying a date certain for the termination of the applicable Associate Membership Agreement;

(c) upon direction by the Board if the Associate Member is in default under the terms of the Joint Powers Agreement, these Bylaws, or any duly-adopted rules and regulations of the Board or the Executive Committee; and

(d) upon a determination by the Board that termination of the respective Associate Membership Agreement is in the best interests of the Authority.

The termination of an Associate Membership Agreement shall, in itself, have no effect on any Bond issues or financing in which the Authority and the Associate Member whose Associate Membership Agreement is being terminated are involved; provided, however, that the Authority shall not engage in any new Bond issue or financing with the applicable Associate Member unless and until the respective Public Agency enters into a new Associate Membership Agreement with the Authority.

ARTICLE V

DEBTS AND LIABILITIES

Section 5.01. Debts and Liabilities. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities or obligations of either or both of the Parties, or of any Associate Member.

Section 5.02. No Commitment or Liability of Parties. Section 2.04 of the Joint Powers Agreement specifies that the Joint Powers Agreement, and the execution and delivery thereof by the Parties, shall in no way subject the Parties to any financial liability or obligation whatsoever. The respective assets, programs and operations of the Parties shall in no way be subject to any action or obligation of the Authority, the Board or any officer or employee of the Authority. The Authority, the Board and the officers and employees of the Authority shall have no power or authority whatsoever over either of the Parties, or the Parties respective Boards of Directors, officers, employees and agents, or any of their respective assets, programs or obligations.

Section 5.03. Non-Liability for Obligations of Authority. No Boardmember, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Authority or be subject to any personal liability or accountability by reason of any obligations of the Authority; but nothing herein contained or contained in the Joint Powers Agreement shall relieve any such Boardmember, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Authority.

Any Bonds or other debt obligations of the Authority shall not be deemed to constitute a debt of either Party or pledge of the faith and credit of either Party. The Bonds or other debt obligations of the Authority shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds or other debt obligations of the Authority except from revenues and other funds specifically pledged therefor. Neither the Parties nor the Authority shall be obligated to pay any Bonds or other debt obligations of the Authority, or other costs incidental thereto, except from the revenues and funds pledged therefor, and the faith and credit of the Parties nor the faith and credit of the Authority shall be pledged to the payment of the Bonds or any other debt obligations of the Authority nor shall the Parties or the Authority in any manner be obligated to make any appropriation for such payment.

ARTICLE VI

BOARD

Section 6.01. Powers.

(a) General Powers. Except as provided in the second paragraph of Section 5.03 of the Joint Powers Agreement (and as more specifically described in Article IX hereof, the business and affairs of the Authority shall be managed, and all powers of the Authority shall be exercised, under the policy direction of the Board.

(b) Specific Powers. Without prejudice to the general powers of the Authority, the Authority, upon approval of the Board, shall also have the power to borrow money and incur indebtedness and cause to be executed and delivered for the Authority's purposes, in the Authority's name, promissory notes, bonds, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities and certificates of participation.

Section 6.02. Board Members. Pursuant to Section 3.01 of the Joint Powers Agreement, the Board shall consist of the President, the Chair of the Finance and Personnel Committee and the members of the Finance and Personnel Committee appointed by the President and the Chair of the Finance and Personnel Committee.

Section 6.03. Regular Meetings. Regular meetings of the Board shall be held from time to time as specified by resolution of the Board.

Section 6.04. Special Meetings. Special meetings of the Board may be called at any time by the Chair or Vice-Chair of the Board or by two (2) Boardmembers requesting such meeting in writing. Only the minimum notice requirements of the Ralph M. Brown Act regarding special meetings must be met. Business transacted at a special meeting of the Board shall be limited to the items set forth in the notice of such meeting.

Section 6.05. Quorum. A majority of the Boardmembers shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Boardmembers

present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board.

Section 6.06. Rules of Order. The Board may adopt rules of order to govern the conduct and procedure of Board meetings.

Section 6.07. Open Meetings. Meetings of the Board shall be open to the public as required by the provisions of the Ralph M. Brown Act.

Section 6.08. Minutes. The Secretary shall keep or cause to be kept written minutes of its proceedings.

Section 6.09. Compensation of Boardmembers. Boardmembers shall serve without compensation, but may receive reimbursement of expenses as may be determined by resolution of the Board.

Section 6.10. No Delegation of Powers. Except as explicitly provided in the second paragraph of Section 5.03 of the Joint Powers Agreement, the Board of Directors shall not delegate any of its powers.

ARTICLE VII

OFFICERS

Section 7.01. Officers. The officers of the Authority shall be as specified in Section 4.01 and 4.02 of the Joint Powers Agreement.

Section 7.02. Removal of Officers. An officer may be removed, with or without cause, only by amendment to Article IV of the Joint Powers Agreement approved by the Parties.

Section 7.03. Responsibilities of Officers.

(a) Executive Director. The Executive Director shall, subject to the control of the Board, generally supervise, direct, and control the business and any employees of the Authority. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(b) Secretary. The Secretary shall:

(i) Book of Minutes. Keep or cause to be kept, at the office of ABAG or such other place as the Board may direct, a book of minutes of all meetings and actions of the Board, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.

(ii) Notices and Other Duties. Give, or cause to be given, notice of all meetings of the Board required by these Bylaws to be given. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

(c) Treasurer/Auditor. The Treasurer/Auditor shall attend to the following:

(i) Books of Account. The Treasurer/Auditor shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Authority, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Boardmember or representative of a Party at all reasonable times.

(ii) Deposit and Disbursement of Money and Valuables. The Treasurer/Auditor shall deposit all money and other valuables in the name and to the credit of the Authority with such depositories as may be designated by the Board; shall disburse the funds of the Authority as may be ordered by the Board; shall render to the Boardmembers, whenever they request it, an account of all of his/her transactions as Treasurer/Auditor and of the financial condition of the Authority; and shall have other powers and perform such other duties as set forth in Section 4.05 of the Joint Powers Agreement and as may be prescribed by the Board or these Bylaws.

(iii) Bond. It is hereby recognized that the second paragraph of Section 4.05 of the Joint Powers Agreement specifies that the Parties have determined that an official bond in the amount of \$0 is required for the Treasurer/Auditor for purposes of Section 6501.1 of the Joint Powers Agreement.

Section 7.04. Fees and Compensation. The officers may receive such compensation and reimbursement of expenses as may be determined by resolution of the Board.

ARTICLE VIII

PARTIES INDEMNITY

Section 8.01. Indemnity. Each Party hereby agrees to indemnify and hold harmless the other Party to the extent any liability is found or imposed against said Party pursuant to California Government Code Section 895.2.

ARTICLE IX

FINANCINGS; OBLIGATIONS OF CONTRACTING PARTIES

Section 9.01. Approval by Executive Committee; Guidelines. As provided in Section 5.03 of the Joint Powers Agreement, the Authority shall not participate in any Bond issue or other financing until its participation has been approved by the Executive Committee. The Executive

Committee shall have the power to establish guidelines for the types of project financings undertaken by the Authority. Any changes, waivers or additions to said guidelines for one or more specific transactions shall require a majority vote of the Executive Committee, unless otherwise specified in said guidelines.

Section 9.02. Release and Indemnification. Notwithstanding any guidelines for financings adopted by the Executive Committee, the Authority shall require parties with whom it contracts for financings (each a "Participant") to indemnify and save it, the Parties, the Board members, the members of the Executive Committee, and the officers and employees of each of the foregoing harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of:

(a) the use, maintenance, condition or management of, or from any work or thing done on a project that is the subject of the financing (the "Project") by the Participant or at its direction or request;

(b) any breach or default on the part of the Participant in the performance of any of its obligations under any agreement to which the Participant and the Authority are parties;

(c) any act or negligence of the Participant or of any of its agents, contractors, servants, employees or licensees with respect to the Project;

(d) any act or negligence of any assignee or sublessee of the Participant or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Participant with respect to the Project; or

(e) the acquisition, construction and installation of the Project or the authorization of payment of the costs of acquisition by the Participant or authorization of payment of costs of repairs to the Project.

No indemnification to the Authority, the Parties or the other entities described in Section 9.02 will be required to be made by a Participant for willful misconduct, negligence, or breach of duty by the Authority, the Parties, the Board, the Executive Committee, or their respective officers, agents, employees, successors or assigns.

Section 9.03. Advisors. The Executive Committee shall, at its discretion, hire such advisors as it deems necessary to evaluate and advise it as to Projects proposed for financing including, but not limited to, the credit-worthiness of the applicable Participant, the appropriateness of the financing structure for the Project and the risk involved with the Project. Any and all such costs or fees shall be paid by the applicable Participant whether or not the proposed financing is approved by the Executive Committee or ultimately consummated.

Section 9.04. Payment of Costs and Expenses. Participants shall be required to pay any and all costs and expenses involved in or associated in any way with their particular financing transaction.

ARTICLE X

FEES

Section 10.01. Associate Membership. No fees shall be assessed to become or continue to be an Associate Member in the Authority.

Section 10.02. Fees for Bond Issues and Financings. The Board, or if it fails to do so the Executive Committee, may establish a fee schedule setting forth amounts to be charged by the Authority in respect of its participation in any Bond issue or other financing. Any such fee schedule may be changed from time to time by the entity that established it. The Board shall from time to time determine the application of any fees collected by the Authority.

ARTICLE XI

TERMINATION

Section 11.01. Time of Termination. The Authority may be terminated as provided in Section 7.02 of the Joint Powers Agreement.

Section 11.02. Continuing Obligations. After the termination date, the Authority shall continue to be obligated to pay, or cause to be paid any amounts due for winding up its affairs, including but not limited to any litigation costs and/or extraordinary costs associated with a financing transaction.

Section 11.03. Distribution of Assets. In the event any assets remain after winding up the affairs of the Authority, such sums shall be distributed as provided in Section 7.02 of the Joint Powers Agreement.

ARTICLE XII

RECORDS AND REPORTS

Section 12.01. Maintenance of Authority Records. The Authority shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of its Board, and of the Executive Committee when it conducts business of the Authority.

All such records shall be kept at the Authority's principal executive office.

Section 12.02. Inspection Rights.

(a) Each Party may inspect the accounting books and records of the Authority and minutes of the proceedings of the Board and of the Executive Committee, at any reasonable time upon prior written notice to the Secretary.

(b) Any inspection and copying under this section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy and make extracts.

Section 12.03. Maintenance and Inspection of Joint Powers Agreement and Bylaws. The Authority shall keep at its principal executive office the original or copy of the Joint Powers Agreement and these Bylaws, each as amended to date, which shall be open to inspection by either Party at all reasonable times during office hours.

Section 12.04. Inspection by Boardmembers. Every Boardmember shall have the absolute right at any reasonable time to inspect all non-confidential books, records, and documents of every kind and the physical properties of the Authority. This inspection by a Boardmember may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 12.05. Annual Budget; Administrative Expenses; Fees. The Board may adopt an annual budget for administrative expenses, which shall include all expenses of the Authority, on or about June 30th of each year. The estimated annual administrative expenses of the Authority may be allocated in such budget to the Parties in such manner as the Parties may determine.

Section 12.06. Annual Report. Within a reasonable time after the close of the Authority's fiscal year, the Board shall cause an annual report of its finances, prepared by a Certified Public Accountant to be sent to the governing body of each Party.

Section 12.07. Fiscal Year. The Authority's fiscal year shall be from July 1 to June 30.

JOINT EXERCISE OF POWERS AGREEMENT

by and between

ASSOCIATION OF BAY AREA GOVERNMENTS

and the

ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

dated _____, 2017

creating the:

ABAG FINANCE AUTHORITY

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JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT, dated as of _____, 2017, is by and between the ASSOCIATION OF BAY AREA GOVERNMENTS, a joint exercise of powers agency organized and existing under and by virtue of the laws of the State of California ("ABAG"), and the ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS, a joint exercise of powers agency, organized and existing under and by virtue of the laws of the State of California ("FAN").

RECITALS:

WHEREAS, public agencies in the State (capitalized terms used in this Agreement have the meanings given to such terms in Section 1.01 hereof) are authorized under the Joint Powers Act to create a joint powers agency to exercise the common powers of the parties establishing such agency; and

WHEREAS, in addition to exercising the common powers of the public agencies establishing a joint powers agency, agencies formed under the Joint Powers Act are permitted to exercise such additional powers as may be given to joint powers agencies by the Joint Powers Act and other applicable law; including, but not limited to the power to issue bonds and to purchase bonds issued, or to make loans to, the Parties and other public entities for purposes authorized under the Joint Powers Act; and

WHEREAS, ABAG is authorized to buy, sell and lease property and to issue Bonds, expend Bond proceeds, and borrow and loan money for any of its governmental purposes pursuant to the laws of the State and the agreement that created ABAG; and

WHEREAS, FAN is authorized to buy, sell and lease property and to issue Bonds, expend Bond proceeds, and borrow and loan money for any of its governmental purposes pursuant to the laws of the State and the joint powers agreement that created FAN; and

WHEREAS, ABAG and FAN desire to create the Authority under the Joint Powers Act for the purpose of providing an entity to exercise Common Powers and for the further purpose of exercising Additional Powers, in each case for the purposes herein provided.

AGREEMENT:

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, ABAG and FAN do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions; Interpretation.

(a) Unless the context otherwise requires, the capitalized terms defined in this Article shall, for the purposes of this Agreement, have the meanings herein specified.

“ABAG” means the Association of Bay Area Governments.

“Additional Powers” means such powers, in addition to the Common Powers, as are granted or otherwise available to the Authority pursuant to the Joint Powers Act or any other applicable law, whether currently in force or hereafter enacted. Such powers include those provided in the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of the Joint Powers Act, including but not limited to, the power to issue bonds and to purchase bonds issued by, or to make loans to, the Parties or Associate Members as authorized under the Joint Powers Act, and to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale. To the extent not already constituting Common Powers, the Additional Powers shall include, without limitation, the General Powers and the Specific Powers described in Sections 5.01 and 5.02 hereof, subject in any event to the provisions of Section 5.03 hereof.

“Agreement” means this Joint Exercise of Powers Agreement, as originally executed by the Parties and as it may from time to time be amended and supplemented by the Parties in accordance with the provisions hereof.

“Associate Member” means a Public Agency which is a party to an Associate Membership Agreement entered into by the Authority and such Public Agency pursuant to Article VIII hereof.

“Associate Membership Agreement” means an agreement between the Authority and a Public Agency as described in Article VIII hereof.

“Authority” means the ABAG Finance Authority, a joint exercise of powers agency organized and existing under and by virtue of the laws of the State, created pursuant to Section 2.02 hereof.

“Board” means the Board of Directors of the Authority.

“Bonds” means bonds, notes and any other evidence of indebtedness issued or incurred by the Authority pursuant to any applicable provision of the Joint Powers Act or any other lawful authority.

“Chair” means the person serving as Chair of the Board pursuant to Section 3.01 hereof.

“Common Powers” means the legal powers which are common to the Parties under the applicable laws of the State, including but not limited to, those powers of the Parties in connection with the issuance of Bonds, the expenditure of proceeds of Bonds and the borrowing and lending of money.

“Executive Committee” means the Executive Committee of the Board of Directors of FAN, as provided for in Article X of the Joint Exercise of Powers Agreement that created FAN.

“Executive Director” means the person serving as Executive Director of the Authority pursuant to Section 4.02(a).

“FAN” means the ABAG Finance Authority For Nonprofit Corporations.

“Finance and Personnel Committee” means the Finance and Personnel Committee of ABAG.

“Joint Powers Act” means the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code as in effect on the effective date of this Agreement, and as the same may be amended and supplemented.

“Parties” means ABAG and FAN; and “Party” shall mean, as applicable, ABAG or FAN.

“Powers” means, collectively, the Common Powers and the Additional Powers.

“President” means the person serving as President of ABAG.

“Public Agency” means any public agency authorized by the Joint Powers Act to enter into a joint exercise of powers agreement with the Parties.

“Ralph M. Brown Act” means Sections 54950-54963 of the California Government Code, as the same may be amended and supplemented, and any successor act.

“Secretary” means the person serving as Secretary of the Authority pursuant to Section 4.02(c).

“State” means the State of California.

“Treasurer/Auditor” means the person serving as Treasurer/Auditor of the Authority pursuant to Section 4.02(b).

(b) The singular form of any word used herein, including the terms defined in this Section shall include the plural, and vice versa, unless the context otherwise requires.

(c) The use herein of a pronoun of any gender shall include correlative words of the other genders. All references herein to "Sections" and other subdivisions hereof are to the corresponding Sections or subdivisions of this Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or subdivision hereof.

ARTICLE II

GENERAL PROVISIONS

Section 2.01. Purpose. This Agreement is made pursuant to the Joint Powers Act for the purpose of creating the Authority as a public entity separate and distinct from the Parties and from any Associate Members to: (a) exercise Common Powers, and (b) exercise Additional Powers; in each case as determined from time to time by the Board. It is explicitly recognized that it is intended that the Authority, in exercising its powers, will serve as an issuer of Bonds for the benefit of the Parties, Associate Members and other Public Agencies and private entities in implementing projects in the public interest. It is also explicitly recognized that a purpose of the Authority is to provide financial resources to ABAG in support of ABAG's mission and responsibilities, as determined from time to time by the Board.

Section 2.02. Creation of Authority. Pursuant to the Joint Powers Act, there is hereby created a public entity to be known as the "ABAG Finance Authority." The Authority shall be a public entity separate and apart from the Parties and from any Associate Members, and shall administer this Agreement.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Secretary shall cause a notice of this Agreement or amendment hereto to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in Section 6503.5 of the Joint Powers Act.

Section 2.03. Office. The business office of the Authority shall be at the Office of ABAG, Bay Area Metro Center, 375 Beale Street, Suite 700, San Francisco, California 94105, or at such other place as may be designated by the Board.

Section 2.04. No Commitment or Liability of Parties. This Agreement, and the execution and delivery hereof by the Parties, shall in no way subject the Parties to any financial liability or obligation whatsoever. The respective assets, programs and operations of the Parties shall in no way be subject to any action or obligation of the Authority, the Board or any officer or employee of the Authority. The Authority, the Board and the officers and employees of the Authority shall have no power or authority whatsoever over either of the Parties, or the Parties respective Boards of Directors, officers, employees and agents, or any of their respective assets, programs or obligations.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Board of Directors. The Board shall be the governing body of the Authority. The Board shall be comprised of the President, the Chair of the Finance and Personnel Committee and three (3) members of the Finance and Personnel Committee appointed by the President and the Chair, unless and until changed by amendment of this Agreement.

A person shall assume membership on the Board upon his or her becoming the President or the Chair of the Finance and Personnel Committee or upon their appointment thereto by the President and Chair of the Finance and Personnel Committee, without any further act by any person, body or entity. Each Boardmember shall hold membership on the Board until such person no longer holds the position that entitles them to such membership or until an appointed Boardmember's appointment is terminated by the President and the Chair of the Finance and Personnel Committee by written notice to the such Boardmember or an appointed Boardmember's submission of written notice of resignation to the President and Chair of the Finance and Personnel Committee .

The Chair of the Board shall be the member who is the Chair of the Finance and Personnel Committee, and such Chair shall preside at all meetings of the Board. The Vice Chair of the Board shall be the member who is the President and such Vice Chair shall preside at meetings of the Board during the absence or disability of the Chair.

Section 3.02. Board Powers. Subject to the limitations of this Agreement (including the second paragraph of Section 5.02), and the laws of the State, the Powers of the Authority shall be vested in and exercised by and its property controlled and its affairs conducted by the Board. In furtherance but not in limitation of the foregoing, the Board shall determine from time to time any fees to be charged by the Authority for its services in connection with financings in which it participates, shall be responsible for the general oversight of the operations of the Authority, and shall determine any allocation of available resources of the Authority to be used for general support of the mission and responsibilities of ABAG.

Section 3.03. Compensation. Members of the Board shall serve without compensation but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member of the Board. Any obligation to pay expenses pursuant to this Section shall be a charge against any unencumbered funds of the Authority available for such purpose.

Section 3.04. Meetings of the Board of Directors.

(a) Call, Notice and Conduct of Meetings. All meetings of the Board including, without limitation, regular meetings, adjourned regular meetings, special meetings and adjourned special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, or any successor legislation hereinafter enacted.

