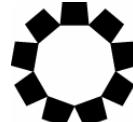


# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



**ABAG**

## CALL AND NOTICE

### **CALL AND NOTICE OF A SPECIAL MEETING OF THE ADMINISTRATIVE COMMITTEE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS**

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

Special Retreat Meeting

Sunday, March 1, 2015, 1:00 PM to 5:00 PM

Monday, March 2, 2015, 8:30 AM to 3:00 PM

Location:

Lafayette Park Hotel & Spa  
3287 Mount Diablo Boulevard  
Lafayette, California

*The ABAG Administrative Committee may act on any item on this agenda.*

*Agenda and attachments available at [abag.ca.gov](http://abag.ca.gov)*

*For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913.*

**SUNDAY, MARCH 1, 2015, 1:00 PM**

**1. CALL TO ORDER / CONFIRM QUORUM**

**2. PUBLIC COMMENT**

**3. INTRODUCTION—OBJECTIVES OF THE RETREAT**

Information

Presenter: Ezra Rapport

**4. REPORT ON PLAN BAY AREA IMPLEMENTATION**

Information

**A. ABAG Planning Schedule and Document Releases**

Presenter: Miriam Chion

**ABAG Administrative Committee**

March 1-2, 2015

2

**B. State of the Region**

Presenter: Cynthia Kroll

**C. Economic Development Strategy Update**

Presenter: Miriam Chion

**D. Housing Production and Affordability**

Presenter: Duane Bay

**E. Open Space**

Presenters: JoAnna Bullock

**5. ADJOURN TO MONDAY, MARCH 2, 2015, 8:30 AM**

**MONDAY, MARCH 2, 2015, 8:30 AM**

**6. RECONVENE / CALL TO ORDER / CONFIRM QUORUM**

**7. REPORT ON PLAN BAY AREA IMPLEMENTATION (CONTINUED)**

Information

**A. Priority Development Area (PDA) Implementation**

Presenter: Mark Shorett

**B. Resilience, Joint Policy Committee, Climate Change**

Presenter: Ezra Rapport

**BREAK**

**8. PLAN BAY AREA PUBLIC PARTICIPATION PLAN**

Presenter: Brad Paul and Barbary Coast

**LUNCH**

**9. CLOSED SESSION**

Conference with Legal Counsel—Anticipated Litigation:

City and County of San Francisco demand letter for return of proceeds of a bond issued in connection with Rincon Hill CFD.

**10. CLOSED SESSION**

Public Employee Performance Evaluation

Title: Executive Director

**11. REPORT OUT OF CLOSED SESSION**

**ABAG Administrative Committee**

March 1-2, 2015

3

**12. REPORT ON BAY REGIONAL ENERGY NETWORK (BAYREN), PAYS PROGRAM,  
LEGISLATIVE ADVOCACY**

Information

Presenters: Jerry Lahr and Jenny Berg

**13. REPORT ON ABAG POOLED LIABILITY ASSURANCE NETWORK (ABAG PLAN)—  
MISSION, ORGANIZATION, INTERNAL CONTROLS**

Information

Presenter: Jim Hill

**14. ADJOURNMENT**

Members of the public shall be provided an opportunity to directly address the ABAG Administrative 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.



Julie Pierce  
Chair, Administrative Committee

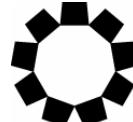
Date Submitted: February 26, 2015

Date Posted: February 26, 2015

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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



**ABAG**

## A G E N D A

### **ADMINISTRATIVE COMMITTEE**

Special Retreat Meeting

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### **SUNDAY, MARCH 1, 2015, 1:00 PM**

#### **1. CALL TO ORDER / CONFIRM QUORUM**

#### **2. PUBLIC COMMENT**

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Information

Presenter: Ezra Rapport

#### **4. REPORT ON PLAN BAY AREA IMPLEMENTATION**

Information

##### **A. ABAG Planning Schedule and Document Releases**

Presenter: Miriam Chion

*Attachments: Planning and Research Major Tasks; Planning and Research Major Tasks Chart; Plan Bay Area Update Schedule*

## **ABAG Administrative Committee**

March 1-2, 2015

2

### **B. State of the Region**

Presenter: Cynthia Kroll

*Attachments: State of the Region; State of the Region Digest; State of the Region Symposium Agenda*

### **C. Economic Development Strategy Update**

Presenter: Miriam Chion

*Attachment: Regional Economic Development Framework Update*

### **D. Housing Production and Affordability**

Presenter: Duane Bay

*Attachments: Regional Housing Program; 2014 Regional Housing Program; 2014 Housing Accomplishments; 2015 Housing Focus; Housing Acquisition Rehabilitation; Sustainable Resilient Home*