(b) Regular Meetings. Regular meetings of the Board shall be held at such dates and times as the Board may fix by resolution from time to time; provided that at least one regular meeting shall be held each year. A regular meeting of the Board shall be held each year at such time, on such annual date, and at such location as shall be

specified in the Bylaws of the Authority, as approved from time to time by the Board; except for the first regular meeting of the Board, which shall be held on _____, 2017 at __:00 __.M. If any day so fixed for a regular meeting shall fall upon a legal holiday, then such regular meeting shall be held on the next succeeding business day for ABAG at the same hour. The first regular meeting of the Board shall be held in the _____ conference room in the offices of ABAG at the Bay Area Metro Center, 375 Beale Street, Suite 700, San Francisco, California.

(c) Special Meetings. Special meetings of the Board may be called pursuant to Section 54956 of the California Government Code.

(d) Closed Session. Nothing in this Agreement shall be construed to prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by the Ralph M. Brown Act or other applicable law to be considered in a closed session.

(e) Public Hearings. All public hearings held by the Board shall be held during regular meetings or special meetings of the Board.

(f) Quorum. A majority of the members of the Board shall constitute a quorum at any meeting of the Board except that less than a quorum may adjourn a meeting to another time and place. Every act or decision done or made by a majority of the members of the Board present at any meeting at which a quorum is present shall be an act of the Board.

(g) Voting. Each Board member shall have one vote. No other officer, employee, staff member or agent of the Authority and no member of the governing board, officer, employee, staff member or agent of either Party or of any Associate Member shall have any voting power whatsoever; except that it is recognized that the Board consists of some of the members of the Finance and Personnel Committee.

(h) Adjourning Meetings and Continuing Public Hearings to other Times or Places. Meeting and public hearings of the Board may be adjourned and continued in accordance with the Ralph M. Brown Act.

(i) Rules and Regulations. The Authority may adopt, from time to time, by resolution of the Board, bylaws and such rules and regulations for the conduct of its meetings and affairs as the Board determines are necessary or convenient.

ARTICLE IV

OFFICERS, EMPLOYEES AND AGENTS

Section 4.01. Officers. The officers of the Authority shall be an Executive Director, a Treasurer/Auditor, a Secretary and such other officers as the Board may appoint.

Section 4.02. Designation of Officers.

(a) Executive Director. Prior to July 1, 2017, the person serving as the Acting Executive Director of ABAG shall be the Executive Director of the Authority. On and after July 1, 2017, the person serving as the Deputy Executive Director for Local Government Services of the Metropolitan Transportation Commission shall be the Executive Director of the Authority.

(b) Treasurer/Auditor. Prior to July 1, 2017, the person serving as the Director of Finance and Administrative Services of ABAG shall be the Treasurer/Auditor of the Authority. On and after July 1, 2017, the person serving as the Chief Financial Officer of the Metropolitan Transportation Commission, or his or her written designee, shall be the Treasurer/Auditor of the Authority.

(c) Secretary. Prior to July 1, 2017, the person serving as Financial Services Manager of ABAG shall be the Secretary of the Authority. on and after July 1, 2017, the person serving as the [insert title] of the Metropolitan Transportation Commission shall be the Secretary of the Authority.

Section 4.03. Subordinate Officers. The Board may appoint such officers other than those hereinabove mentioned as the Board determines, each of whom shall hold office for such period, have such authority and perform such duties as the Board from time to time may authorize or determine.

Section 4.04. Executive Director. The Executive Director shall administer the day to day affairs of the Authority and shall execute the policies and directives of the Board. The Executive Director may receive compensation and reimbursement for the Executive Director's actual and necessary expenses, but only when authorized by the Board and if there are unencumbered funds of the Authority available for such purpose.

Section 4.05. Treasurer/Auditor. Subject to the applicable provisions of each indenture or resolution providing for a trustee or other fiscal agent in connection with Bonds, the Treasurer/Auditor is designated as the depository of the Authority to have custody of all the money of the Authority, from whatever source, and, as such, shall have the powers, duties and responsibilities specified for the treasurer of a joint powers agency in the Joint Powers Act and otherwise applicable to the office of such treasurer/auditor by any applicable law or regulation. The Treasurer/Auditor shall cause an independent audit of the accounts and records of the Authority to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Joint Powers. Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants, in making an audit pursuant to this Section shall be borne by the Authority. The Treasurer/Auditor shall also have such other powers, duties and responsibilities as shall be specified by the Board or this Agreement. The Treasurer/ Auditor may receive compensation and reimbursement for the Treasurer/Auditor's actual and necessary expenses, but only when authorized by the Board and if there are unencumbered funds of the Authority available for such purpose.

The Treasurer/Auditor is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority. As permitted by Section 6505.1 of the

Joint Powers Act, the Parties have determined that an official bond in the amount of \$0 is required.

Section 4.06. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the office of ABAG or at such other place as the Board may order, of all meetings of the Board. The Secretary shall keep the other Authority records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or this Agreement. The Secretary may receive compensation and reimbursement for the Secretary's actual and necessary expenses, but only when authorized by the Board and if there are unencumbered funds of the Authority available for such purpose.

Section 4.07. Assistant Officers. The Board may appoint such assistants to act in the place of the Executive Director, Treasurer/Auditor, Secretary or other officers of the Authority as the Board shall from time to time deem appropriate.

Section 4.08. Employees, Agents and Independent Contractors. The Board shall have the power to engage such employees as may be necessary or appropriate for the purposes of the Authority. The Board shall also have the power to engage such agents and independent contractors as may be necessary or appropriate for purposes of the Authority.

Section 4.09. Privileges and Immunities; No Employment by a Party. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of a Party when performing their respective functions for such Party shall apply to such officers, agents and employees to the same degree and extent while engaged in the performance of any function or duty under this Agreement.

None of the officers, employees, agents or independent contractors employed or engaged by the Authority shall be deemed, by reason of his or her employment or engagement by the Authority to be employed or engaged by a Party or an Associate Member or, by reason of his or her employment or engagement by the Authority, to be subject to any of the requirements of either Party or of any Associate Member.

ARTICLE V

AUTHORITY POWERS

Section 5.01. General Powers. The Authority has all Powers necessary or convenient, specified or implied, to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 5.03 hereof. The enumeration of any Powers herein shall not limit the generality or scope of the Powers granted to the Authority pursuant to this Section, the definition of Common Powers, the definition of Additional Powers, or the grant of any other powers otherwise available to the Authority as a separate public entity pursuant to the Joint Powers Act or any other applicable law whether currently in force or hereafter enacted.

Section 5.02. Specific Powers. Without limiting the generality of the Powers conferred in Section 5.01, the Authority is hereby authorized, in its own name, to do all acts necessary or

convenient to the accomplishment of the purposes of this Agreement and the full exercise of the Powers conferred in Section 5.01, including, but not limited to, any or all of the following:

- (a) to make and enter into contracts;
- (b) to employ agents or employees;
- (c) to acquire, construct, manage, maintain or operate any buildings, works, or improvements, including acquiring any such buildings, works, or improvements by the power of eminent domain or other lawful means;
- (d) to sue and be sued in its own name;
- (e) to issue Bonds and otherwise to incur debts, liabilities or obligations; provided that no such Bond, debt, liability or obligation shall constitute a debt, liability or obligation of a Party;
- (f) to apply for, accept, receive and disburse grants, loans and other aid from any agency of the United States of America or of the State;
- (g) to invest any money in the treasury pursuant to Section 6505.5 of the Joint Powers Act that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code;
- (h) to apply for letters of credit or other forms of financial guarantees in order to secure the repayment of Bonds and enter into agreements in connection therewith;
- (i) to carry out and enforce all the provisions of this Agreement;
- (j) to purchase obligations of either Party, or any Associate Member or other Public Agency as may be permitted under the Joint Powers Act;
- (k) to engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of the Authority;
- (l) to employ and compensate counsel including general counsel, bond counsel and disclosure counsel, as well as financial consultants, municipal advisors and other advisers, in each case as determined appropriate by the Authority in the accomplishment of the purposes of the Authority, including without limitation in connection with the issuance and sale of any Bonds;
- (m) to contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by the Authority in connection with the accomplishment of the purposes of the Authority;

(n) to take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which the Authority determines are necessary or convenient in connection with the accomplishment of the purposes of the Authority;

(o) to lease to, and to lease from, a Party, an Associate Member, any Public Agency or any other person or entity lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which the Authority determines are necessary or convenient in connection with the accomplishment of the purposes of the Authority; and

(p) to exercise any and all other powers as may be provided for the Authority in the Joint Powers Act or any other applicable law.

Notwithstanding the foregoing, the Authority shall not participate in any Bond issue or other financing transaction in respect of property or a Public Agency unless and until a Public Agency in whose jurisdiction the property is located, or the Public Agency, respectively, enters into an Associate Membership Agreement with the Authority.

Section 5.03. Manner of Exercising Powers. In accordance with Section 6509 of the Joint Powers Act, in exercising the Common Powers, the Authority shall be subject to the restrictions upon the manner of exercising such powers as are applicable to ABAG. In exercising any other power, the Authority may act in any manner permitted by applicable law.

Notwithstanding the foregoing, the Authority shall not participate in any Bond issue or other financing, until its participation has been approved by the majority of the members of the Executive Committee present at a meeting of the Executive Committee at which a quorum is present and acting throughout.

Section 5.04. Non-Liability for Obligations of Authority. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of either of the Parties or of any Associate Member. No Boardmember, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or premium or interest on any obligations of the Authority or be subject to any personal liability or accountability by reason of any obligations of the Authority; but nothing herein contained shall relieve any such Boardmember, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Authority.

Any Bonds or other debt obligations of the Authority shall not be deemed to constitute a debt of either Party or pledge of the faith and credit of either Party. The Bonds or other debt obligations of the Authority shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds or other debt obligations of the Authority except from revenues and other funds pledged therefor. Neither the Parties nor the Authority shall be obligated to pay any Bonds or other debt obligations of the Authority, or other costs incidental thereto, except from the revenues and funds pledged therefor, and the

faith and credit of the Parties nor the faith and credit of the Authority shall be pledged to the payment of the Bonds or any other debt obligations of the Authority nor shall the Parties or the Authority in any manner be obligated to make any appropriation for such payment.

Section 5.05. Indemnity by Authority for Litigation Expenses of Officer, Director or Employee. To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceedings.

Section 5.06. Indemnity by Authority for Litigation Expenses of a Party. To the full extent permitted by law, the Board shall authorize indemnification by the Authority of a Party who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such entity is or was a Party to this Agreement against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceedings. Any obligations pursuant to this Section shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the purpose.

Section 5.07. Execution of Contracts. The Board may by resolution authorize any member of the Board, or any officer or employee of the Authority, to enter into any contract or execute any contract or other instrument in the name of and on behalf of the Authority and such authority may be in general or confined to specific instances and unless so authorized by the Board, no such member of the Board and no officer or employee of the Authority, shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 5.08. Fiscal Year. The Fiscal Year of the Authority shall, unless and until changed by the Board, commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year except that the initial Fiscal Year of the Authority shall commence on the effective date of this Agreement and end on the immediately following 30th day of June.

ARTICLE VI

CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

Section 6.01. Contributions. It is mutually understood and agreed that a Party may, but has absolutely no obligation whatsoever to: (a) make contributions from its treasury for the purposes of the Authority; (b) make payments of public funds to defray the cost of such purposes; (c) make advances of public funds for such purposes, such advances to be repaid as provided by the respective Party making the advance; or (d) use their personnel, equipment or property in lieu of other contributions or advances.

Section 6.02. Accounts and Reports. There shall be strict accountability of all Authority funds and accounts and reports of all Authority receipts and disbursements. Without limiting the generality of the foregoing, the Treasurer/Auditor shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by each Party and its duly authorized representatives.

Section 6.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Authority may enter into, which may provide for a trustee, fiscal agent or paying agent to receive, have custody of and disburse Authority funds, the Treasurer/Auditor of the Authority shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices applicable to public agencies, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 6.04. Annual Budget; Administrative Expenses; Fees. The Board may adopt an annual budget for administrative expenses, which shall include all expenses not included in any financing issue of the Authority, on or about July 1st of each year. The estimated annual administrative expenses of the Authority shall be allocated in such budget by the Authority to the Parties in such manner as the Parties may determine. The Board may in its discretion impose fees in connection with Bond issues and financings in which it participates, which fees will be applied to administrative expenses and other purposes of the Authority in such manner as the Board shall determine.

ARTICLE VII

TERM; TERMINATION AND DISPOSITION OF ASSETS

Section 7.01. Term. This Agreement shall become effective, and the Authority shall come into existence, on the latest date of execution and delivery hereof by both ABAG and FAN, and this Agreement shall thereafter continue in full force and effect until terminated pursuant to Section 7.02 hereof.

Section 7.02. Termination and Disposition of Assets. This Agreement may be terminated by agreement of the Parties; provided, however, that this Agreement shall not be terminated so long as any Bonds or other debts or liabilities of the Authority remain outstanding or so long as the Authority is a party to any material executory contract. Upon termination of this Agreement, the Authority shall be dissolved and, after payment or provision for payment of all debts and liabilities of the Authority, the assets of the Authority shall be distributed to ABAG, unless otherwise directed by the Board.

ARTICLE VIII

ASSOCIATE MEMBERSHIP AGREEMENTS

Section 8.01. Power to Enter Into Associate Membership Agreements. In addition to those powers specified in this Agreement, the Authority shall have the power to enter into

Associate Membership Agreements with any Public Agency upon the approval thereof by the Board. It is intended, as provided in the second paragraph of Section 5.02, that the Authority enter into an Associate Membership Agreement with a Public Agency in whose jurisdiction the property is located before undertaking a Bond issue or other financing involving such property or such Public Agency.

Section 8.02. Contents of Associate Membership Agreement. Each Associate Membership Agreement shall:

(a) state that the Public Agency is an Associate Member of the Authority;

(b) specify that the purpose of the Associate Membership Agreement is to confirm the desire of the respective Public Agency to allow the Authority to conduct its powers within the territorial jurisdiction of the applicable Public Agency in respect of one or more financings or other specified activities in furtherance of the purposes of the Authority.

(c) specify that the Public Agency shall not have the power to: (i) vote on any action to be taken by the Authority; or (ii) become a member of the Board or an officer of the Authority; and

(d) provide that the Associate Membership Agreement is subject to termination as described in Section 8.04.

Section 8.03. Approval of Associate Membership Agreements. In determining whether to approve an Associate Membership Agreement with a Public Agency which proposes to be an Associate Member, the Board may take into account any criteria deemed appropriate by the Board, including but not limited to the financial well-being of such Public Agency and the nature of the financing or financings to which such Associate Membership Agreement pertains.

Section 8.04. Term of Associate Membership Agreements. Each Associate Membership Agreement shall have an initial term of no more than five (5) years from its execution, as determined by the Board and the prospective Associate Member; provided, however that the term may be extended from time to time for one or more periods of an additional five (5) years each following the date of closing for any Bonds or other financing involving real property or other assets located within the territorial jurisdiction of the applicable Associate Member; provided that such closing date occurs before the Associate Membership Agreement has otherwise terminated. Any such extension may occur, without the need for any action by the Board or the Associate Member if the Associate Membership Agreement so provides for such extensions.

In addition to the foregoing, any Associate Member may at any time terminate an Associate Membership Agreement upon written notice by its chief executive officer to the Executive Director of the Authority; and the Board may at any time terminate an Associate Membership Agreement if it determines that it is in the best interests of the Authority to do so.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.01. Notices. Notices hereunder shall be in writing and shall be sufficient if delivered to the address of each Party hereto set forth below or at such other address as is provided by a Party hereto in writing to the other Party hereto.

ABAG: Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street, Suite 700
San Francisco, CA 94105
Attention: _____

FAN: ABAG Finance Authority For Nonprofit Corporations
Bay Area Metro Center
375 Beale Street, Suite 700
San Francisco, CA 94105
Attention: _____

Section 9.02. Actions by Parties. Nothing in this Agreement limits the rights of a Party to independently exercise any of the Powers to the extent authorized by applicable law.

Section 9.03. Conflict of Interest Code and Statements of Economic Interest. Except as otherwise promulgated by the Board, the conflict of interest code as adopted by the Board from time to time shall be the conflict of interest code of the Authority. As required by Section 87302.6 of the California Government Code, each member of the Board of the Authority and each officer of the Authority shall file statements of economic interest at the same time and in the same manner as such individual is required to file a statement of disclosure pursuant to Sections 87202, 87203 and 87204 of the California Government Code.

Section 9.04. Roster of Public Agencies. Within 70 days after the date of commencement of the Authority's legal existence, the Secretary shall cause to be filed with the Secretary of State of the State, and also with the county clerk of the City and County of San Francisco, such information as required under Section 53051 of the California Government Code. Additionally, within 10 days after any change in the facts required to be provided pursuant to Section 53051 of the California Government Code, the Secretary shall cause to be filed an amended statement containing the information required by Section 53051 of the California Government Code.

Section 9.05. Amendments to Agreement. This Agreement may be amended at any time, or from time to time, except as limited by contract or other agreement of the Authority, including Bonds or the instruments authorizing Bonds, or by applicable regulations or laws of any jurisdiction having authority, by one or more amendments executed by the Parties either as required in order to carry out any of the provisions of this Agreement or for any other purpose.

Section 9.06. Complete Agreement. This Agreement is the complete and exclusive statement of the agreement between the Parties with respect to the subject matter hereof, and this Agreement supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the Parties relating to the subject matter of this Agreement; however, this Agreement shall not be deemed to amend or alter the terms of other agreements between the Parties, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 9.07. Breach by any Party. If default shall be made by any Party in any covenant contained in this Agreement, such default shall not excuse either Party from fulfilling its obligations under this Agreement and each Party shall continue to be liable for the performance of all obligations on its part herein contained. ABAG and FAN hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and ABAG and FAN hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the Parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right to the Authority to any or all other remedies.

Section 9.08. Severability. Should any part, term or provision of this Agreement be decided by any court to be in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions shall not be affected thereby.

Section 9.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Agreement.

Section 9.10. Successors and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Parties. No Party may assign any right or obligation hereunder without the written consent of the other Party.

IN WITNESS WHEREOF, the Parties have caused this Joint Exercise of Powers Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

ASSOCIATION OF BAY AREA
GOVERNMENTS

By: _____

Its: _____

ABAG FINANCE AUTHORITY FOR
NONPROFIT CORPORATIONS

By: _____

Its: _____

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March 30, 2017

CONFIDENTIAL-ATTORNEY/CLIENT PRIVILEGED CORRESPONDENCE

Ken Moy, General Counsel
ABAG Finance Authority For Nonprofit Corporations
101 Eight Street
Oakland, California 94607
Email: kennethm@abag.ca.gov

Re: Impact of Proposition 218 on Activities of the Proposed ABAG Finance Authority

Dear Ken:

You have requested an analysis of the potential impact of Proposition 218 on the expected activities of the proposed ABAG Finance Authority. You have advised that the ABAG Finance Authority will be the issuer of debt obligations to assist in the financing of various projects, including governmental, health care and other nonprofit projects and housing projects, similar to the activities that have historically been conducted by the ABAG Finance Authority for Nonprofit Corporations. We understand that the new ABAG Finance Authority will charge certain fees in connection with its activities, and that the imposition of those fees has given rise to concerns regarding the applicability of Proposition 218 to them.

Introduction

As you are aware, Proposition 218, known as the Right to Vote on Taxes Act, added articles XIII C and XIII D to the California Constitution. Proposition 218 introduced procedural and substantive limitations on property-related fees and charges and special assessments, and on the imposition of general and special taxes. As more fully discussed below, we do not believe that Proposition 218 has any relevance to or impact on the expected activities of the proposed ABAG Finance Authority, beyond possible concerns related to the distinction between a fee and a special tax.

Property Related Fees and Charges; Special Assessments

Proposition 218 applies to property-related fees and charges, which include fees and charges by governmental entities that are incident to land ownership. In determining whether a fee or charge is within the scope of Proposition 218, factors to be considered are whether the fee or charge is paid simply as a result of property ownership, whether a property owner can avoid paying the fee or charge by declining services, and whether the fee or charge automatically becomes a lien on property.

Because the fees to be imposed by the ABAG Finance Authority will be for the provision of services only when such services are requested by prospective program participants, the fees

have no relationship to property ownership, and the fees will not in any way result in a lien on property, we believe that the property related fees and charges provisions of Proposition 218 do not apply to the expected fees of the ABAG Finance Authority. Several California court cases have clearly held that fees not related to property ownership are not within the reach of Proposition 218. See, e.g., *Richmond v. Shasta Community Services Dist.* (2004) 32 Cal.4th 409; *Apartment Assn. of Los Angeles County, Inc. v. City of Los Angeles* (2001) 24 Cal.4th 830; *Howard Jarvis Taxpayers Assn. v. City of Los Angeles* (2000) 85 Cal.App.4th 79; and *Mancini v. County of Santa Cruz*, (2005 Cal.App. unpub. LEXIS 11503) (Cal.6th App. Dist.).