### **E. Open Space**

Presenters: JoAnna Bullock

*Attachment: PCA Program Update*

## **5. ADJOURN TO MONDAY, MARCH 2, 2015, 8:30 AM**

## **MONDAY, MARCH 2, 2015, 8:30 AM**

### **6. RECONVENE / CALL TO ORDER / CONFIRM QUORUM**

### **7. REPORT ON PLAN BAY AREA IMPLEMENTATION (CONTINUED)**

Information

#### **A. Priority Development Area (PDA) Implementation**

Presenter: Mark Shorett

*Attachments: PDA Implementation; Entitlement Efficiency; CEQA Land Use Advisory for PDAs; Placemaking; EIFDs; PDA Assessment Scope*

#### **B. Resilience, Joint Policy Committee, Climate Change**

Presenter: Ezra Rapport

*Attachment: Resilience Program Projects; Regional Collaborative; Silicon Valley Guidebook*

## **BREAK**

### **8. PLAN BAY AREA PUBLIC PARTICIPATION PLAN**

Presenter: Brad Paul and Barbary Coast

*Attachment: Public Participation Plan*

**ABAG Administrative Committee**

March 1-2, 2015

3

**LUNCH**

**9. CLOSED SESSION**

Conference with Legal Counsel—Anticipated Litigation:

City and County of San Francisco demand letter for return of proceeds of a bond issued in connection with Rincon Hill CFD.

*Attachment: Closed Session materials will be provided at meeting.*

**10. CLOSED SESSION**

Public Employee Performance Evaluation

Title: Executive Director

**11. REPORT OUT OF CLOSED SESSION**

**12. REPORT ON BAY REGIONAL ENERGY NETWORK (BAYREN), PAYS PROGRAM, LEGISLATIVE ADVOCACY**

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Presenters: Jerry Lahr and Jenny Berg

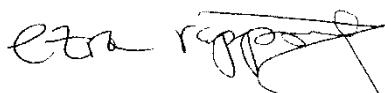
**13. REPORT ON ABAG POOLED LIABILITY ASSURANCE NETWORK (ABAG PLAN)—MISSION, ORGANIZATION, INTERNAL CONTROLS**

Information

Presenter: Jim Hill

**14. ADJOURNMENT**

Submitted:



Ezra Rapport, Secretary-Treasurer

Date Submitted: February 26, 2015

Date Posted: February 26, 2015

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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: February 25, 2015

To: ABAG Executive Board Administrative Committee

From: Miriam Chion, Planning and Research Director

Subject: **Planning and Research Major Tasks**

This memo provides an overview of major tasks for 2015 and the overarching schedule for Plan Bay Area 2017. (See attached charts: Planning and Research Major Tasks and Plan Bay Area Update)

## **Planning and Research Tasks for 2015**

The Planning and Research tasks for 2015 will focus on implementation and research:

### *Implementation Tasks*

- Support implementation of Priority Development Areas,
- Support housing and economic development strategies,
- Revise the Priority Conservation Areas and
- Assist local jurisdictions in their resilience programs and ordinances.

### *Research Tasks*

- Release the State of the Region report in March
- Complete the regional forecast for 2040 by the end of the year.
- Provide new data on housing, population and new development projects on our website.

## **Plan Bay Area 2017**

While the implementation of Plan Bay Area 2013 continues, we are already beginning the coordination for Plan Bay Area 2017.

*2015:* The various implementation and research efforts highlighted above will inform the *People, Places and Prosperity Report* to be released in fall 2015. This document will synthesize ABAG's work on a wide variety of topics to describe the challenges and opportunities for the retention and development of vital neighborhoods for existing residents and future generations. This report will be the preliminary land use assessment with which we begin our discussions with our local partners about the approach Plan Bay Area 2017.

We are also preparing the public participation process and the initial public workshops. We will start the public workshops in spring 2015 and the engagement with local jurisdictions in the fall. In the fall we will also draft the approach to the land use scenarios in coordination with MTC for discussion with our local partners.

2016: Discussion of Plan Bay Area 2017 scenarios and development of the draft Plan.

2017: Review and approval of EIR and Final Plan.