Special assessments within the purview of Proposition 218 are those levied on real property, based on the special benefit conferred upon the property by a public improvement or service, that is imposed to pay the capital cost of the public improvement, the maintenance and operation expenses of the public improvement, or the cost of the service being provided. Because the fees to be imposed by the ABAG Finance Authority will be charged to the program participants unrelated to property ownership, and will not in any way involve a levy on real property, they are not within the scope of the special assessment restrictions imposed by Proposition 218.

General Taxes

Proposition 218 applies to the imposition of general taxes, which include any tax imposed for general governmental purposes. Under Proposition 218, an entity may not impose a general tax unless and until that tax is submitted to the electorate and is approved by a majority vote. Because the fees to be charged by the ABAG Finance Authority will be imposed for specified services to be provided by the new Authority, we believe that the fees are not, and cannot be construed to be, general taxes within the scope of Proposition 218.

Special Taxes

Proposition 218 applies to special taxes, being any tax imposed for a specific purpose, including a tax committed to specific purposes which is placed into a general fund. Under Proposition 218, special taxes may not be imposed, extended or increased unless and until approved by a two-thirds vote of the electorate. Special taxes subject to Proposition 218 do not include fees that are reasonably related to the cost of providing the service for which the fee is imposed. See *Mancini v. County of Santa Cruz*, (2005 Cal.App. unpub. LEXIS 11503) (Cal. 6th App. Dist., December 14, 2005, No. H028434); and *Mancini v. County of Santa Cruz*, 2005 Cal.App. Unpub. LEXIS 11503 (December 14, 2005).

The focus here is whether or not the applicable fee is property related (already discussed under the heading "Property Related Fees and Charges; Special Assessments" above); and, more importantly, whether the fee is reasonably related to the cost of the service or program for which it is being charged (and, hence, is not a special tax). Key factors to be considered in determining whether a specific charge is a permissible fee, as opposed to a special tax, are (i) the primary purpose of the fee as set forth in the legislation pursuant to which it is imposed, (ii) the primary purpose for which the revenue is raised, and (iii) whether the primary purpose of the fee is to finance or defuse the cost of services provided to those who must pay the fee. With respect to the third preceding factor, courts look to whether the charge is reasonably related to the overall cost of providing the service and is imposed only on those that benefit from the service. Also to be considered is if the fee will be imposed equitably upon those similarly situated.

Ken Moy, General Counsel
ABAG Finance Authority For Nonprofit Corporations
March 30, 2017
Page 3 of 3

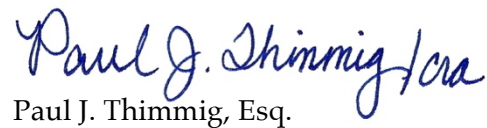
In the *Chamber of Commerce v. California Air Resources Board*, a trial court found that fees in that case were not taxes in part because the proceeds of the fees were used to further the regulatory purposes of the legislation that imposed them, and could not be used for the general support of the government. Note, however, that the case is currently on appeal.

We believe that fees to be charged by the ABAG Finance Authority will not be subject to characterization as special taxes (or as general taxes), so long as they have a direct relationship to the service to be provided by the Authority for which the fee is being charged, and the proceeds of the fees are used solely to support the programs and activities of the Authority (which we understand will be limited to assistance with various financings requested by those upon which the fees are to be imposed). While revenues raised by fees may exceed the precise cost of providing the service for which the fee is being imposed, as long as the reasonableness of the fee can be determined in some manner, we suggest that it would behoove the new Authority to do an analysis of (i) the scope of its operations, and to distinguish any operations not directly related to its services in assisting with financings or related matters requested by program participants in respect of which it will be charging fees, (ii) the expected costs of its operations directly related to financing and related services (which may, in fact, be the only services that it provides), and (iii) to devise a fee structure in light of the foregoing.

We note that it is likely that a court would hold that the only parties that have standing to challenge Authority fees as constituting special taxes are program and prospective program participants. Any such challenge would be expected to arise only if the fees charged by the new Authority are not competitive with those of similarly situated joint powers agencies, such as the California Statewide Communities Development Authority, the California Municipal Finance Authority or the newly-established California Public Finance Authority. We are not aware of any challenge to the fees imposed by these entities as being special taxes as opposed to fees not subject to Proposition 218.

Hopefully, the foregoing is helpful to you as the new ABAG Finance Authority determines the fees it will impose for its services in assisting with financings.

Very truly yours,

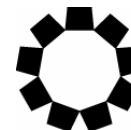

Paul J. Thimmig, Esq.

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ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: April 19, 2017

To: ABAG Executive Board via
ABAG Finance and Personnel Committee

From: Brad Paul, Acting Executive Director

Re: **Review of Documents Related to Staff Consolidation**

This memo summarizes the documents that will be before you for action on April 20th, including a redlined version of the MOU and Contract for Services (CS) that incorporate the changes made on March 24th by the Joint MTC Planning Committee and ABAG Administrative Committee (Joint Committee), and the changes recommended by the MTC Executive Committee at its April 18th meeting.

Key Documents

Last week, staff sent out an agenda and attachments for the Executive Board's April 20th meeting earlier than usual to give Board members a chance to read the rather lengthy, narrative portion of the 2017-2018 Budget and Work Plan and reread the latest version of the MOU and Contract for Services plus attachments. At that time, staff indicated that, working with MTC, we were still assembling some of the key budget data for the budget portion of the 2017-2018 Budget and Work Plan and would be sending that to you this week. That budget data will be incorporated in the posted 2017-2018 Budget and Work Plan tomorrow morning.

We have attached a recent letter from CalPERS that we will discuss in more detail later in this memo. Below is a list of all the documents you now have to review with several that we are attaching today highlighted in bold. These include:

1. **Contract for Services**. Redlined version showing changes recommended by the Joint Committee at its March 24th meeting. Includes the following attachments:

- Exhibit A: ABAG's statutory authority & ABAG Bylaws
- Exhibit B: Employment Transition Plan
- Exhibit B2: MTC Vacation Accrual Chart
- Organizational Chart for New Consolidated Staff

2. Memorandum of Understanding (MOU). Redlined version showing major change recommended at March 24th Joint Committee meeting.

Review of Documents Related to Staff Consolidation

April 19, 2017

Page 2

3. Annual Budget & Work Plan

4. Additional related materials:

- **March 28th letter from CalPERS**
- **Integrated Regional Planning Program Org Chart**
- **Org Charts (2) covering staff engaged in Member Services**
- **Policies on ABAG Committee Formation, Structure and Membership**

Staff believes the above referenced 2017-2018 Budget and Work Plan provides you with the tools you need to monitor the Contract for Services and determine if the consolidated staff is delivering on services you've contracted with MTC to provide. It also clearly explains what the Council of Governments does for the region and the value ABAG programs add to the cities, counties and stakeholders ABAG represents.

On March 24th, at Commissioner Jim Spering's request, MTC Chair Jake Mackenzie called an MTC Executive Committee on April 18th to further discuss the policy issues discussed at the March 24th Joint Committee meeting. Today, Chair Mackenzie wrote a letter to ABAG President Julie Pierce describing those proposed changes and requesting that the ABAG Executive Board consider approving these revisions at the April 20th Executive Board meeting. A copy of Chair Mackenzie's letter is attached.

Potential Revisions for Consideration

Staff believes that two of the proposed MTC Executive Committee recommendations represent fairly simple clarifications of language contained in the draft MOU and CS in your board packet. One involves adding a clarifying sentence at the end of Section 4, page 3 of the MOU stating: Both parties retain the sole individual discretion to decide whether on not to merge the two governing boards.

The other occurs in Section 6.7, page 10 of the CS where a phrase is added to the end of Section 6.7 (c) that states: however, in no event shall MTC be responsible for nor assume the obligation to make such payments required under subsection (a) above.

The third proposed change is in Section 4.1, page 7 of the CS where October 31st 2017 is inserted as the deadline to create a successor financing authority for ABAG. Staff believes this is workable given ABAG and MTC's mutual commitment to work as quickly as possible to beat this deadline in order to begin marketing ABAG's new finance authority in September.

The final proposed change is the most substantial. It proposes changes to Section 6, page 3 of the MOU (Selection of Future Executive Director) replacing language in that section (from the March 24th Joint Committee meeting) with the following:

The Executive Director of MTC will continue to serve as the Executive Director of MTC under the Contract for Services between MTC and ABAG. The Executive Director of MTC will also serve as the initial Executive Director of the consolidated staff. If there is a vacancy in the position of the Executive Director prior to a merger of MTC and ABAG, the Chair of MTC will establish an Executive Director interview/selection committee comprised of MTC commissioners who do not serve on ABAG to interview and select a final candidate or candidates who will then

Review of Documents Related to Staff Consolidation

April 19, 2017

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be presented to an ABAG Ad Hoc review committee should the ABAG President decide in his or her discretion to establish one. The MTC Chair and ABAG President may, in their discretion, appoint themselves and the MTC Vice Chair and ABAG Vice President, respectively, to serve on the respective interview committees and none of the four aforementioned officers shall be deemed ineligible if serving in a dual capacity for each agency. If an ABAG Ad Hoc review committee is appointed, its recommendation will be communicated to the MTC interview/selection committee who will then make a recommendation to the full MTC Commission for the final decision.

Under this scenario, if the MTC Executive Director were to leave within the next two years, both the MTC Chair and the MTC Vice Chair would be individuals that also serve on the ABAG Board.

CalPERS Issues

Given the complications and uncertainty created by the CalPERS March 28th letter, ABAG has retained legal and policy experts to help us navigate this complex situation in order to provide staff, retirees and the Board with sufficient information and assurances that they are comfortable with the staff consolidation. In anticipation of this problem, MTC proposed and the MTC Planning and ABAG Administrative Committees approved the the following language in section 6.1 of the Contract on March 24th:

In the event CalPERS should make a determination contrary to the intent of this Agreement in respect to the common law status of the Transferred Employees, MTC and ABAG agree to make each other whole such that the final financial consequences to each party of the CalPERS determination shall reflect the financial assumptions made at the time the contract was executed.

This language is intended to cover all financial impacts on either agency that could come out of a future CalPERS audit. ABAG and MTC have also been working together to find additional clarifying language to cover any financial impacts on ABAG employees joining the consolidated staff. Based on those recent discussions, we have come up with the following language to add to the above paragraph to address financial impacts on ABAG employees caused by a future CalPERS audit:

If in accordance with such CalPERs determination any Transferred Employees would end up receiving retirement benefits less than what they would receive as MTC employees, effective as of July 1, 2017, MTC will in accordance with the make whole obligations referenced in the first sentence hereof, provide funds to ABAG for distribution to such employees in the manner in which ABAG determines appropriate (provided however that such method of distribution shall provide the most economical solution to the agencies as determined by the outside expert referenced in the last sentence), such that the Transferred Employees are in an equivalent economic position as if they were MTC employees, effective July 1, 2017.

Upon ABAG's receipt of such funds from MTC, the Transferred Employees shall have sole recourse to ABAG, and ABAG will indemnify and hold MTC harmless from any claims of such employees. The determination of any amounts due under this provision from one party to another shall be made by a nationally recognized actuarial entity, selected by mutual agreement of MTC and ABAG.

Review of Documents Related to Staff Consolidation

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The ABAG senior management team is still reviewing this language with the legal and policy experts that we have retained. We have scheduled a consultation for Thursday morning. We may recommend revisions to the Executive Board after the consultation.

Schedule

If the CS and MOU are approved by the Executive Board and Commission this month, the key milestones between now and achieving the staff consolidation at the beginning of the next fiscal year are as follows:

- May-June: Offers and acceptances of employment
- July 1: Transition of employees



ABAG BUDGET & WORK PROGRAM

PROPOSED

FISCAL YEAR **2017-18**

 Association of Bay Area Governments





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LETTER FROM THE EXECUTIVE DIRECTOR



BRAD PAUL

Acting Executive Director

The Association of Bay Area Governments (ABAG) fosters collaborative partnerships among local governments in planning for our shared future. Now, there is an opportunity for ABAG to provide a stronger commitment, additional staff, and an expanded financial position to carry out this important work, supporting local governments and our region.

During 2016-2017, we were and are engaged in a significant transition for ABAG. Out of the 2016 General Assembly and the 2016 Special General Assembly, a direction was charted for ABAG and the Metropolitan Transportation Commission (MTC) to conduct a staff consolidation and then to look at changes to the governing bodies for both organizations. The end result of this effort will be two separate and independent organizations with their own statutory requirements, policy positions, programs and services, assets, and debts, with a consolidated staff at MTC serving both organizations.

The staff consolidation process and continuing work activities are well underway with the February 2017 release of a draft Contract for Services between the ABAG Executive Board and MTC. The process has also included fiscal analysis of both organizations and Human Resources and organizational development consultants are providing services toward the transition. Members have been closely involved in the process with additional meetings at the ABAG Executive Board, additional outreach and a Special General Assembly in January 2017. Opportunities for members and stakeholders to get involved will continue through the rest of the fiscal year. More information about the process and activities is available on ABAG's website and is discussed in the ABAG President's message in this document.

ABAG, along with MTC and the Bay Area Air Quality Management District, moved into the new Bay Area Metro Center in May 2016. Plans to bring the San Francisco Estuary Partnership staff and the San Francisco Bay Conservation and Development Commission to the building are in the works.

Fiscal Year 2016-2017 saw work to update *Plan Bay Area* in conjunction with MTC and with the cities, towns, and counties, their local elected officials and residents, and stakeholders that make up the Bay Area. Work on Plan Bay Area 2040 is on-going with adoption of the Plan and EIR estimated in 2017. The plan and the EIR are informed by the relationships developed by ABAG's land-use planners with local jurisdictions and on-going extensive dialogue with stakeholders.

We have been talking about our programs in a new way, as local collaboration programs. ABAG land-use planners are directly assigned on a county-wide basis, and these planning and other program staff have developed collaborative partnerships with policymakers and staff in the Bay Area's cities, towns, and counties.

The local collaboration programs all thrive because of an interconnectedness with ABAG planning staff and connections among the programs themselves. Some of our programs: ABAG PLAN, ABAG Finance Authority, ABAG POWER, Resilience Program, BayREN, San Francisco Bay Trail, and San Francisco Bay Area Water Trail, San Francisco Estuary Partnership, and the San Francisco Bay Restoration Authority were not often discussed at the ABAG Executive Board, as they may be governed through a separate board or committee. They might not be as well-known as ABAG's planning work, which is the foundation for the organization and the path that all these programs follow, developing and maintaining a connection with policymakers and staff in the Bay Area's cities, towns, and counties.

Key to the future of ABAG, regional planning, and the local collaboration programs is the great work that the staff do, working with the communities of the Bay Area. The details of all of ABAG's programs and activities are contained in this Budget and Work Program and on our website. Please contact me or staff if you have any questions. bradp@abag.ca.gov



LETTER FROM THE PRESIDENT



JULIE PIERCE

ABAG President
Councilmember, City of Clayton



DAVID RABBITT

ABAG Vice President
Supervisor, County of Sonoma

“I want to thank our ABAG staff at all levels for their continued tireless support.”

During this time of transition with staff consolidation, our responsibility is to assure that ABAG continues to provide services that support the Bay Area’s local governments, now and in the future. As work on the staff merger continues, we are committed to creating a better regional agency, one that is more efficient, stronger, and has a greater potential to provide more effective programs and services to the members that we serve and the nearly seven million people that live in the Bay Area.

During 2016-2017, the Executive Board was focused on preparing for the staff consolidation and developing the structure and the documents that govern the implementation: the contract to consolidate staff functions under one executive director (CS) and the memorandum of understanding regarding potential future new governance options (MOU). These contracts are between the ABAG Executive Board and the Metropolitan Transportation Commission and will codify how the combined staff will continue to provide services that support the Bay Area’s local governments.

Additionally, the agencies adopted an Implementation Action Plan to guide the staff consolidation. Senior staffs have been working diligently to develop the draft CS with extensive input from ABAG and MTC policy bodies. To strengthen the process, an Ad Hoc Committee of the Administrative Committee of the Executive Board was formed to provide feedback on staff consolidation tasks. Members include both myself and Vice President Supervisor David Rabbitt, South San Francisco Mayor Pradeep Gupta (Chair of ABAG’s Regional Planning Committee), Novato Mayor Pat Eklund, Palo Alto Mayor Greg Scharff and San Jose Councilmember Raul Peralez.

Since regional land use planning and local governments are directly represented in the ABAG governance structure, we held a Special General Assembly on January 30, 2017 to provide a forum for local jurisdictions and other stakeholders to directly participate in this discussion. The upcoming General Assembly as well as the Administrative Committee and Executive Board meetings are other opportunities to work together with all of you as we study this new framework for regional governance. These meetings are identified on the ABAG website.

Much was also accomplished last year on Plan Bay Area 2040. On-going, extensive dialogue with local elected officials, local staff, and stakeholders has begun and will continue this spring as we move towards passing the update in summer 2017. There will be many opportunities for stakeholder and local government participation. We look forward to this continuing conversation as we plan together for the Bay Area of the future that our children and grandchildren will enjoy.

I want to thank our ABAG staff at all levels for their continued tireless support. During the staff consolidation process, the Executive Board and I have committed and re-committed to protecting both current employees and ABAG retirees. Making sure that employees are made whole and maintaining retirees’ earned benefits is the right thing to do.

Staff continues to provide the exceptional high level of expertise and service that we members have come to expect, even during this transitional time. I am sure that this dedication to excellent work will continue once the staff merger is complete. This is an opportunity to enhance what the regional agencies provide for all member jurisdictions and the staff are an integral part of those services.

Working together as a region, we can do great things for the future of our Bay Area.



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** After integration, Planning and Research will be the Integrated Regional Planning Program*





01

ABOUT ABAG

HIGHLIGHTS

- Founded in 1961 as the State's first Council of Governments to provide a forum for local elected officials to discuss topical issues that transcend town, city, and county borders.
- Fifty-five+ years later, ABAG provides a range of regional planning activities and services from the Local Collaboration Programs to towns, cities, and counties of the San Francisco Bay Area.
- Established as a Joint Powers Authority, each member jurisdiction is directly represented in the General Assembly, the governing body.

INTRODUCTION



As the San Francisco Bay Area's regional Council of Governments, the Association of Bay Area Governments (ABAG) provides a range of services to its member cities, towns, and counties.

ABAG was created in 1961, to provide a forum for local elected officials to discuss topical issues, specifically around regional planning and in later years, services. ABAG was the first Council of Governments established in California.

Recognizing that community issues transcend local boundaries, ABAG now examines issues of regional and local concern addressing planning and research needs related to land use, environmental, and water resource protection; disaster resilience and energy efficiency; provides risk and claims management; and financial services to local counties, cities, and towns.

ABAG is a joint powers authority and membership is comprised of the 101 cities and towns and the nine counties of the San Francisco Bay Area. Elected officials from each serve as governance for the organization. Organizational and governance charts are included in this document on the following pages.

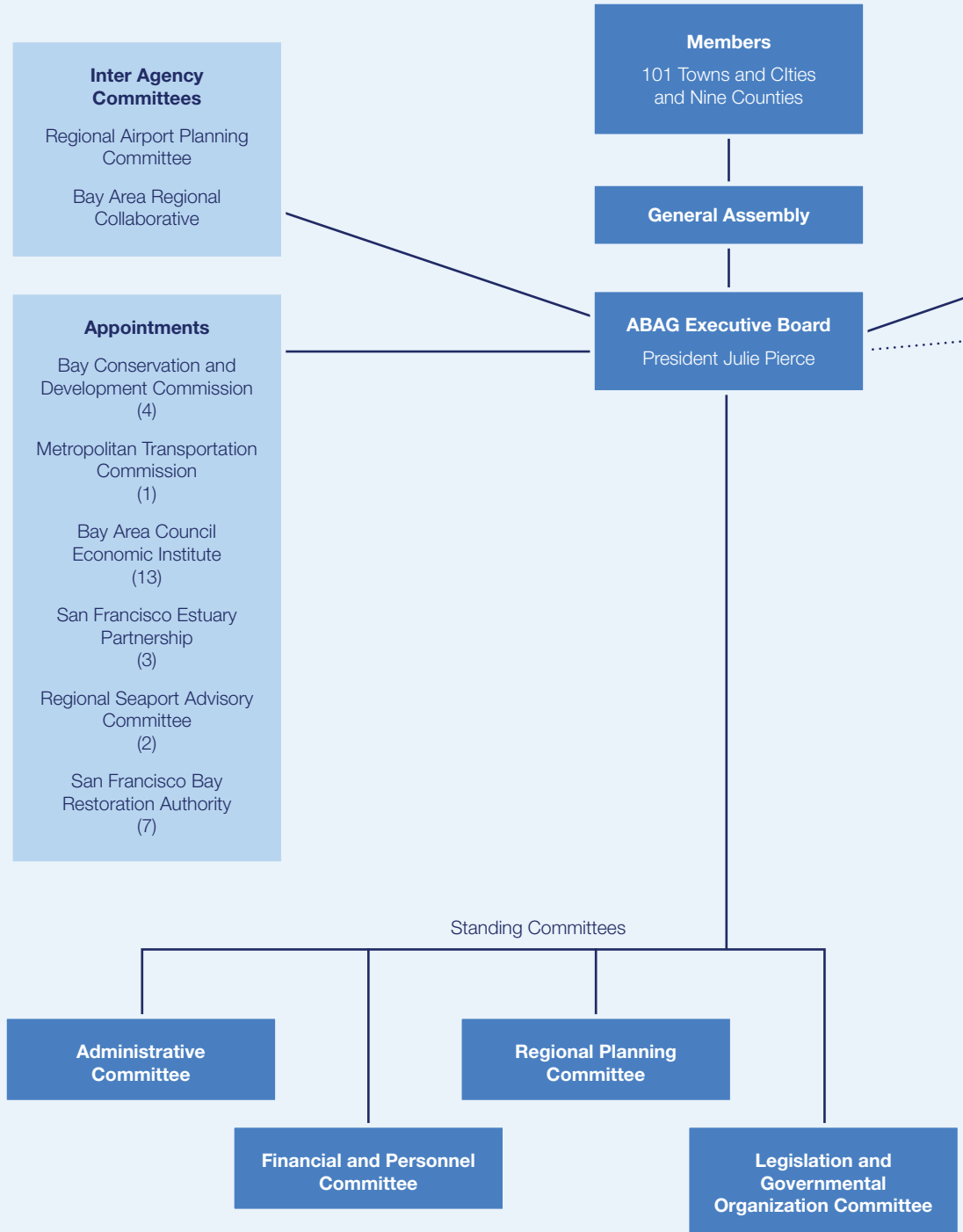
As described in the President's and Executive Director's messages, ABAG and MTC are entering into (1) a contract to consolidate staff functions under one executive director (CS) and (2) a memorandum of understanding regarding new governance options (MOU).

As of July 1, 2017, the ABAG staff is expected to merge with MTC. ABAG and MTC will remain separate governance entities with their own statutory authorities and responsibilities, policy positions, assets, liabilities, revenues, and debts; as will the Local Collaboration Programs. The consolidated staff will serve both organizations.

This document, the Budget and Work Program, contains the details of the programs and services provided in 2016-2017 and the planned activities and budget for 2017-2018. Additional information is provided at www.abag.ca.gov. If you do not find the information you need in this 2017-2018 Budget and Work Program, please contact ABAG President Julie Pierce or Acting Executive Director Brad Paul.

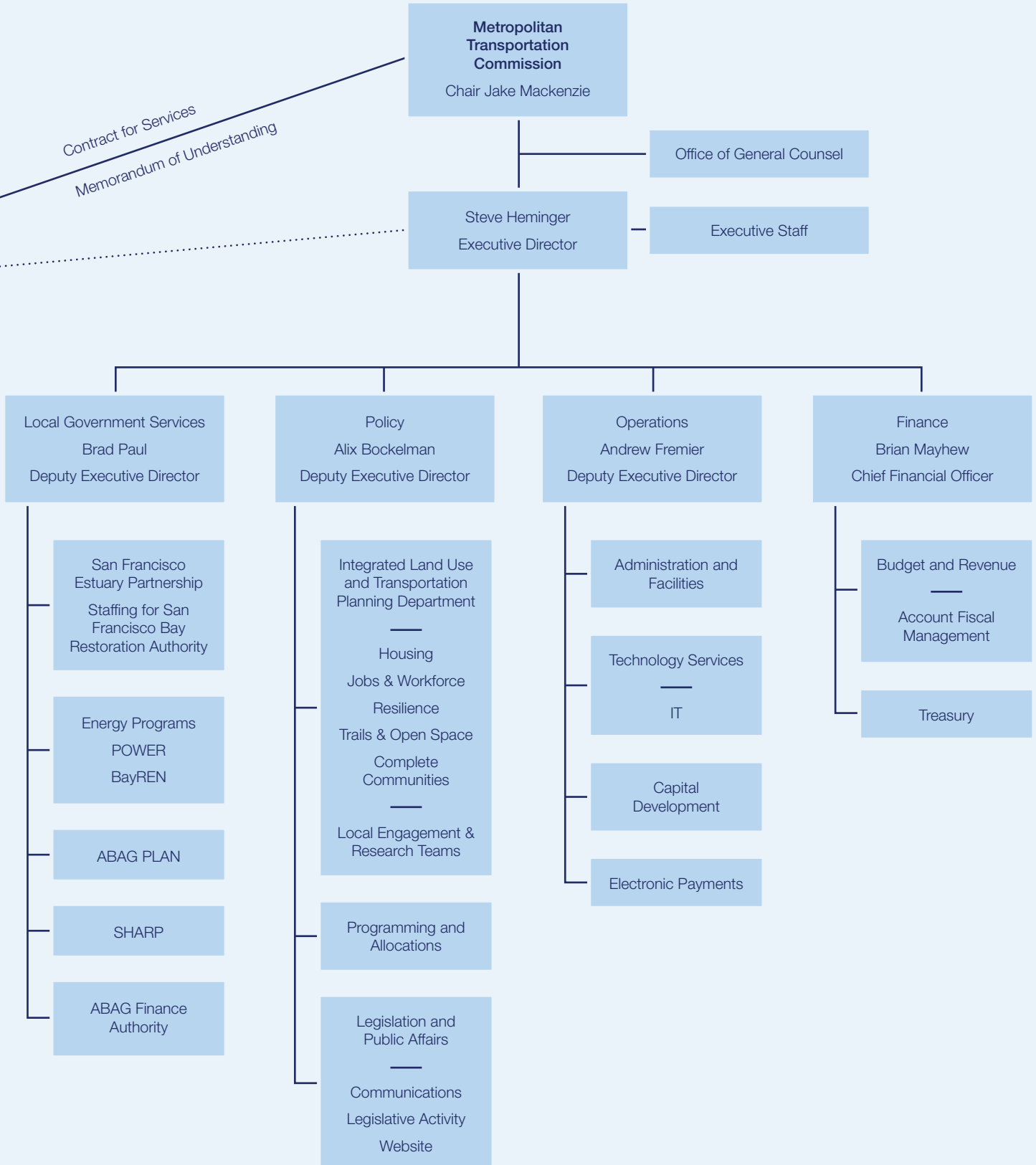


GOVERNANCE CHART





CONSOLIDATED ORGANIZATIONAL CHART





02

PLANNING AND RESEARCH*

HIGHLIGHTS

- Supports Bay Area's diverse communities with regional planning services
- Long term relationships created at the regional and at the local level with elected officials and staff of towns, cities, and counties

PROGRAM OVERVIEW

Five interconnected programs supported by local engagement and research teams

THE PROGRAMS

Housing, Jobs and Workforce, Complete Communities, Resilience, and Open Space and Trails offer much for local governments

THE TEAMS

- Research and Local Engagement provides substantial knowledge and innovation
- Local collaboration is an essential dimension of the planning and research programs
- Research Team provides the analytic tools and data to support Bay Area regional and local planning

**After integration, Planning and Research Department will be the Integrated Regional Planning Program (Integrated Planning Program). In discussion of activities in fiscal year 2016-2017, the Planning Program will be referred to as ABAG Planning and Research.*

INTRODUCTION

Research	 Housing	1. Regional Housing Needs Allocation (RHNA)* 2. Plan Bay Area land use pattern*	3. Best practices, & funding strategies 4. Housing needs and production analysis
	 Jobs & Workforce	1. Regional growth forecast* 2. Regional Economic Development District	3. Priority Production Areas
	 Resilience	1. Natural disaster preparation and recovery 2. Safe housing & communities	3. Resilient regional infrastructure and water
	 Trails & Open Space	1. Bay Trail & Water Trail* 2. Plan Bay Area open space*	3. Priority Conservation Areas (PCAs) 4. SF Bay Restoration Authority*
	 Complete Communities	1. Priority Development Areas (PDAs) 2. Placemaking	3. Planning grants & local technical support 4. Corridors & Centers
Local Engagement			

* ABAG legal mandate

Other planning services created through Executive Board Action

As the San Francisco Bay Area's Council of Governments, ABAG has focused on creating a collaborative regional land use planning process that supports our valuable assets: cultural diversity, technological innovation, and natural resources. Building upon this collaborative platform, the 2017-18 work program integrates MTC's staff and resources to serve the needs of the Bay Area's diverse communities. Transportation expertise and funding can strengthen the work of ABAG's Council of Governments on housing, infrastructure and land use. Planning and Research programs will continue to support the preservation of our open space and the vitality of our diverse economy. Recognizing these resources, today, concerted efforts will be essential to address our substantial housing challenges. While the Bay Area has experienced substantial and successful job growth for more than seven years, the majority of our workers have experienced lower wages along with limited and unaffordable housing, which in turn is triggering substantial congestion and longer commutes. These challenges are compounded by the aging of infrastructure, climate change, and the probability of a major earthquake. Housing our population requires a comprehensive local and regional approach on complete communities, where new residential buildings provide adequate affordability and are supported by access to transit, food, schools, services, and open space.

Based on an understanding of these assets and challenges, the work program for the ABAG Planning and Research Department has been organized into five comprehensive and interconnected programs and two teams that provide an institutional platform of knowledge and innovation to serve the Bay Area's towns, cities, and counties. After July 1, 2017, this work will continue via the Integrated Regional Planning Program (Integrated Planning Program). Today, our five programs include: Housing, Jobs and Workforce, Complete Communities, Resilience, and Open Space and Trails. In order for staff to be responsive to the needs of cities and provide substantial knowledge and innovation, these five programs have been shaped by two major cross-cutting teams: Local Engagement and Research. Local Engagement provides specific input on local priorities such as housing investment needs, support for middle-wage jobs, technical assistance on soft-story buildings, completion of trails, design of public space, or earthquake resilience. The programs are also well informed with a solid data foundation on economic, demographic, and land use trends as well as state of the art analytical tools.

INTRODUCTION



SECTION 02

PLANNING AND RESEARCH



Conducted across the work program and essential to Plan Bay Area, the planning work mainstay is the locally designated Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs). These areas solidify local input into regional planning. The PDAs are places of focused growth that make good use of existing public infrastructure, offer more mobility choices, and strengthen local history and culture. The PCAs recognize jurisdictions' high priority for preserving the natural environment and creating healthy communities. These two area types will soon be complemented by Priority Production Areas, a third program being developed in response to local requests. The current Plan Bay Area update will be completed by Summer 2017. The next Plan Bay Area will be developed in conjunction with the Regional Housing Need Allocation by 2021.

LOCAL ENGAGEMENT TEAM



SECTION 02

PLANNING AND RESEARCH



Planning program staff works closely with staff and elected officials in towns, cities, counties, and partner agencies, and with colleagues in ABAG's local collaboration programs—ABAG Finance Authority, ABAG POWER, BayREN, San Francisco Bay Trail, San Francisco Bay Area Water Trail, and the San Francisco Estuary Partnership.

Local collaboration is also an essential dimension of the planning and research programs. The Regional Planning Committee (RPC) is a platform of dialogue among elected officials and stakeholders to advise the Executive Board on key decisions such as PDAs, PCAs, land use growth allocation or Regional Housing Need Allocation (RHNA). The RPC hosts three sub-committees with specific tasks: Housing, Economic and Workforce Development, and Resilient Infrastructure. In addition, the planning and research department is an integral part of the ABAG General Assembly (GA) and the Delegate Meetings as well as Plan Bay Area and the ABAG Administration Committee retreat. The GA is an opportunity to discuss key regional concerns and projects with our Bay Area elected officials, once or twice a year. This is complemented by the Delegate Meetings, which discuss more specific issues by county at least once a year.

At the staff level, meetings with city managers and planning directors by county have been essential to understand core issues on the ground and target our efforts. To address issues by jurisdiction, planners are assigned to engage with each city and county of the Bay Area. Planners are responsible for participating in planning directors' meetings, coordinating with elected officials, addressing key issues, and ensuring that local concerns are addressed in regional plans and strategies.

ABAG's Research Team provides the analytic tools and data to support Bay Area regional and local planning. The research team presents a unique understanding of conditions and trends. The team puts local conditions in a regional context, addresses a comprehensive set of economic and demographic factors at a regional level, and is sensitive to factors interacting with land use, housing, transportation, environmental, and economic policy.

RESEARCH



SECTION 02

PLANNING AND RESEARCH



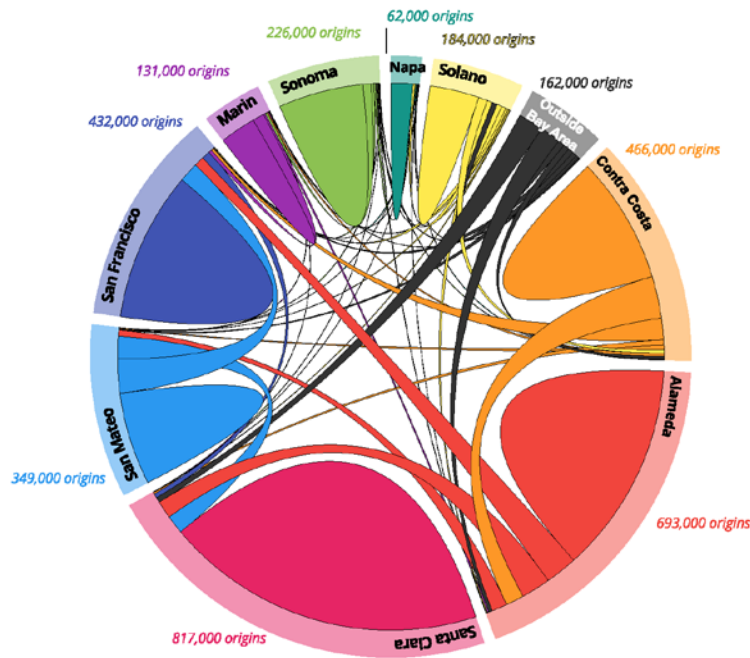
ABAG's research program provides information services to the planning team, partner regional agencies (e.g., MTC, BCDC), the region's jurisdictions, and outside parties. Our motivating **analytical challenge is to provide understanding of a large and diverse region** which has an economy that is the envy of the world yet is saddled with a number of endemic challenges, chiefly the timely and geographically sensible provision of housing, providing a trained workforce to meet the needs of expanding employers, and a transportation network able to serve the region. While there are many prominent research groups in the region, ABAG's research program has a unique focus that puts local conditions in a regional context, addresses a comprehensive set of economic and demographic conditions at a regional level, and is sensitive to the interactions of these factors with land use, housing, transportation, environmental, and economic policy.

Major tasks in **2016-2017** included:

Forecasting growth: the ABAG Research Program develops and maintains approaches for projecting employment, output, income, population, households, and housing demand for the 9-county Bay Area, including adding version 2.0 of the REMI model to the agency's forecasting tools, maintaining background information on jurisdiction general plans and zoning ordinances; communicating with jurisdictions on the local implications of the projected distribution of the regional forecast; and working with the Metropolitan Transportation Commission (MTC) staff to refine the UrbanSim model of the region.

2016-17 HIGHLIGHTS

- Forecasting growth
- Understanding economic development
- Improving housing data
- Applying economic analysis to resilience research



How the Bay Area Commutes: Orgins and Destinations by County

ABAG from US Census Bureau, CTP 2006-10 release

Understanding Economic Development: Conducted background analysis in the Comprehensive Economic Development Strategy, including analysis of Bay Area economic clusters, updates on income and housing market data, and analysis of the effects of demographic changes on occupations and skills of Bay Area workers.

Improving Housing Data: the collection and mapping of housing data from our member cities allows analysis by the housing program of jurisdiction efforts towards affordable and sustainable housing development.

Applying Economic Analysis to resilience research: working with the EERI and researchers from four other institutions, our team will design a survey to track impacts of natural disasters, such as earthquakes on local business. The survey is being tested in Napa and Cushing, Oklahoma.

Goals and tasks for the **2017-2018** fiscal year include:

Update our regular projection series by publishing *Projections 2017*, a document based on the geographic distribution of the regional forecast, that provides data on the population, housing, and employment forecast at the jurisdiction level for 5-year increments between 2010 and 2040.

Expand the use of the REMI model to conduct impact analyses, such as partnering with USGS to examine the economic impacts of a scenario describing an earthquake along the Hayward fault.

Further data development at the industry and occupation level to improve our understanding of the industrial location patterns, occupational structure and relative alignment of workforce skills, and growing industry sector needs.

Expand data collection and communications to provide up to date snapshots of land use and development activity in the region.

Analyze the relationship between housing price changes and (lack of) new housing production throughout the region at neighborhood and regional scales.

2017-18 GOALS

- Publishing *Projections 2017*
- Expand the use of the REMI model
- Further data development at the industry and occupation level
- Expand data collection and communications
- Analyze housing data

HOUSING



SECTION 02

PLANNING AND RESEARCH



During **2016-2017**, ABAG continued its long-standing, **proactive support of housing action** by its member jurisdictions and implementation partners.

Impact Information — ABAG developed and presented compelling information to promote an understanding of regional housing development patterns (2015 housing permit location data), housing policy consensus (city-by-city housing policy database, *Maintaining Housing Affordability and Neighborhood Stability in the Bay Area* — a distillation of 13 housing solution implementation toolkits), and housing implementation tools (housing policy toolkit, seismic safety assessment manual).

Technical Assistance — Supported local and subregional efforts (Grand Boulevard Initiative's housing toolkit, East Bay Corridors Initiative's softstory safety model ordinance) to adopt and implement best-practices.

Consensus & Constituency Development — ABAG convened a Housing Subcommittee of its Regional Planning Committee to identify and advance a broadly endorsed regional housing action initiative, and partnered with MTC to produce an illuminating Housing Forum.

2016-17 HIGHLIGHTS

- Developed and presented 2015 housing permit location data, city-by-city housing policy database, housing policy toolkit, and seismic safety assessment manual
- Supported Grand Boulevard Initiative's housing toolkit, East Bay Corridors Initiative's softstory safety model ordinance
- Convened Housing Subcommittee of the Regional Planning Committee to identify and advance a broadly endorsed regional housing action initiative, and partnered with MTC to produce Housing Forum.



In **2017-2018**, the Integrated Planning Program will continue to facilitate the creation of an adequate housing supply to house future and current generations of Bay Area residents from all backgrounds: plentiful (so overcrowding and long commutes become unnecessary), affordable (to Bay Area residents at all incomes), resilient (safe during and habitable after natural disasters), sustainable (energy and water efficient) and secure (against involuntary displacement).

Local development that creates great places in complete communities and regional co-benefits — the Integrated Planning Program will work to assure timely permitting of housing development and preservation that conforms to local, regional, and state requirements, especially in high-opportunity / low-Green House Gas areas; job and transit proximate areas; and especially for permanently affordable housing.

Safer Smarter Homes — the Integrated Planning Program will provide leadership and technical assistance to accelerate “integrated retrofits” so existing homes become more hazard resilient, more energy/water efficient, and more accommodating of a wider range of life-cycle and life-style choices (such as adding accessory units).

Regional Housing Trust Fund to dramatically increase funding — the Integrated Planning Program will support state, regional, and local efforts to develop dedicated revenue sources for housing infrastructure, affordable housing development gap financing, and affordable housing operating subsidies by incubating innovative regional institutional structures that can amplify and unify state and local efforts, public and private.

2017-18 GOALS

- Continue to work to assure timely permitting of housing development and preservation
- Provide leadership and technical assistance to accelerate “integrated retrofits” – safer, smarter homes
- Support efforts to create a Regional Housing trust fund to increase funding for housing needs.