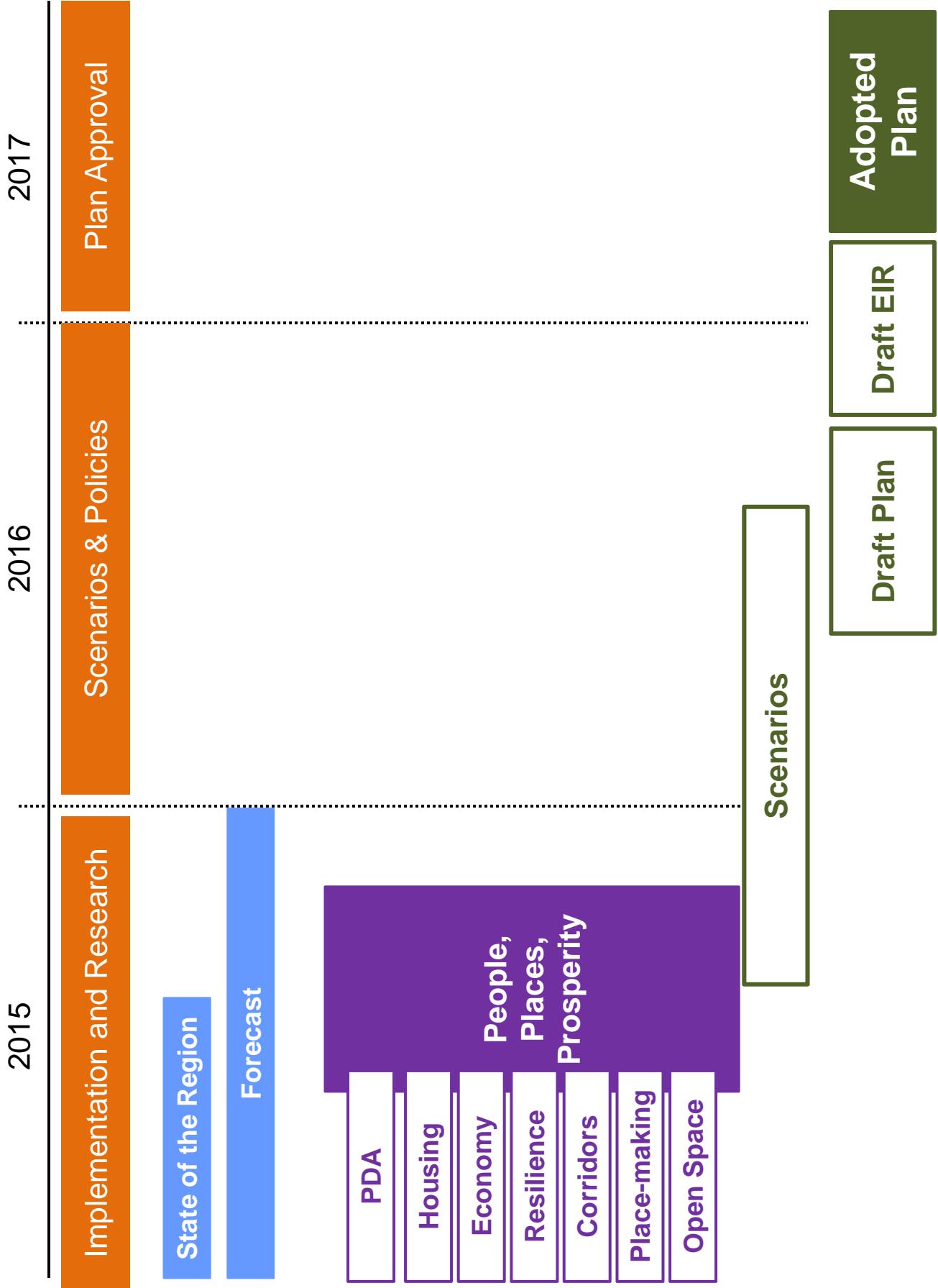
## **Discussion**

How can we best prepare our board and local partners to engage in the update of Plan Bay Area?

Attachments:

- *Attachment 1, Planning and Research Major Tasks Feb 15*
- *Attachment 2, Plan Bay Area Update Schedule*