JOBS AND WORKFORCE



SECTION

02

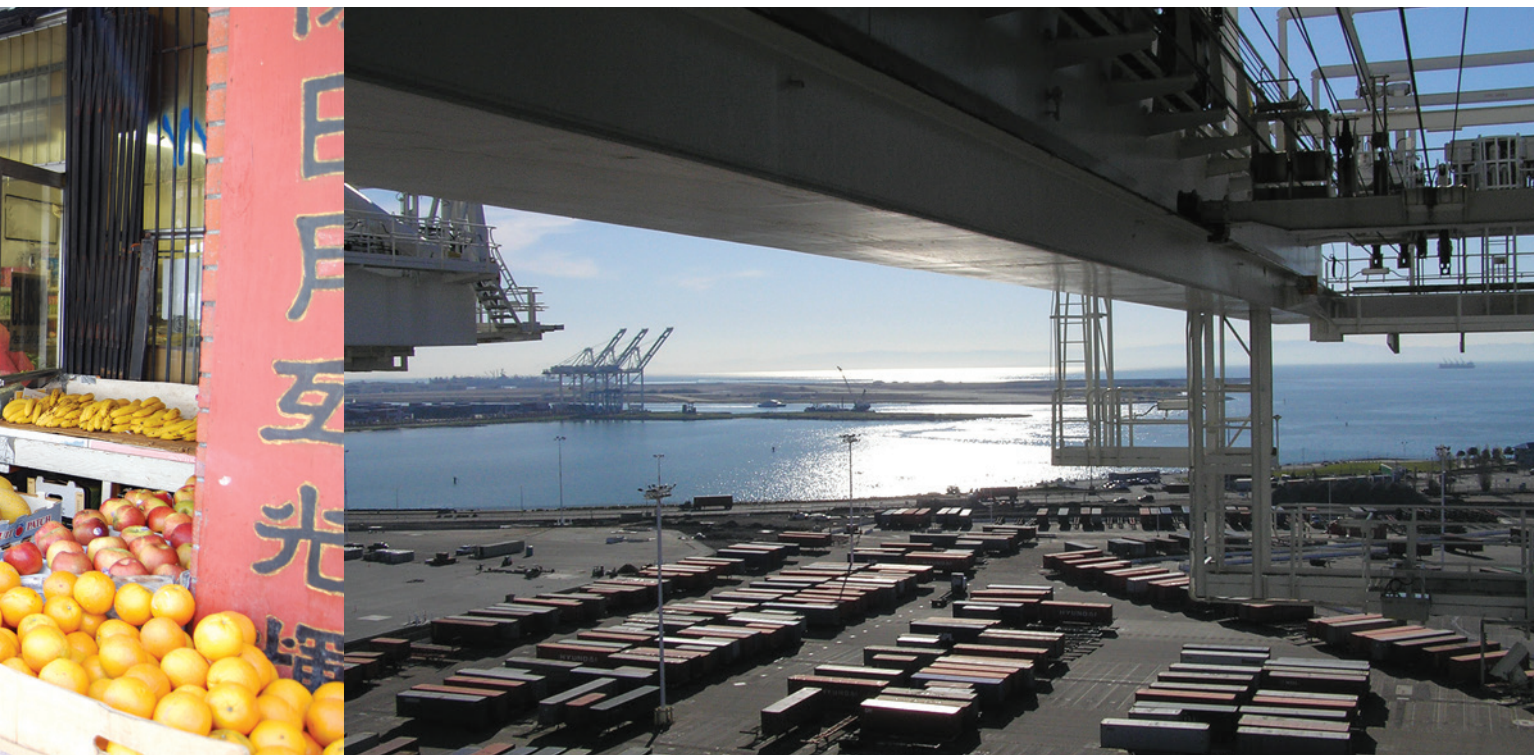
PLANNING AND
RESEARCH



The ABAG economic and workforce development program is a response to the call for regional economic and workforce development coordination after *Plan Bay Area 2013*. Built on existing efforts and partnerships at the regional and local level, the ABAG program works to move across silos, and provide a sound understanding of the relationship between the region's policy and regulatory environment and economic opportunity, increase opportunities for collaboration and cooperation among economic and workforce organizations in the region, and maintain the competitiveness of the region's industries while expanding access to opportunities for all Bay Area residents.

2016-17 HIGHLIGHTS

- **Launched an effort to establish a Bay Area Regional Economic Development District.** Working with US Economic Development Administration (USEDA), ABAG established an Economic Strategy Committee to act as a Technical Advisory Committee, and organized a team to create a Comprehensive Economic Development Strategy (CEDS) report, beginning a broad based engagement strategy with regional stakeholders to achieve regional consensus around economic and workforce development strategies.
- **Developed a draft regional CEDS report.** ABAG drafted an economic profile of the region, an analysis of strengths, weaknesses, opportunities, and threats (SWOT analysis), and a framework for a Strategic Action Plan that includes a vision statement, goals, objectives and supporting strategies.
- **Developed a Priority Production Area program.** Responding to the need of goods movement and firms located on industrial land that constitute a critical component of the regional economy, ABAG partnered with Professor Karen Chapple and UC Berkeley on a study of supply, demand, and absorption of industrial land and space and outlined a Priority Production Area program to address the needs of production, distribution, and repair functions in the region.



2017-18 GOALS

The program's goals for the 2017-2018 fiscal year are to establish the platform for regional collaboration on economic and workforce development and to develop implementation tools to address issues such as retention of critical industrial land supply. Specific efforts will include:

- Continue with the process of establishing a Regional Economic Development District by finalizing the CEDS report, adoption of the Strategic Action Plan by county boards of supervisors, and working with regional representatives, business, workforce equity, and other stakeholders to create a governance structure.
- Support economic and workforce development implementation actions through providing technical assistance, leveraging federal, state, public, and private grants for local jurisdictions, and developing a clearing house of economic development actions and best practices in the region.
- Expand the Priority Production Area concept into a regional program to be implemented at the local level by providing a set of criteria for identifying critical areas for survival of industrial, middle wage jobs, and model program descriptions and ordinances.

RESILIENCE



SECTION 02

PLANNING AND
RESEARCH



The ABAG Resilience Program is a unique effort to continually improve the Bay Area’s capacity to recover from natural disasters. Resilience Program staff work closely with Bay Area cities, counties, and other agencies to reduce the impacts of climate change and natural hazards. Hazards include: drought, earthquake, extreme heat, flooding, landslides, sea level rise, and wildfires. The program supports local decision makers, serving as a regional convener for life-saving resilience planning, and providing technical assistance for local action to improve resilience.

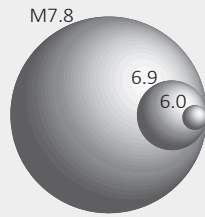
In **2016-2017**, ABAG — provided hands-on assistance to 80+ city and county administrators in plan-writing workshops for Best-practice Hazard Mitigation Plans. Approved plans allow access to FEMA funds post-disaster.

To strengthen At-Risk Apartment Buildings — tens of thousands of apartments in hundreds of buildings are earthquake vulnerable — ABAG is helping 15 cities conduct assessments, adopt ordinances and establish programs to save lives and prevent displacement, as part of ABAG’s East Bay Corridors Initiative.

Developed a Water Resilience Initiative in response to multi-year drought and heightened risk of El Nino flooding, ABAG convened an Infrastructure Subcommittee of the Regional Planning Committee to explore solutions and opportunities common to cities, counties, and water districts. ABAG developed new tools to support this process, including a comprehensive inventory of all agencies’ respective water responsibilities.

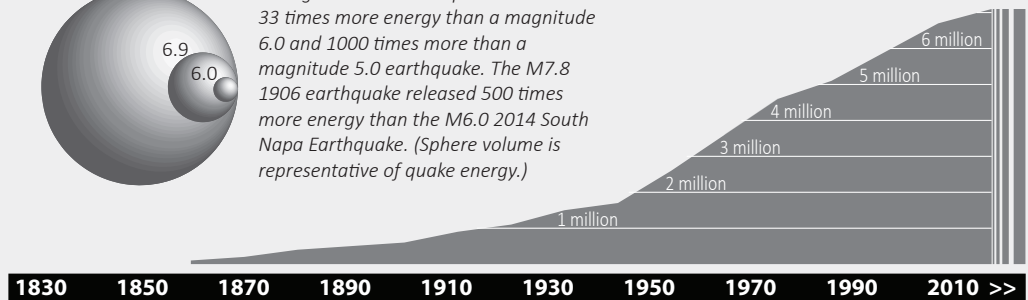
2016-17 HIGHLIGHTS

- Provided hands-on assistance to 80+ city and county administrators in Best-practice Hazard Mitigation Plan writing
- Assisted 15 cities in Strengthening At-Risk Apartment Buildings
- Convened an Infrastructure Subcommittee of the Regional Planning Committee to explore a Water Resilience Initiative

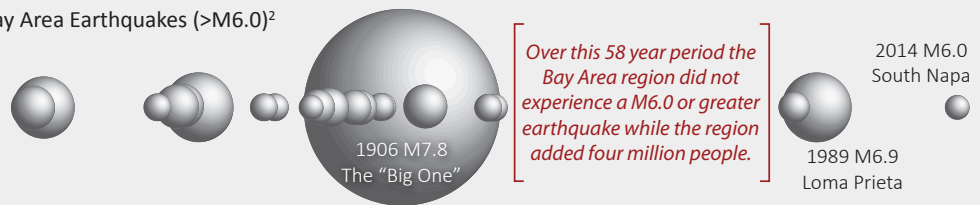


A magnitude 7.0 earthquake releases 33 times more energy than a magnitude 6.0 and 1000 times more than a magnitude 5.0 earthquake. The M7.8 1906 earthquake released 500 times more energy than the M6.0 2014 South Napa Earthquake. (Sphere volume is representative of quake energy.)

Bay Area Population Growth¹



Bay Area Earthquakes (>M6.0)²



Data Sources:
 1. bayareacensus.ca.gov
 2. Ellsworth (1990)

In **2017-2018**, the Resilience Program will share Local Government Best Practices — Some of the most innovative resilience solutions are coming from Bay Area cities and counties. We are expanding a local government policy database to connect cities with existing resources to move initiatives forward.

Continue to focus on soft-story safety — Resilience will continue to provide technical assistance to help cities and counties make earthquake-vulnerable homes safe.

Energy assurance is part of Resilience — We will work with local governments to integrate energy assurance projects into resilience planning, for example, microgrids.

2017-18 GOALS

- Sharing Local Government Best Practices
- Continuing focus on Soft-Story safety
- Work with local governments to integrate energy assurance projects

REGIONAL TRAILS & OPEN SPACE



SECTION 02

PLANNING AND
RESEARCH



The San Francisco Bay Trail, the San Francisco Bay Area Water Trail, and the Priority Conservation Area program are regional projects coordinated by ABAG and implemented by local agencies and organizations to advance the protection and stewardship of natural resources and expand the system of urban trails, parks, bikeways and bay access to increase the quality of life, health, and economic prosperity of the region.

In 2016, the **San Francisco Bay Trail** reached 350 out of 500 miles — that's 70% complete — with the construction of seven miles of trail, including 4 miles in Hayward at Eden Landing Ecological Preserve, 2.5 miles at Sears Point Restoration Area in Sonoma County and the last stretch of the pathway on the East Span of the San Francisco-Oakland Bay Bridge linking to Yerba Buena Island. Six new Bay Trail smart phone audio tours were created around the region and the San Francisco Bay Trail Design Guidelines & Toolkit was released to local partners outlining recommended principles for designing and developing the remaining trail gaps.

2016-17 HIGHLIGHTS

- Seven miles constructed, reaching the milestone of 350 miles and 70% complete
- Bay Trail Design Guidelines & Toolkit released to shoreline partners outlining the principles for designing and developing the remaining sections of Bay Trail
- Six new Bay Trail smart audio phone tours were created and a \$15,000 grant was secured from Google to complete a tour at the Google campus in Mountain View

2017-18 GOALS

- Seek and provide funding to implementing agencies to significantly advance the development of the Bay Trail
- Expand awareness of the Bay Trail through new smart phone audio tours, Migrations regional art program, and other outreach tools
- Develop a strategy to analyze the condition of existing segments of Bay Trail in coordination with shoreline partners



The **San Francisco Bay Area Water Trail** has hit its stride with 30 officially-designated sites to date. The Water Trail is a growing network of launching and landing sites, or “trailheads,” around San Francisco Bay. Each trailhead enables non-motorized small boat users to enjoy the historic, scenic, cultural, and environmental richness of the San Francisco Bay and its nearby tributary waters. Potentially, more than 100 existing marinas, waterfront parks, and other publicly accessible sites will become part of the Water Trail through regional collaboration. In 2016, the Water Trail grant program, made possible by the State Coastal Conservancy, awarded nearly \$500,000 to local jurisdictions for site enhancements. Also, Water Trail staff worked with the East Bay Regional Park District to create a comprehensive, two-county Water Trail Implementation Plan that serves as a model for other areas of the region.

2016-17 HIGHLIGHTS

- Designated the 30th Water Trail site
- Allocated over \$490,000 for water access improvements
- Completed East Bay Regional Park District Water Trail Implementation Plan

2017-18 GOALS

- Designate up to 50 Water Trail sites
- Complete a set of Water Trail maps and update the Water Trail website
- Develop a detailed list of projects and assist partners with applying for available funds

The **Priority Conservation Area (PCA)** program is a component of Plan Bay Area that emphasizes the importance of open spaces providing agricultural, natural resource, scenic, recreational, urban greening and/or ecological value in the nine-county area. These areas are identified through consensus by local jurisdictions and park/open space districts as lands in need of protection or enhancement due to pressure from urban development or other factors. In 2016, the program reached a total of 165 designated PCAs representing a variety of landscapes within which projects will be eligible for One Bay Area Grant (OBAG) funds.

2017-18 GOALS

- Solicit applications and manage a competitive grant program under the One Bay Area Grant (OBAG) program in partnership with MTC and the State Coastal Conservancy to fund eligible projects within PCA boundaries
- Update and maintain a comprehensive and informative PCA website with county-specific PCA maps as a public and local agency resource

COMPLETE COMMUNITIES



SECTION

02

PLANNING AND
RESEARCH



Together with Priority Conservation Areas (PCAs), Priority Development Areas are the foundation for sustainable regional growth and Plan Bay Area. A partnership between MTC and ABAG, the Priority Development Area program supports community-based PDA plans across the region and provides focused implementation initiatives.

Work in **2016-2017** focused on:

Regional Planning Grants — ABAG managed 15 planning grants that allow Bay Area cities and counties to deliver locally adopted plans for PDAs that address a full range of issues and set the stage for a transparent development process consistent with the community's vision.

Complete Communities — Staff worked with a cross-section of local staff, design professionals, developers, schools, and community organizations to advance placemaking strategies, including urban greening, profiles of successful places, and forums for regional dialogue about community assets and aspirations for PDAs.

Corridors and Centers — ABAG brought together cities connected by transit corridors, and the region's three largest cities, to identify common challenges and pursue shared opportunities. 2016-17 saw the implementation of priorities identified by Corridor jurisdictions including a model ordinance for safe housing; corridor-wide green infrastructure priorities; an EPA Brownfields grant; and \$50 million for catalyst affordable housing and transportation projects.

2016-17 HIGHLIGHTS

- Managed 15 planning grants
- Worked with a cross-section of cities about community assets and aspirations for PDAs
- Brought together cities connected by transit corridors, and the region's three largest cities, to identify common challenges and pursue shared opportunities.



Efforts in **2017-18** are:

Tailored PDA Planning Grants — In partnership with MTC, the Integrated Planning Program will expand successful elements of the PDA program and add new focus areas responsive to emerging challenges identified through consultation with local staff. New guidelines and a Call for Projects will be released in mid-2017.

Corridors and Centers Collaboration — Continue to implement the East Bay Corridor Initiative's priorities, convene the region's three largest cities to identify shared objectives; and utilize housing expertise to support the Grand Boulevard Initiative.

Regional placemaking and PDA dialogue — Through direct engagement with local officials and the *Places of the Bay Area* website, the Integrated Planning Program will provide forums for people with diverse perspectives to discuss local issues and aspirations related to PDAs.

Entitlement efficiency — the Integrated Planning Program will create web-based tools to assist local planners and developers identify locations with incentives for housing and commercial development, particularly affordable housing.

2017-18 GOALS

- Expand successful elements of the PDA program and add new focus areas
- Continue to implement Corridors and Centers Collaboration
- Direct, engage, and provide forums to discuss PDA local issues and aspirations
- Create web-based tools to assist in identify locations with incentives



03

LOCAL COLLABORATION PROGRAMS

HIGHLIGHTS

- Millions of dollars saved by counties, cities, and towns in staff time and administrative costs.
- All 101 Bay Area cities and nine counties rely on Local Collaboration Programs to serve their communities.
- Life-saving best practices and quality of life improvements are offered for all Bay Area residents.

PROGRAM OVERVIEW

- Local Collaboration Programs are administered by ABAG staff.
- Many Local Collaboration Programs have an independent governing board comprised of city and county representatives.

THE BOTTOM LINE

- In the last five years, grant income has increased 225%, from \$16 million to almost \$52 million.
- The combined reserve amounts exceed \$35 million.

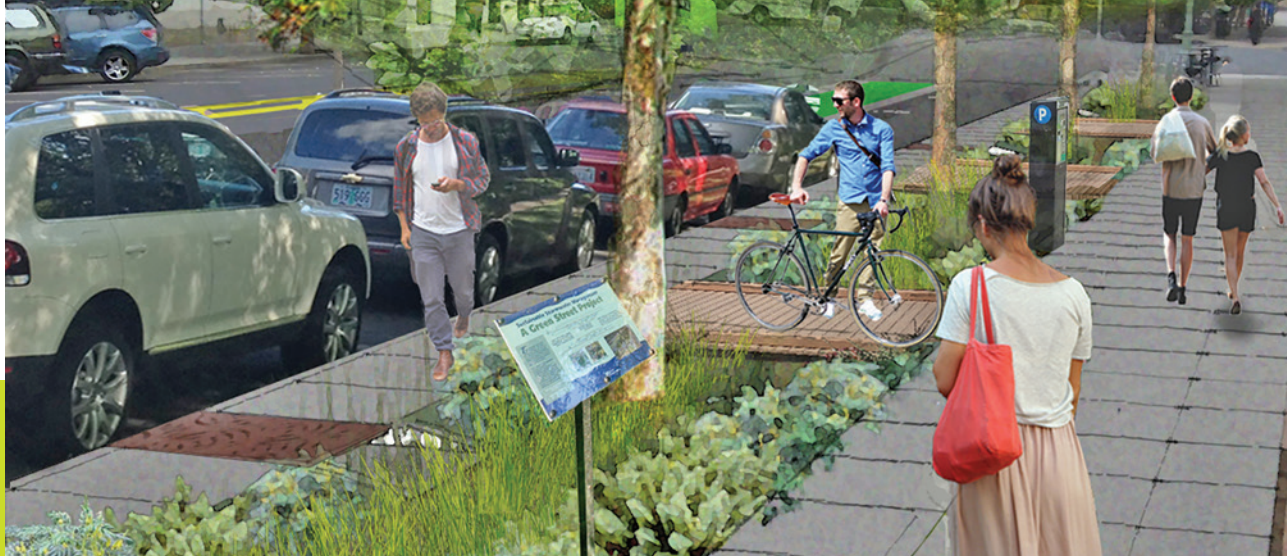
SAN FRANCISCO ESTUARY PARTNERSHIP



SECTION

03

LOCAL
COLLABORATION
PROGRAMS



The San Francisco Estuary Partnership (Partnership) and its cooperating agencies and organizations both initiated, and continued work on a wide array of projects and activities in support of the Partnership's mandate: To protect, enhance, and restore the San Francisco Bay-Delta Estuary. The Partnership currently manages \$100 million in funding for local and regional restoration, water quality, and climate resiliency projects and programs.

2016-17 HIGHLIGHTS

- Released the 2016 *Estuary Blueprint*, a regional comprehensive vision for the future of the San Francisco Estuary. More than 100 scientists, regulators, businesses, municipalities, non-governmental organizations, and citizens collaborated with the Partnership to develop four long-term goals and 32 actions to be taken over the next five years to protect, restore, and sustain the San Francisco Estuary.
- Completed GreenPlan Bay Area, a collaborative effort between San Francisco Estuary Partnership, San Francisco Estuary Institute, and Bay Area municipalities to develop and pilot the use of a watershed-based green infrastructure planning tool.
- Continued public outreach efforts such as the planning and execution of the 2016 Bay Delta Science Conference in partnership with the Delta Science Program, the release of brochures for local governments on natural infrastructure and green streets, and the 25th year of publication of our award-winning ESTUARY News magazine.

2017-18 GOALS

- Working with partners to implement and track successes of the *Estuary Blueprint*.
- Planning and execution of the highly successful 2017 State of the Estuary Conference, with 800 attendees expected.
- Expanding the Clean Vessel Act Program with new funding and new initiatives. The Program focuses on reducing water quality impacts by undertaking outreach and education efforts with boaters to prevent sewage discharge.

POWER



SECTION 03

LOCAL
COLLABORATION
PROGRAMS



Since its formation in 1998, ABAG POWER has played a critical role in serving the energy needs of many local governments and public agencies in the Bay Area. Since its inception in a time of rapidly evolving energy markets, the objective of the program has been to provide leadership for local governments in the areas of energy procurement and energy management by creating voluntary, region-wide energy purchasing pools administered by ABAG POWER. Pooled purchasing allows the program to negotiate preferential pricing of energy supply for use in public facilities like hospitals, police and fire stations, zoos, and community centers. Today, the program strives to fulfill measurable and often competing goals of cost savings and price stability. These goals differ from that of Pacific Gas & Electric Company (PG&E) which is incentivized to provide low-cost gas on a near term (monthly) basis.

ABAG POWER's natural gas purchasing pool recently completed its nineteenth year of operation and currently serves nearly 40 member agencies throughout PG&E's service territory. Each member is guaranteed a voice in program operations and decisions through its representative to the ABAG POWER Board of Directors and Executive Committee. The pool's annual usage footprint is roughly equivalent to gas usage from 12,000 homes in California. For much of the past year, market rates for natural gas declined significantly and remained relatively low, however, price volatility remains a significant risk and can be caused by many factors including abnormal weather patterns, political instability, the price of alternative products (e.g., oil), and regulatory actions. ABAG POWER closely monitors these price volatility factors as part of their service and continues to follow regulatory actions that may affect the natural gas and electrical energy markets.

2016-17 HIGHLIGHTS

- ABAG POWER's commodity rates remained more stable than PG&E's during the past fiscal year
- The recent addition of a promising natural gas supplier and continued refinements to the program's gas purchasing strategy provide increased potential for savings.
- Recently, the program has seen three consecutive year-on-year decreases in ABAG's administrative operating fees.

2017-18 GOALS

- The Executive Committee will continue to discuss and analyze refinements to the gas purchasing strategy and customer service and billing/reporting aspects of the program.
- In coming years, continue efforts to fulfill environmental responsibility and sustainability by promoting use of renewable gas where appropriate.
- Continue to examine opportunities to expand the program's membership while successfully adapting to California's aggressive environmental policy goals.

BayREN



SECTION 03

LOCAL COLLABORATION PROGRAMS



Formed in 2012 as a collaboration between ABAG and the nine Bay Area counties, the Bay Area Regional Energy Network (BayREN) helps Bay Area residents and communities become more energy efficient. BayREN draws on the expertise, experience, and proven track record of local Bay Area governments to build the internal capacity of local cities and counties to administer successful climate, resource, and sustainability programs. BayREN has a portfolio of energy efficiency programs that include: single family and multifamily energy retrofit programs that offer monetary incentives; Codes and Standards that works with local building officials to better understand and comply with the State Energy Code; and several financing programs including an on bill water efficiency program and a zero interest loan funds for eligible multifamily energy retrofit projects. BayREN is primarily funded by Public Goods Charges approved by the California Public Utilities Commission, and currently has an annual budget of over \$16 million.

2016-17 HIGHLIGHTS

- Paid rebates of over \$10 million to Bay Area single family and multifamily homeowners for making energy retrofits to their properties, resulting in energy savings, healthier living environments, and progress toward state and local Greenhouse Gas reductions.
- Awarded two new grants from a state and federal agency, meeting the goal of diversifying our funding sources. Also successfully obtained a three year — rather than one year — contract totaling \$50,611,000.
- Multiple recognitions of accomplishments and successful regional structure in reports by state agencies, nonprofit organizations, and other stakeholders.

2017-18 GOALS

- Continue with successful programs, but also obtain approval for new programs. Expansion includes commercial and public sector program offerings.
- Greater diversification of funding.
- Increased and continued collaboration with BAAQMD and BARC (and MTC).

ABAG PLAN



SECTION 03

LOCAL COLLABORATION PROGRAMS

ABAG PLAN was formed in 1986 to meet the needs of small and medium-sized cities and towns across the Bay Area who were otherwise unable to obtain affordable insurance. ABAG PLAN provides general liability, property and crime insurance by establishing stable, cost-effective self-insurance and risk management programs to help protect Bay Area cities from the damages and costs accrued from accidents or other incidents. Members are 28 towns and cities from six Bay Area counties. Serving as an essential resource for members, ABAG PLAN helps to insulate cities and towns from losses and manage fiscal resources by working to mitigate risks. Since many members may not have an in-house risk management department, ABAG PLAN staff serve as an extension of city staff with services, training, and strategic support, and thus setting us apart from other risk pools.

ABAG PLAN provides members with:

Insurance Program — Self-insured, risk sharing pool with broad coverage, interest on reserves, and a return of assets

Claims Management — Dedicated claims examiners who provide investigative services, advice, and strategy

Risk Management — Strategic advice and support around best practices for risk management and mitigation; member surplus funding reallocated as risk management grants to long term risk mitigating activities and trainings.

ABAG PLAN offers workshops both via online training and in person, e.g. Defensive Driving or Sidewalk Liability Prevention. Larger educational programs include the annual “Be Sewer Smart!” Summit, which provides valuable tips to prevent sewer challenges, and the Urban Forest Forum, sponsored in collaboration with the Urban Forest Council, which provides tools for mitigating and managing potential risks associated with trees and landscaping.

2016-17 HIGHLIGHTS

- Maintained a balanced budget and offered stable rates for premium contributions to the members. This greatly helps the jurisdictions’ budget planning.
- Successfully managed investments and claim outcomes to grow budget surplus (equity).
- Continued customized assistance to members in assessing and maintaining best practices in order to reduce losses and preserve fiscal resources for the individual members as well as the pool at large.

2017-18 GOALS

- Maintain cost stabilization and affordable protection options for the members going forward.
- Continue assistance to members with strategic risk management planning and increase risk management training offerings while remaining responsive to requested and relevant topics. Continue the positive correlation between knowledge/implementation and outcomes/lower claim activity.
- Ongoing performance improvement of contracted partners to assure program is operating optimally.

ABAG FINANCE AUTHORITY



SECTION 03

LOCAL COLLABORATION PROGRAMS



The ABAG Finance Authority has been providing conduit financing to various public and private organizations throughout the state of California since 1990.

As a conduit issuer, the Finance Authority provides a convenient, cost saving, and secure method of accessing the market to aid in the financing needs of public agencies and their non-profit and for-profit partners. To date, we have provided over \$8 billion in low cost investment capital for projects in more than 240 local jurisdictions. We have helped our members fund construction of affordable housing and retirement facilities, new hospitals and medical clinics, private schools and cultural institutions, transit systems, water and wastewater systems, and other essential public infrastructure. We take special focus on assisting in the construction and preservation of affordable housing, providing financing to date for nearly twelve-thousand units in one hundred affordable apartment communities.

Recent financing activities include: the Morgan Autism Center in San Jose, \$9.7 million in tax-exempt bonds; the Independent Order of the Odd Fellows, an organization committed to helping others, \$71.4 million in tax-exempt bonds for the construction of its Meadows of Napa Valley continuing care retirement community; the Crean Lutheran High School of Irvine, \$33 million in tax-exempt financing to refund outstanding debt and raise new money to continue construction of existing facilities; and the Presidio Knolls School in San Francisco with a \$4.9 million tax-exempt financing to refund an existing loan and to renovate existing facilities.

2016-17 HIGHLIGHTS

- Hired experienced public finance professionals to rebuild and relaunch the conduit issuance program; revised and rebuilt website, including new online application and fee structure
- Implemented marketing strategy to generate new business; attended and presented at California Society of Municipal Analysts (CSMA) annual conference; met with industry professionals
- Assisted three non-profit educational institutions and a retirement community with issuing tax-exempt financings

2017-18 GOALS

- Create a new JPA for conduit financing to member agencies
- Be an industry leader in meeting and exceeding State reporting requirements for conduit issuers
- Investigate and pursue new financing opportunities to assist ABAG members with financing needs



04

EXTERNAL AFFAIRS

HIGHLIGHTS & PROGRAM OVERVIEW

- Informing and engaging ABAG's membership, as well as local elected officials, local government staff, and the general public about ABAG's programs and services related to land use, the environment, resilience, risk management, and energy efficiency.
- Providing outreach activities, media relations, and regional and local events; delivered via the website, electronic communication, printed reports, and in person.
- Work collaboratively to influence legislation related to land use, housing, and energy and water efficiency.
- Provide fiscal management services to Local Collaboration Programs.

LEGISLATIVE ACTIVITY



SECTION 04

EXTERNAL AFFAIRS



The ABAG Legislative and Governmental Organization (L&GO) Committee is a platform for elected officials from the Bay Area's cities, towns, and counties to work collaboratively to influence legislation that impacts local governments. In 2016, Alameda County Supervisor Scott Haggerty served as L&GO Chair. Approximately 30 state bills were reviewed by the Committee during the 2016 legislative session. Key areas of emphasis for the L&GO Committee included local governments, land use and housing, energy efficiency, environment, hazardous waste, and resiliency.

ABAG's L&GO Committee actively supported legislation related to land use, housing, and energy and water efficiency. The L&GO supported AB 2406 (Thurmond) Housing: Junior Accessory Dwelling Units that was chaptered into law, as well as SB 1030 (McGuire) Sonoma County Regional Climate Protection Authority that became law. The L&GO also pursued ABAG POWER authored Water Efficiency Financing Legislation in 2016.

Activities included a Legislative Workshop and Reception co-hosted by ABAG, MTC and the California State Association of Counties. The program featured legislative committee chairs along with several other leading state legislators and staff from State Department of Housing and Community Development. These legislators and agency leaders discussed bills and initiatives related to local governments, land use, housing, transportation, and environmental challenges. More than 70 attendees participated in this important forum for local elected officials.

2016-17 HIGHLIGHTS

- Conducted policy briefings and pursued legislation addressing the committee priorities.
- Produced Legislative Workshop and Reception co-hosted by ABAG, MTC and the California State Association of Counties.
- Facilitated discussions with legislators about Bay Area needs and challenges.

2017-18 GOALS

- Continue to pursue legislation that provides resources and incentives for planning, infrastructure, and services to assist local governments, as well as State and Federal legislation establishing innovative financing and project delivery mechanisms.
- Continue to focus on SB 375 and Plan Bay Area Implementation through legislative objectives such as affordable housing funding, housing element reform, and better California Environmental Quality Act (CEQA) entitlement efficiency.
- The L&GO will continue to monitor implementation of the Cap and Trade Program. Continue to seek voter threshold reduction for infrastructure taxes and bonds statewide and locally.
- Increase focus on physical and economic resilience.

COMMUNICATIONS



SECTION

04

EXTERNAL
AFFAIRS



The Communications Department worked with all departments to promote ABAG's mission and to inform and engage members. The group led a strategic campaign to expand the awareness and understanding of ABAG's programs and services and raise awareness of the benefits to local governments. The strategy was rolled out with streamlined program fact sheets and presentations before the ABAG Executive Board throughout Fall and Winter of 2016-2017. Major efforts included production and management of regional conferences and workshops, publications, media relations, and web outreach centered on ABAG programs and services.

Events included the Spring General Assembly in 2016, as well as a 2016 Special General Assembly on May 19th to discuss merger options and vote on a recommendation to the ABAG Executive Board, and a Special General Assembly in January 2017. The Communications group also worked with ABAG's Acting Executive Director and Planning staff to facilitate Delegate meetings in the region. Delegate meetings served as an important tool for information exchange and collaboration amongst cities within the counties. Communications also assisted with production of the Bay Area Confluence forum in November. Each of these events brought together more than 100 local elected officials.

In addition to facilitating these regional forums and other activities, monthly electronic newsletters with organizational updates, planning information, and program/service highlights were distributed. The revamped ABAG website was used to feature news announcements and twitter feeds. Updates on ABAG initiatives, programs, and services were consistently provided on the website. Overall outreach was expanded to facilitate better use of ABAG programs and services.

2016-17 HIGHLIGHTS

- Planned and coordinated General Assemblies (GA), including Special GAs in 2016 and 2017. Outreach and engagement for regional *Plan Bay Area* open houses in 2016 Spring/Summer.
- Produced regular news updates and twitter feeds on the ABAG website. Disseminated timely communications through extensive news blasts linking to conference proceedings and presentations.
- Also helped relaunch the ABAG Finance Authority with an all new website and collateral material.

2017-18 GOALS

- Plan and coordinate General Assemblies, other regional forums, and county-wide Delegate meetings.
- Continue to expand the use of the website and social media to communicate with member cities, towns, and counties; key stakeholders; and the public. Facilitate access to ABAG programs, projects, initiatives, and resources using the website and social media.
- Continue to distribute a monthly electronic newsletter with updates and planning information. Secure media interviews with media outlets with high visibility.

FISCAL MANAGEMENT SERVICES



SECTION 04

EXTERNAL AFFAIRS

ABAG continues to offer fiscal management services to Bay Area public purpose entities and region-wide grant programs. Financial services are provided to ABAG PLAN Corporation, ABAG Workers Compensation Shared Risk Pool, ABAG Finance Authority for Nonprofit Corporations, ABAG Publicly Owned Energy Resources, and the San Francisco Bay Area Water Emergency Transit Authority. These services include accounting, financial reports, cash management, investments, debt issuance, grants management, and other related financial support services.

Major grants for which ABAG exercised fiscal oversight in year 2016-2017 totaled \$51 million. These include grants for the promotion and incentivizing the evaluation of energy efficiency of homes and the installation of enhancements such as insulation, double-paned windows and solar panels, as well as grants to enhance water quality of the Delta and San Francisco Bay including water recycling, cleaning up creeks emptying into the Bay, and capturing water in natural medians instead into storm drains.

Our accounting procedures and controls for these grants are examined by our independent auditors as part of the ABAG annual audit and larger federal grants are examined in a "Single Audit" performed in accordance with Federal auditing standards. Our independent auditors continue to provide unmodified (positive) opinions as to our fiscal accountability, and have reported no fiscal deficiencies or substantial weaknesses in internal accounting and administrative controls. Starting on July 1, 2017, these services will be carried out by the consolidated ABAG/MTC staff.

2016-17 HIGHLIGHTS

Provided fiscal management services for the following entities:

- ABAG-related: ABAG PLAN Corporation, ABAG Comp Shared Risk Pool, ABAG Finance Authority, ABAG Publicly Owned Energy Resources, San Francisco Estuary Partnership
- Other: San Francisco Bay Restoration Authority, San Francisco Bay Area Water Emergency Transit Authority.

2017-18 GOALS

- Fiscal management services for the San Francisco Bay Restoration Authority will significantly increase due to the passage of Measure AA in June 2016. Management of the ABAG PLAN Corporation, ABAG Comp Shared Risk Pool, ABAG Finance Authority, and ABAG Publicly Owned Energy Resources will continue.
- Continue oversight of major grants with error-free fiscal management services.
- Conduct regularly scheduled meetings with our significant entities to review service levels, discuss service enhancements, and to facilitate increased involvement of the managers in the budget process.
- Provide timely and accurate comprehensive financial information to the Boards and the public.



05

BUDGET

TO BE ADDED



BUDGET HIGHLIGHTS

TO BE ADDED



OPERATING BUDGET

	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ADOPTED	FY 17-18 PROPOSED
REVENUES				
Federal	\$5,186,616	\$5,906,289	\$6,387,059	4,857,244
State	24,008,892	44,131,536	42,729,572	85,513,469
Other Contracts	1,181,055	1,944,977	2,600,317	3,301,864
Service Programs	5,437,298	4,717,179	4,545,000	4,033,648
Membership Dues	1,820,316	1,896,480	1,957,767	2,065,639
Total Revenues	\$37,634,177	\$58,596,461	\$58,219,715	\$99,771,864
EXPENSES				
Salaries and Benefits	11,367,923	10,818,257	11,828,400	8,393,548
Consultant Services	14,161,428	35,271,608	28,249,460	41,842,448
Passthrough	9,084,115	10,120,973	15,761,546	48,680,745
Temporary Personnel Services	183,356	266,355	167,682	47,551
Equipment and Supplies	116,144	103,822	130,000	28,096
Outside Printing	72,985	77,895	66,746	83,609
Conference and meeting	114,928	218,371	298,544	273,850
Depreciation	152,823	166,035	150,000	-
Interest	85,806	70,352	78,471	38,000
Building Maintenance	259,586	286,768	270,000	
Utilities	123,529	135,824	130,000	
Insurance	145,446	159,676	165,000	17,500
Postage	20,824	10,970	19,044	11,594
Telephone	62,468	83,845	57,128	4,339
Committee (per diem)	71,550	85,200	97,888	107,732
Other	765,217	485,000	699,806	242,852
Total Expenses	\$36,788,128	\$58,360,951	\$58,169,715	\$99,771,864
Net Surplus (deficit)	\$846,049	\$235,510	\$50,000	



PROPOSED REVENUES BY FUNDING SOURCES

ABAG Proposed
Operating Budget

REVENUES	FY 14-15 ACTUAL	FY 15-16 ACTUAL	BUDGET	
			FY 16-17 ADOPTED	FY 17-18 PROPOSED
FEDERAL REVENUES				
EPA - Environmental Programs	\$1,971,454	\$2,305,606	\$2,439,748	\$3,603,955
FEMA				480,000
MTC - FTA	232,147	245,981	243,592	
MTC - FHWA	995,379	1,019,529	1,030,190	
MTC - STP Exchange	1,321,632	1,365,065	1,372,233	
MTC - HUD Grant	75,000			
U.S. Geological Survey	204,671	64,362	34,136	131,319
U.S. Dept. of Interior	163,567	156,649		
U.S. Dept. of Homeland Security		749,097	667,161	
East Bay Corridor Brownfield Assessment			600,000	
U.S. Dept. of Energy				641,970
Discontinued Prog. and Audit Adjustments	222,766			
Subtotal	\$5,186,616	\$5,906,289	\$6,387,059	\$4,857,244

STATE REVENUES

MTC - TDA	\$112,862	\$289,720	\$240,547	
MTC: Bay Trail 5% Bridge Toll Revenues	236,181	296,885	273,340	273,341
Coastal Conservancy: Bay Trail Block Grant #4	606,554	606,281		145,507
Cal Trans	260,663			900,000
State Water Resources Control Board	(2,360)	379	361,580	17,226
California Resources Agency	49,368	139,199	114,677	311,660
CA Dept. of Conservation (Prop. 84)	1,038,451	550,975		
CA Dept. of Water Resources	3,516,659	24,606,229	26,915,461	66,549,226
CA Div. of Boating & Waterways				236,861
CA Public Utilities Commission	16,571,760	17,422,227	12,837,000	16,894,934
Delta Stewardship Council	194,815	190,874	286,967	184,714
CA Earthquake Authority	39,023			
MTC: Bay Trail 2% Bridge Toll Revenues			450,000	
Coastal Conservancy: Water Trail Block Grant			950,000	
Coastal Conservancy: Bay Trail Block Grant #5			300,000	
Discontinued Prog. and Audit Adjustments	1,384,916			
Subtotal	\$24,008,892	\$44,102,769	\$ 42,729,572	\$85,513,469



PROPOSED REVENUES BY FUNDING SOURCES

ABAG Proposed
Operating Budget

REVENUES	FY 14-15 ACTUAL	FY 15-16 ACTUAL	BUDGET	
			FY 16-17 ADOPTED	FY 17-18 PROPOSED
OTHER CONTRACTS				
BALANCE Foundation	\$12,025	\$17,044	\$12,500	
Haz Waste MOU Committee	77,455	90,927		
MTC	429,871	376,986	911,439	477,500
MTC Tenant Improvements			550,000	
Santa Clara Water District	120,669	133,004	172,150	172,150
Fiscal Agent Services (WETA)	108,717	114,688	129,000	
Alameda County SFEP	151,652	166,514	158,266	168,573
Coastal Conservancy	127,977	457,390	50,000	991,429
Admin. Civil Liability/Northbay Outreach			20,000	
PG&E - Energy Efficiency		5,156		33,615
SFPUC - Estuary	(215)			
STARS Deferred Comp Program	(4,500)	2,400	2,400	
City & County of San Francisco				
City of Oakland	15,022	90,176		
Consortium of Public Agencies	82,440	50,658	100,000	
East Bay Municipal Utility District	37,002			
County of Marin	115,988	172,187	143,957	94,326
Sonoma County Water District		133,713	200,605	150,454
Rockefeller Philanthropy Advisors		158,290	150,000	141,710
Resource for Community Development		1,367		
Local Government Commission		3,244		
Contra Costa County				110,728
San Francisco Bay Restoration				555,700
Other Grants				405,679
Discontinued Prog. and Audit Adjustments	(267,527)			
Subtotal	\$1,181,055	\$1,973,744	\$2,600,317	\$3,301,864
SERVICE PROGRAMS				
Publications	\$9,074	\$6,615	\$5,000	
Training	660,385	579,007	75,000	
Financial Services	1,407,498	809,531	1,050,000	995,004
Workers' Compensation	133,148	122,145	150,000	158,971
ABAG PLAN Corp	2,188,969	2,275,282	2,450,000	2,159,835
Bay Trail Nonprofit	28,565	30,109	25,000	12,300
Web Hosting	1,440	1,080		
POWER Purchasing Pool Fees	365,241	345,181	440,000	317,538
Conference Services	267,706	200,038	200,000	
ABAG General Fund				
Other	375,272	348,191	150,000	390,000
Subtotal	\$5,437,298	\$4,717,179	\$4,545,000	\$4,033,648
MEMBERSHIP DUES				
ABAG Dues (local and cooperating)	1,820,316	1,896,480	1,957,767	2,065,639
Total Revenues	\$37,634,177	\$58,596,461	\$58,219,715	\$99,771,864



PROPOSED REVENUES AND EXPENSES BY PROGRAM

Note: The proposed FY 17-18 budget assumes that the local collaboration programs will continue to receive the same level of management and administrative support services as provided in the past.

	TOTAL EXPENSES	EXPENSES	
		MTC FUNDED	
		Integrated Planning	Contract for Services
PLANNING & RESEARCH			
Land Use	3,306,374	3,306,374	
Bay Trail / Water Trail	1,900,077		
Resiliency	1,113,708		
Other Planning	608,876		
Subtotal	\$6,929,035	\$3,306,374	
LOCAL COLLABORATION PROGRAMS			
San Francisco Estuary	72,727,280		791,283
Power Purchasing Pool & Energy Programs	1,025,926		
BayRen	16,862,131		
Financial Services	995,004		
ABAG PLAN Corp.	2,159,835		
Workers' Compensation	158,971		
SF Restoration Authority	555,700		
Subtotal	\$94,484,847		\$791,283
EXTERNAL AFFAIRS			
Communications	588,056		
Legislation & Pub. Affairs	97,027		
Subtotal	\$685,083		
Management & Administration	2,498,322		727,765
TOTAL	\$104,597,287	\$3,306,374	\$1,519,048
GRAND TOTAL	\$104,597,287	\$3,306,374	\$1,519,048

	REVENUE SOURCES					
ABAG FUNDED	FEDERAL	STATE	OTHER	SERVICES	MEMBERSHIP	TOTAL REVENUES
Program Expenses						

1,900,077		418,848	1,468,929	12,300		1,900,077
1,113,708	566,319		547,389			1,113,708
608,876	608,876					608,876
\$3,622,661	\$1,175,195	\$418,848	\$2,016,318	\$12,300		\$3,622,661

71,935,997	3,040,079	68,199,687	696,231			71,935,997
1,025,926	641,970	32,803	33,615	317,538		1,025,926
16,862,131		16,862,131				16,862,131
995,004				995,004		995,004
2,159,835				2,159,835		2,159,835
158,971				158,971		158,971
555,700			555,700			555,700
\$93,693,564	\$3,682,049	\$85,094,621	\$1,285,546	\$3,631,348		\$93,693,564

588,056					588,056	588,056
97,027					97,027	97,027
\$685,083					\$685,083	\$685,083

1,770,557				390,000	1,380,556	1,770,557
\$99,771,864	\$4,857,244	\$85,513,469	\$3,301,864	\$4,033,648	\$2,065,639	\$99,771,864

\$99,771,864	\$4,857,244	\$85,513,469	\$3,301,864	\$4,033,648	\$2,065,639	\$99,771,864
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PROPOSED ABAG MEMBERSHIP DUES

Base member dues increased from \$737 for fiscal year 2016-17 to \$759.33 as a result of the prescribed CPI adjustment of 3.03% for the 12 months ended October 31, 2016.

The dues rates for each 50,000 population tier were also increased 3.03% .

Total dues for fiscal year 2017-18 have increased 5.51% as a result of a 3.03% consumer price index adjustment and a 1.85% increase in population for the nine counties served by the Association.

JURISDICTION	ESTIMATED POPULATION 1/1/2016	DUES	
		APPROVED FY 16-17	PROPOSED FY 17-18
COUNTY OF ALAMEDA	1,627,865	\$158,336	\$167,209
Alameda	79,277	\$15,364	\$16,208
Albany	18,893	\$4,346	\$4,571
Berkeley	119,915	\$22,037	\$23,255
Dublin	57,349	\$11,534	\$12,163
Emeryville	11,721	\$2,792	\$2,930
Fremont	229,324	\$34,687	\$36,616
Hayward	158,985	\$26,341	\$27,802
Livermore	88,138	\$17,086	\$18,027
Newark	44,733	\$9,331	\$9,836
Oakland	422,856	\$51,322	\$54,186
Piedmont	11,219	\$2,898	\$3,041
Pleasanton	74,982	\$15,035	\$15,860
San Leandro	87,700	\$17,538	\$18,504
Union City	72,952	\$14,647	\$15,450
COUNTY OF CONTRA COSTA	1,123,429	\$113,894	\$120,271
Antioch	112,968	\$20,714	\$21,858
Brentwood	58,784	\$11,654	\$12,289
Clayton	11,209	\$2,932	3,077
Concord	129,707	\$22,957	\$24,227
Danville	42,865	\$9,231	\$9,731
El Cerrito	24,378	\$5,459	\$5,746
Hercules	24,791	\$5,554	\$5,846
Lafayette	24,924	\$5,627	\$5,924
Martinez	37,057	\$8,005	\$8,436
Moraga	16,513	\$3,938	\$4,140
Oakley	40,141	\$8,278	\$8,724
Orinda	18,749	\$4,355	\$4,581
Pinole	18,739	\$4,420	\$4,650
Pittsburg	67,817	\$13,705	\$14,455
Pleasant Hill	34,077	\$7,379	\$7,774
Richmond	110,378	\$20,594	\$21,731
San Pablo	30,829	\$6,517	\$6,864
San Ramon	78,363	\$15,718	\$16,582
Walnut Creek	70,018	\$13,565	\$14,307



PROPOSED ABAG MEMBERSHIP DUES

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JURISDICTION	ESTIMATED POPULATION 1/1/2016	DUES	
		APPROVED FY 16-17	PROPOSED FY 17-18
COUNTY OF MARIN	262,274	\$37,617	\$39,711
Belvedere	2,162	\$1,149	\$1,195
Fairfax	7,426	\$2,221	\$2,327
Larkspur	12,445	\$3,137	\$3,295
Mill Valley	14,880	\$3,544	\$3,724
Novato	54,749	\$11,116	\$11,721
Ross	2,527	\$1,222	\$1,271
San Anselmo	12,867	\$3,200	\$3,361
San Rafael	60,582	\$12,155	\$12,818
Sausalito	7,217	\$2,156	\$2,258
Tiburon	9,503	\$2,526	\$2,648
COUNTY OF NAPA	142,028	\$24,761	\$26,132
American Canyon	20,374	\$4,654	\$4,897
Calistoga	5,180	\$1,760	\$1,840
Napa	80,576	\$15,794	\$16,662
St. Helena	6,004	\$1,916	\$2,005
Yountville	2,987	\$1,324	\$1,379
COUNTY AND CITY OF SAN FRANCISCO			
County	866,583	\$90,640	\$95,711
City	866,583	\$90,640	\$95,711
COUNTY OF SAN MATEO	766,041	\$82,281	\$86,883
Atherton	7,150	\$2,085	\$2,183
Belmont	27,834	\$5,937	\$6,252
Brisbane	4,699	\$1,620	\$1,692
Burlingame	29,724	\$6,548	\$6,897
Colma	1,509	\$1,025	\$1,063
Daly City	109,139	\$20,400	\$21,527
East Palo Alto	30,545	\$6,402	\$6,742
Foster City	33,201	\$7,034	\$7,410
Half Moon Bay	12,528	\$3,080	\$3,234
Hillsborough	11,687	\$2,957	\$3,104
Menlo Park	33,863	\$7,206	\$7,591
Millbrae	23,136	\$5,189	\$5,461
Pacifica	37,806	\$8,232	\$8,675
Portola Valley	4,751	\$1,617	\$1,689
Redwood City	85,992	\$16,322	\$17,219
San Bruno	45,360	\$9,371	\$9,878
San Carlos	29,008	\$6,462	\$6,806
San Mateo	102,659	\$19,847	\$20,943
So. San Francisco	64,585	\$13,440	\$14,176
Woodside	5,664	\$1,814	\$1,897



PROPOSED ABAG MEMBERSHIP DUES

Base member dues increased from \$737 for fiscal year 2016-17 to \$759.33 as a result of the prescribed CPI adjustment of 3.03% for the 12 months ended October 31, 2016. The dues rates for each 50,000 population tier were also increased 3.03% .

Total dues for fiscal year 2017-18 have increased 5.51% as a result of a 3.03% consumer price index adjustment and a 1.85% increase in population for the nine counties served by the Association.

JURISDICTION	ESTIMATED POPULATION 1/1/2016	DUES	
		APPROVED FY 16-17	PROPOSED FY 17-18
COUNTY OF SANTA CLARA	1,927,888	\$185,006	\$195,377
Campbell	42,584	\$8,875	\$9,354
Cupertino	58,185	\$12,255	\$12,924
Gilroy	55,170	\$11,010	\$11,610
Los Altos	31,353	\$6,576	\$6,927
Los Altos Hills	8,658	\$2,359	\$2,472
Los Gatos	31,376	\$6,668	\$7,023
Milpitas	75,521	\$14,621	\$15,423
Monte Sereno	3,475	\$1,408	\$1,468
Morgan Hill	43,645	\$8,859	\$9,338
Mountain View	77,925	\$15,599	\$16,456
Palo Alto	68,207	\$13,576	\$14,320
San Jose	1,042,094	\$106,085	\$112,024
Santa Clara	123,752	\$22,314	\$23,548
Saratoga	30,219	\$6,725	\$7,083
Sunnyvale	148,372	\$25,728	\$27,154
COUNTY OF SOLANO	431,498	\$53,035	\$55,994
Benicia	27,501	\$6,120	\$6,445
Dixon	19,018	\$4,462	\$4,693
Fairfield	112,637	\$21,168	\$22,337
Rio Vista	8,601	\$2,330	\$2,442
Suisun City	29,091	\$6,353	\$6,691
Vacaville	97,667	\$18,691	\$19,722
Vallejo	117,322	\$22,151	\$23,376
COUNTY OF SONOMA	501,959	\$59,064	\$62,362
Cloverdale	8,825	\$2,430	\$2,547
Cotati	7,153	\$2,165	\$2,268
Healdsburg	11,699	\$3,009	\$3,159
Petaluma	60,375	\$12,215	\$12,882
Rohnert Park	42,003	\$8,723	\$9,194
Santa Rosa	175,667	\$28,888	\$30,492
Sebastopol	7,527	\$2,196	\$2,301
Sonoma	10,865	\$2,863	\$3,004
Windsor	27,031	\$6,051	\$6,372
TOTALS	7,649,565	\$1,957,767	\$2,065,639
DUES PER CAPITA RATES			
First 50,000		0.194414872	0.2053333
Next 50,000		0.184182511	0.1945263
Next 100,000		0.126199127	0.1332865
Remaining Population over 200,000		0.090385861	0.0954620



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RESEARCH AND PLANNING

SAN FRANCISCO ESTUARY PARTNERSHIP

POWER

BayREN

ABAG PLAN

ABAG FINANCE AUTHORITY

LEGISLATIVE ACTIVITY

COMMUNICATIONS

FISCAL MANAGEMENT SERVICES

BUDGET AND DUES



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DRAFT COMMUNICATIONS AND MEMBER SERVICES: 2017-18

In recent years, ABAG’s communications and member services work has been done by Leah Zippert, Halimah Anderson, and Edna Yeh. Together they have informed and engaged ABAG’s membership, local elected officials, local government staff and the general public regarding ABAG’s programs and services related to land use, the environment, resilience, risk management, energy efficiency etc.

As we transition to a single consolidated staff, they will be under MTC’s Deputy Executive Director, Alix Bockelman, working within the Legislation and Public Affairs department directed by Randy Rentschler. They’ll continue doing the work necessary to keep the Bay Area’s cities, towns and counties engaged in ABAG’s work. Staff consolidation also gives ABAG access to MTC’s excellent graphics and legislative advocacy staff. Leah, Halimah, and Edna will continue to play a role in carrying out the following tasks:

WORK PLAN

KEY TASK	TASK DETAILS
1. Outreach	1.1. Plan/write/produce and manage development and distribution of print and electronic communications, (e.g. monthly newsletters, ABAG website content management, major reports). Major reports include annual ABAG Budget and Work Program and reports authored by LCPs. Edit a range of agency documents for grammar, consistency, and layout. 1.2. As needed, manage and conduct ABAG annual awards program. Primary contact person for entrants, judges, videographer, and award winners. 1.3. Provide selected event planning and management services for variety of ABAG conferences/events. 1.4. Manage other outreach campaigns and events such as Bay Trail’s 25th Anniversary activities and the Local Government Health and Wellness Forum. 1.5. Work with ABAG president, senior consolidated staff, and other internal clients as needed.
2. Media Relations	2.1. Write and distribute ABAG press releases on variety of subjects. Contact reporters to follow-up. 2.2. Develop op-eds on a variety of key ABAG initiatives. 2.3. Serve as primary contact for various media, providing background info on various ABAG activities. 2.4. Coordinate between media and subject matter experts to arrange in-depth interviews. 2.5. Monitor media coverage and develop ABAG News Report.
3. General Assembly	3.1. Take lead in managing all aspects of ABAG General Assembly(ies) for Bay Area elected officials. 3.2. Write scripts for ABAG President. 3.3. Provide day-of event management. 3.4. Develop conference agenda. 3.5. Identify, confirm, and coordinate presentations from speakers – both elected officials and subject matter experts. 3.6. Create and manage attendee outreach effort, both on-line and hard copy. 3.7. Manage registration process 3.8. Provide venue research, AV, and catering selection



DRAFT COMMUNICATIONS AND MEMBER SERVICES: 2017-18

WORK PLAN

KEY TASK	TASK DETAILS
4. County Delegate Meetings	<ul style="list-style-type: none">4.1. Set up series of meetings in each county for delegates and alternates to ABAG's General Assembly. These smaller scale meetings create increase participation in ABAG activities.4.2. Work with ABAG Board members/delegates by county to set logistics and issue invitations.4.3. Develop agenda in coordination with participating ABAG Board members and planning staff.4.4. Develop powerpoints targeted for each county.4.5. Conduct meetings and follow up with answers to questions following delegate meetings.
5. Legislative Activities	<ul style="list-style-type: none">5.1. Develop legislative priorities for committee review and examine ways to more effectively coordinate the ABAG and MTC legislative advocacy and legislative committee work5.2. Research background information and analysis on bills of interest to ABAG committees5.3. Develop and maintain legislation summary and status of bills tracked by ABAG5.4. Produce Legislative Committee Meeting packet materials and agenda for ABAG5.5. Develop letters of support or opposition following action by ABAG5.6. Working with consolidated staff, present legislation to ABAG committee members5.7. Develop meeting summary and maintain committee legislative information on ABAG website5.8. Manage annual legislative workshop and reception in Sacramento



DRAFT COMMUNICATIONS AND MEMBER SERVICES: 2017-18

WORK PLAN

KEY TASK	TASK DETAILS
6. Website	<p>6.1. Design, program, and maintain a variety of websites for ABAG and affiliated organizations (see list below), using the skills listed below.</p> <p>6.2. <i>Front end development</i>: User interface design, Responsive design, HTML, CSS, Javascript, jQuery, search engine optimization, WordPress, Photoshop</p> <p>6.3. <i>Back end development</i> (LAMP stack plus others): Linux, Apache, Perl, CGI scripting, PHP, MySQL, Postgres</p> <p>6.4. Update website content provided by various departments, LCPs and outside agencies including:</p> <p>6.4.1. abag.ca.gov (daily to weekly maintenance/updates for: PLAN, FAN, Planning, POWER, web store)</p> <p>6.4.2. bapda.net (designed and coded new site in 2016; periodic maintenance)</p> <p>6.4.3. bayareaenergyupgrade.org (from previous version hosted by consultants; monthly maintenance)</p> <p>6.4.4. bayarearegionalcollaborative.org (periodic maintenance)</p> <p>6.4.5. bayren.org (from previous version hosted by outside consultants; monthly maintenance)</p> <p>6.4.6. baytrail.org (periodic maintenance, provide support to WordPress users)</p> <p>6.4.7. ecowisecertified.org (periodic maintenance)</p> <p>6.4.8. sfbayrestore.org (weekly maintenance; 2018 budgeted for complete redesign)</p> <p>6.4.9. sfbaywatertrail.org (2017 in process of migrating to our servers)</p> <p>6.4.10. sewersmart.org (periodic maintenance).</p> <p>6.5. Website Tasks</p> <p>6.5.1. Design new web pages for various departments, making decisions on how to organize and display the provided content to maximize the user experience.</p> <p>6.5.2. Design and maintain databases to provide content for web pages.</p> <p>6.5.3. Create secure online registration forms for conferences and workshops, connecting the forms to both our database server and our secure online payment system.</p> <p>6.5.4. Maintain and provide Google Analytics data to users as requested.</p> <p>6.5.5. Troubleshoot server for outside clients and internal users, assist with server upgrades/ maintenance.</p> <p>6.5.6. Maintain our online hosting account, keeping track of when domains and other services are in need of renewal, then communicate with the relevant departments to ensure that the services are renewed as needed, with the charges billed to the correct accounts.</p> <p>6.5.7. Maintain certificates for our secure servers, ensure they're renewed regularly and correctly installed.</p> <p>6.5.8. Maintain ABAG's online calendar.</p> <p>6.5.9. Assist with troubleshooting software issues, including ABAG's proprietary minutes & agendas posting program.</p>

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DRAFT INTEGRATED REGIONAL PLANNING PROGRAM: 2017-18

This list of anticipated planning program tasks under the 2017-2018 Budget & Work Plan was compiled by ABAG senior planning staff in consultation with their counterparts at MTC. The work, however, will be carried out by the new Integrated Regional Planning Program staff that will result from the consolidation of MTC's and ABAG's separate planning and research teams on July 1, 2017.

The items listed below represent the best thinking of staff today as we look ahead to the coming fiscal year. As was the case with past Budget & Work Plans, individual tasks listed here could be delayed or altered, and new tasks may be added based on new information and opportunities that present themselves in 2017-2018.

HOUSING

KEY TASK	TASK DETAILS
1. Compilation of Housing Permit Data	1a. Survey all Bay Area jurisdictions to collect data about location and affordability for all permits issued. Vet data and work with jurisdictions to gather missing data and resolve data inconsistencies. 1b. Compile permit data into a uniform region-wide database. 1c. Geocode all permits and analyze data to understand trends about permit location (relative to PDAs, TPAs, Housing Element sites, etc.), affordability, and unit types. Identify engaging ways to share analysis results. 1d. Publish RHNA Progress Report and GIS files based on compiled data.
2. Improve Permit Data Accuracy, Scope, and Ease of Collection	2a. Refine ABAG/MTC internal building data collection processes to improve data timeliness, consistency, and accuracy. 2b. Continue to work with HCD to improve data required from jurisdictions and/or transfer of data collected through APRs. 2c. Continue partnership with OpenSMC and jurisdictions to develop technical tools to improve the quality of housing data collected from local governments and the ease of reporting that data. 2d. Pursue legislative changes as needed to improve data collection processes, accuracy and scope.
3. Online Policy Directory	3a. Compile results of local jurisdiction survey about adopted policies and programs into region-wide database. Gather missing data, such as links to ordinances. 3b. Expand the display/search functionality of online directory and make information more visual. Create infographics depicting the Bay Area policy landscape. 3c. Develop online database of existing affordable housing of all types.
4. Housing Policy Toolkit	4a. Compile examples of best policies, programs, practices, model ordinances, etc. for all policies in the toolkit; display online. 4b. Develop FAQ related to Bay Area housing issues and oft-requested metrics. Identify existing policy papers and, if needed, conduct research to answer questions. Develop format for presenting information online.



DRAFT INTEGRATED REGIONAL PLANNING PROGRAM: 2017-18

HOUSING

KEY TASK	TASK DETAILS
5. Technical Assistance	<p>5a. Help jurisdictions implement State-mandated plans: SCS, Housing elements, Climate Action Plan, Local Hazard Mitigation Plan etc.</p> <p>5b. Support ABAG/MTC housing initiatives, such as CASA, TOAH, NOAH, OBAG, JumpStart, etc.</p> <p>5c. Continue to support sub-regional initiatives, including East Bay Corridors Initiative, Grand Boulevard Initiative, and existing and potential RHNA subregions.</p> <p>5d. Work with East Bay Corridors Initiative to provide technical assistance to promote and facilitate soft-story assessments, soft-story ordinance adoption, and soft-story retrofit financing as well as the creation of local programs for permitting and financing integrated retrofits that address seismic, water, and energy upgrades and promote housing affordability.</p> <p>5e. Expand consultative services to planning/housing staff and policy leaders in cities, counties and institutions who are working to advance specific ABAG-endorsed land use policies and practices.</p>
6. Collaboration and Engagement	<p>6a. Pro-actively engage jurisdictions' elected officials and staff, practitioners and advocates to advance conversations that promote housing production, preservation, affordability and neighborhood stabilization.</p> <p>6b. Support the efforts of the Housing Subcommittee of the Regional Planning Committee to strengthen the linkage between staff-level and policy-level actions, and between ABAG and key implementation partners, to advance regional housing goals and related legislation.</p> <p>6c. With the guidance of the Regional Planning Committee Housing Subcommittee, explore incubation of a Regional Housing Trust Fund to increase resources available for housing production and preservation.</p>
7. Legislation	<p>7a. Support legislation and regulatory reforms that enable cities and counties to advance specific ABAG-endorsed local land-use policies and practices.</p>
Plan for Major Future Tasks	<p>Convene a Housing Methodology Committee (HMC) to assist ABAG in fulfilling its mandate to conduct the RHNA process.</p> <p>Work with the HMC to implement the requirements of the RHNA process, per State statutes.</p>



DRAFT INTEGRATED REGIONAL PLANNING PROGRAM: 2017-18

JOBS AND WORKFORCE

KEY TASK	TASK DETAILS
<p>1. Regional Economic Development District</p>	<p>1a. Complete Comprehensive Economic Development Strategy (CEDs)</p> <p>1a(i). Continue presentations to development organizations and boards of supervisors, work with supervisors to adopt goals and objectives</p> <p>1a(ii). Incorporate comments from general public, elected officials and agency staff into draft CEDs (to be released in 2017).</p> <p>1a(iii). In conjunction with RPC Economic Strategy Committee, public partners, business partners, MTC, and other stakeholders, establish governance structure, action plan, and metrics.</p> <p>1a(iv). Submit application to US Economic Development Administration for designation as the Regional Economic Development District of the Bay Area</p> <hr/> <p>1b. Maintain Regional Economic Development District Functions</p> <p>1b(i). Technical assistance, coordinating functions, and collaborative activity towards maintaining the region’s economic strength and broadening access to opportunity; ongoing meetings with local economic and workforce development representatives to stay abreast of current economic conditions and their impacts on business and households.</p>
<p>2. Industrial Lands Policy and Information</p>	<p>2a. Define a Priority Production Area (PPA) program that will enhance the strength of sectors dependent on this space without threatening the critical path for housing production in the region</p> <p>2b. Meet with key stakeholders and elected officials in the region to explain the results of the UC Berkeley industrial lands study, answer questions and obtain feedback.</p>
<p>3. Regional Coordination, Partnerships for Economic and Workforce Development</p>	<p>3a. As needed, attend meetings, provide data and technical assistance to help strengthen planning for PDAs, PCAs and PPAs and to provide assistance to communities in economic transition.</p> <p>3b. Develop and maintain website tools to share regional best practices in economic and workforce development</p>
<p>Plan for Major Future Tasks</p>	<p>Develop draft criteria for designating an area a PPA</p> <p>With input from jurisdictions with representative types of industrial land, develop sample language for PPA programs in different types of communities</p> <p>Explore incentive programs that could be applied in PPAs to encourage development that preserves critical industrial sectors and networks and is consistent with other goals of Plan Bay Area</p>



DRAFT INTEGRATED REGIONAL PLANNING PROGRAM: 2017-18

RESILIENCE

KEY TASK	TASK DETAILS
1. Safe, Smart Growth Framework and Pilot	1a. Develop short white papers describing the five phases of the Safe, Smart Growth Framework 1b. Develop revised, more detailed guidebooks for cities and regions to guide them through a resilience-building process 1c. Partner with EPA and FEMA to fund pilot to test a process and tools that could be used throughout the western US
2. Resilient Housing	2a. Update housing loss and temporary shelter numbers from 2003 for 16 new earthquake and flood scenarios 2b. Update 2003 housing quiz to help users easily identify if their housing is fragile 2c. Develop easy-to-use online and print tools to help users easily identify fragile housing types 2d. Develop policy tools such as model ordinances, guidance, and other policy tools to implement soft story and other safer housing policies
3. Resilient Infrastructure	3a. Identify and propose for joint adoption policies by cities and water and energy utilities to overcome infrastructure-related obstacles to PDA implementation 3b. Through RPC Infrastructure Subcommittee, develop partnerships with utilities and cities to pilot projects that develop, test, and expand the capacity of utilities to serve cities after major disasters
4. Mitigation and Adaptation Plan Assistance	4a. Conduct workshops focused on implementation of resilience-building strategies developed in previous years 4b. Assist jurisdictions one-on-one or in cohorts (like EBCI) to develop tailored policy and planning tools
5. Regional Resilience Assessment	5a. Identify/research resilience actions in 5-10 additional cities 5b. Develop online dashboard to display assessment outcomes, coordinated with other existing databases and dashboards created by ABAG, MTC and other partners
6. Rockefeller 100 Resilient Cities (100RC) Partnership	6a. Develop workshops that leverage the 100RC model as well as local investments to catalyze resilience implementation in all Bay Area jurisdictions
7. Statewide policy partnerships	7a. Develop statewide resilience policy platform white paper, aligned with key partners, to advocate policy at a state level 7b. Strengthen statewide partnerships with existing partners, and build new partnerships, to support and advance state policy adoption
8. USGS Partnership	8a. Conduct regional briefings and/or workshops to tell the story of a major Hayward earthquake and its impacts on several sectors, plus how cities can respond
9. Wildland Fire Study	9a. Develop report that identifies the region’s vulnerability to wildland fire and its capacity to reduce this vulnerability 9b. Develop targeted strategies for reducing wildland fire risk



DRAFT INTEGRATED REGIONAL PLANNING PROGRAM: 2017-18

REGIONAL TRAILS AND OPEN SPACE

KEY TASK	TASK DETAILS
1. Manage Bay Trail Coastal Conservancy Block Grants	1a. Manage Coastal Conservancy block grants as pass-through funds through individual contracts to local agencies for planning, design, engineering and construction of Bay Trail segments 1b. Complete Block Grants totaling \$7 million 1c. Enter into new Conservancy grant contracts as available 1d. Recommend new grant awards from Bay Trail Steering Committee
2. Engage Local Agencies to Close Bay Trail Gaps	2a. Coordinate completion of Bay Trail through 9 counties, 47 cities and across 7 toll bridges 2b. Raise awareness of trail gaps with elected officials and shoreline agency staff 2c. Ensure consistency with Bay Trail Plan and Design Guidelines & Toolkit 2d. Review local shoreline development proposals and participate in local planning, climate resiliency, BCDC, CEQA/NEPA processes 2e. Partner with stakeholders and advocates on gap closures
3. Secure Outside Funding Sources for Bay Trail Construction	3a. Secure funding sources beyond Coastal Conservancy grants to close gaps 3b. Serve on San Francisco Bay Restoration Authority Advisory Committee 3c. Engage in process to develop Regional Measure 3 3d. Track statewide park bond progress 3e. Seek corporate foundations and grants
4. Strengthen Bay Trail Partnerships	4a. Meet regularly with local and state elected officials and share custom packets for districts, expand coordination with CMAs, natural resource agencies, tourism boards, health providers and youth organizations 4b. Strengthen relationships with corporate shoreline land owners 4c. Participate in Bay Area Trails Collaborative and work with other trail organizations
5. Promote Awareness of Bay Trail	5a. Promote awareness of the Bay Trail to increase use and build support for its completion with a comprehensive marketing plan, updated Bay Trail maps, website, social media sites, brochures and merchandise 5b. Participate in public events and conferences 5c. Promote, expand and secure funding for <i>Migrations</i> public art program and Smart Phone Audio Tours
6. Maintain and Manage Bay Trail Organizational Capacity	6a. Increase the organizational capacity of the Bay Trail Project by enhancing the effectiveness of its staff and board of directors 6d. Develop advocacy and stewardship teams focused on local area projects
7. Manage Water Trail Coastal Conservancy Block Grants	7a. Manage Coastal Conservancy block grants as pass-through funds through individual contracts to local agencies for planning, design, engineering and construction of Water Trail sites 7b. Spend down block grant totaling \$1.75 million 7c. Enter into new Conservancy grant contract in September 2017 7d. Seek other sources of funding to match Conservancy grants



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REGIONAL TRAILS AND OPEN SPACE

KEY TASK	TASK DETAILS
8. Facilitate Water Trail Site Designation & Local Engagement	8a. Obtain formal support from local jurisdictions and assist shoreline managers of potential Water Trail sites in preparation for official site designation, review local shoreline development proposals and participate in local planning processes
9. Advance Goals of Water Trail Education, Outreach & Stewardship Program	9a. Advance the goals by updating, maintaining and distributing existing outreach tools, developing new outreach strategies and promoting the Water Trail at events and conferences 9b. Collaborate with partners to complete implementation plans and identify priority Water Trail sites 9c. Increase social media presence as primary outlets for public information 9d. Participate in public events and conferences
10. Oversight of Water Trail EIR Mitigation, Monitoring & Reporting Program	10a. Provide oversight of the mitigation, monitoring and reporting program developed as part of the Water Trail Final EIR 10b. Ensure mitigation requirements of EIR are integrated into Water Trail advancement 10c. Develop and fabricate signs with required language and custom messages 10d. Maintain Water Trail GIS database and create maps to illustrate site details
11. Manage PCA Program	11a. Manage the Priority Conservation Area designation process and the PCA OBAG grant program in partnership with MTC and the Coastal Conservancy 11b. Inform regional trail and urban greening partners of OBAG 2 funding opportunities 11c. Work with cities and regional agencies to identify, prioritize, and seek funding for a network urban greening and natural infrastructure projects
Plan for Major Future Tasks	Release call for applications for new and modified PCAs Process new PCA designation approvals through Regional Planning Committee and Executive Board Develop OBAG3 Grant Guidelines



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COMPLETE COMMUNITIES

KEY TASK	TASK DETAILS
1. PDA Planning Grants and Technical Assistance	1a. Release Call for Projects: PDA Planning Grants, Technical Assistance and Staffing Assistance 1b. Issue Grant Awards (number subject to funding availability and amount requested) 1c. Manage and complete ongoing PDA planning grants (number subject to project timeline) 1d. Monitor grant progress and report out on adopted plans and environmental reports
2. Complete Communities Guidance & PDA Designations	2a. Release draft Complete Communities/PDA Planning Manual (update to 2007 Station Area Planning Manual including PDA guidelines) 2b. Perform outreach to cities in advance of 2018-19 PDA application period.
3. Convening & Coordination	3a. Convene cities along new or expanding transit corridors and the region's three largest cities to discuss challenges to achieving PDA Plans and identify shared priorities 3b. Convene regional agencies, infrastructure providers, and special districts to identify collaborative actions to support development in PDAs 3c. Coordinate East Bay Corridors Initiative: convene steering committee and subcommittees; complete ongoing projects (safe housing model code, EPA Brownfields and Urban Greening Grants, priority project pipeline); identify actions to support housing-related priorities identified by steering committee 3d. Participate in established forums, including county and congestion management agency planning director meetings, Grand Boulevard Initiative and Bay Area TOD Implementation Table 3e. Pursue joint funding to implement priorities of transit corridor cities and regional centers; identify actions to increase pool of available funding for infrastructure and housing in PDAs
4. Implementation and Innovation	4a. Host three Planning Innovations forums on topic prioritized by local planning staff 4b. Transform Planning Innovations website into a repository of best practices, research, successful plans, and a forum for regional discussion 4c. Partner with a city, community organizations, and design professionals to host two Placemaking events in PDAs 4d. Expand Places of the Bay Area, a web and social media platform to gather input from PDA residents on community assets and aspirations 4e. Launch interactive online guide to streamlining infill development that supports adopted PDA plans
Plan for Major Future Tasks	Release Complete Communities/PDA Planning Manual Issue request for PDA applications Process new PDA designation approvals through Regional Planning Committee and Executive Board



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REGIONAL RESEARCH AND ANALYSIS

KEY TASK	TASK DETAILS
<p>1. Regional Forecasts and Projections</p>	<p>1a. Regional Forecast</p> <p>1a(i). Regional Economic Forecast: Maintain and update the REMI modeling system or the equivalent to forecast output, employment, income and population and for use for impact analysis.</p> <p>1a(ii). Household and Income Distribution Forecasts: Continue development of the household and income distribution models. Explore alternative model approaches.</p> <p>1b. Local Area Forecast Allocation</p> <p>1b(i). Urban Sim Modifications: Convene a team of Integrated Planning and Research Department (IPRD) staff to prioritize relationships to recalibrate in the Urban Sim model.</p> <p>1b(ii). Land Use Zoning Policy and Pipeline Updating Process: With IPRD staff from the research and modeling teams, identify information needed to keep Urban Sim assumptions and baseline up to date, design process (questionnaire, information gathering protocol) to obtain information, set priorities on data types</p> <p>1b(iii). Projections 2017: Compile data developed in UrbanSim and used in the Plan Bay Area preferred scenario by jurisdiction and census tract. Prepare a published report explaining methodology and describing general projected trends, with tables at the jurisdiction and PDA levels. Prepare an electronic data base with data broken out to the census tract or TAZ level.</p>
<p>2. Regional Analysis</p>	<p>2a. Analysis of Bay Area Conditions and Trends</p> <p>2a(i). State of the Region Analysis. Updated report of key trends and conditions in the region between Plan Bay Area years.</p> <p>2a(ii). Special topic analyses and updates. Short term research on timely topics as data is released. (eg. Senior Housing Choices; housing vacancy components; cost of living trends; migration trends)</p> <p>2b. Analytic expertise for other planning programs and agency products</p> <p>2b(i). Expertise shared with regional partners (eg. retail sales tax revenue forecasts)</p> <p>2b(ii). Analytic portions of planning program initiatives (eg. metrics for the CEDS and for Resilience measures)</p>
<p>3. Data Services</p>	<p>3a. Maintain data sources</p> <p>3a(i). Quarterly update of Cost of Living Series on Website</p> <p>3a(ii). Demographic and Economic Data through update of Vital Signs with more detailed series maintained as related to ongoing department reports.</p> <p>3a(iii). Real Estate Data—rent series as available, permit data from CHF-CIRB, price series from FHFA</p> <p>3b. Develop new strategic and locally relevant data sources</p> <p>3b(i). State of California Employment Data by Jurisdiction—maintain proprietary data base of California Employment Development Department records for analysis growth and location patterns within the region.</p>



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REGIONAL RESEARCH AND ANALYSIS

KEY TASK	TASK DETAILS
<p>4. Mapping Services <i>Note: These services are critical to continuing ABAG staff support of the COG. It is likely they will be provided ultimately by a broader data services program in the IPRD. The critical functions are listed here</i></p>	<p>4a. Maintain mapping software for the use of consolidated ABAG/MTC staff.</p> <p>4b. Maintain related GIS databases of regional data for staff use.</p> <p>4c. Maintain map apps that provide information to staff and outside users. Specific apps include:</p> <p>4c(i). PDA Showcase</p> <p>4c(ii). Natural Hazards mapping</p>
<p>5. Contract, Collaborative and pro bono Services</p>	<p>5a. USGS Haywired Consulting</p> <p>5a(i). Work with client and consultants to expand economic analysis of the scenario</p> <p>5a(ii). REMI methodology for analyzing scenario</p> <p>5a(iii). REMI analysis and report</p> <p>5a(iv). With client, draft report of consultant work (tentative)</p> <p>5b. Tracking business impacts following an earthquake (Napa Survey project)</p> <p>5b(i). Complete conference or journal article on survey development and implementation in Napa and Oklahoma</p> <p>5b(ii). Work with EERI team to modify and apply instrument as events occur</p> <p>5c. Peer reviews of projects, articles and analysis</p> <p>5d. Partnerships with Local Jurisdictions and Stakeholder Organizations as requested by outside groups (BACEI, State of California, journals, TBD)</p> <p>5d(i). Technical and convening support to BAPDA (Bay Area Planning Director's Association).</p> <p>5d(ii). Technical assistance to local jurisdictions (access to data, explaining economic and demographic trends)</p> <p>5d(iii). Engagement, presentations and discussion with local elected officials, professionals, and the general public.</p>
<p>6. Rockefeller 100 Resilient Cities (100RC) Partnership</p>	<p>6a. Develop three workshops that leverage the 100RC model as well as local investments to catalyze resilience implementation in all Bay Area jurisdictions</p>
<p>7. Statewide policy partnerships</p>	<p>7a. Develop statewide resilience policy platform white paper, aligned with key partners, to advocate policy at a state level</p> <p>7b. Strengthen statewide partnerships with existing partners, and build new partnerships, to support and advance state policy adoption</p>
<p>8. USGS Partnership</p>	<p>8a. Conduct regional briefings and/or workshops to tell the story of a major Hayward earthquake and its impacts on several sectors, plus how cities can respond</p>



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REGIONAL RESEARCH AND ANALYSIS

KEY TASK	TASK DETAILS
9. Wildland Fire Study	<p>9a. Develop report that identifies the region’s vulnerability to wildland fire and its capacity to reduce this vulnerability</p> <p>9b. Develop targeted strategies for reducing wildland fire risk</p>
Plan for Major Future Tasks	<p>Population Forecast: Update and apply the 2014 Pitkin Myers population model to validate or modify the REMI population output.</p> <p>Analysis of travel survey data to better understand role of TOD in reducing GHG.</p> <p>Impact analysis—application of the REMI model: Impact of unexpected events (eg. an earthquake, a sharp change in national economic trends, changing migration); Impact of major proposals (eg. a regional housing trust fund, a PPA program); Impact of ongoing programs (eg. regional trails, PDAs)</p> <p>Affordable Housing Database—update existing inventory</p> <p>Update Community and Housing Vulnerability data from Safe Housing, Safe Communities</p> <p>Building pipeline data. As system for data collection is established, build a system for recording pipeline data annually for the region</p> <p>Local Policy Survey. Reestablish the local policy survey and systematically store the information in a geocoded data base.</p>



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LOCAL ENGAGEMENT

KEY TASK	TASK DETAILS
1. ABAG Delegates and Committees	1a. Support development of General Assembly to adopt ABAG Workplan and Budget (annually) 1b. Participate in ABAG Delegate Meetings in each county (semi-annually) 1c. Staff the Regional Planning Committee and its subcommittees, currently Housing, Infrastructure Resilience, and Economic Development 1d. Prepare and present decision support briefings and recommendations to ABAG Executive Board, Administrative Committee, and Legislative & Governmental Organizations Committee.
2. Subregional Agency Staff	2a. Participate in Planning Director meetings in each county (monthly) 2b. Participate in Congestion Management Agency Planning Director meetings (monthly) 2c. Participate in city managers' association meetings in each county (monthly) 2d. Staff the steering committee of the Bay Area Planning Directors Association (BAPDA), and produce symposiums semi-annually
3. Subregional Cohorts	3a. Participate in and support Grand Boulevard Initiative, East Bay Corridors Initiative and other multi-jurisdiction initiatives focused on land-use policy development and implementation 3b. Participate in regional and sub-regional business and economic development organizations 3c. Convene forums on topics of interest to local government officials related to land-use, such as hazard resilience, Green Infrastructure (in partnership with BASMAA), housing, placemaking and economic development
4. Information & Referral	4a. Respond to incoming requests from local elected officials and staff for information and referral (daily) 4b. Maintain web-based resources as requested by local government officials: FAQs, maps, data sets, articles, links to resources; and database of local government officials (elected), executives, Planning Directors, Public Works Directors, Community Development Directors) for all cities, counties and ABAG committees
5. Staff Consolidation Opportunity	5a. Engage local agencies and stakeholder organizations in ways that maximize opportunities arising from the ABAG/MTC staff consolidation, assuring transparency and local government collaboration in work processes.