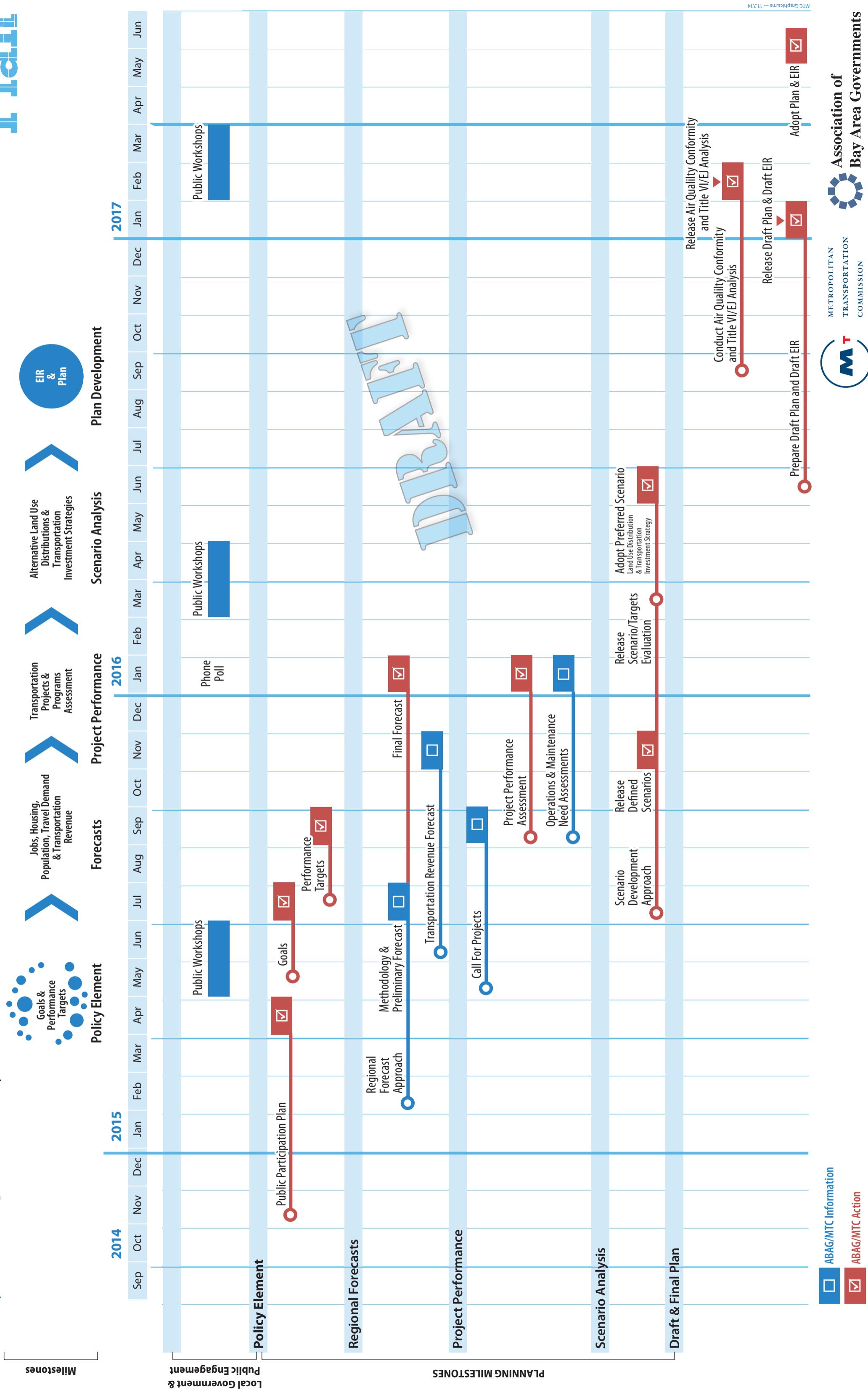
# Planning and Research Major Tasks



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# Plan Bay Area Update: Key Milestones 2014–2017

BayArea  
Plan



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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: February 25, 2015  
To: ABAG Administrative Committee  
From: Cynthia Kroll, ABAG Chief Economist  
Subject: *State of the Region* Report

At the Administrative Committee Retreat, on the afternoon of March 1, I will present an advanced summary of our *State of the Region* findings as background for the discussions that will take place at the retreat. The full report will be printed, released and mounted to the web site on Friday March 6<sup>th</sup>. We are also holding a symposium the morning of March 6<sup>th</sup> on the State of the Region. At that event, the report will be presented in more detail and two panels will discuss a range of economic, demographic and housing topics that relate to the report. You may wish to come or send some of your city or county staff to the event.

The report Executive Summary and a flyer describing the symposium are included with this memo.

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SAN FRANCISCO BAY AREA  
**STATE OF THE  
REGION**  
ECONOMY  
POPULATION  
HOUSING **2015**



Association of Bay Area Governments

## Foreword

This analysis was produced with support from the Association of Bay Area Governments (ABAG) member towns, cities, and counties. The report is intended to provide an evaluation of trends and an understanding of current economic conditions in the nine-county San Francisco Bay Area. The study has been completed at a time when many new resources exist for tracking the economy, including a website designed and hosted by the Metropolitan Transportation Commission (MTC) called Vital Signs, which provides snapshots of trends for a wide range of indicators. Building from these valuable resources, the State of the Region synthesizes information from economic, demographic, and land use indicators to assess how the region is changing and to what degree current strategies toward urban infill are being put into effect and to identify challenges that could be addressed in the regional context to meet the requirements for a sustainable communities strategy for the Bay Area. More detailed information on many of these indicators is available through links on the website hosting this report <http://reports.abag.ca.gov/sotr/2015> and on the Vital Signs website at <http://www.vitalsigns.mtc.ca.gov>.

Our special thanks to Kristen Carnarius, David Vautin and Ken Kirkey of MTC, to Stephen Levy of the Center for the Continuing Study of the California Economy, and to Egon Terplan of SPUR for their careful review of all or parts of this document.

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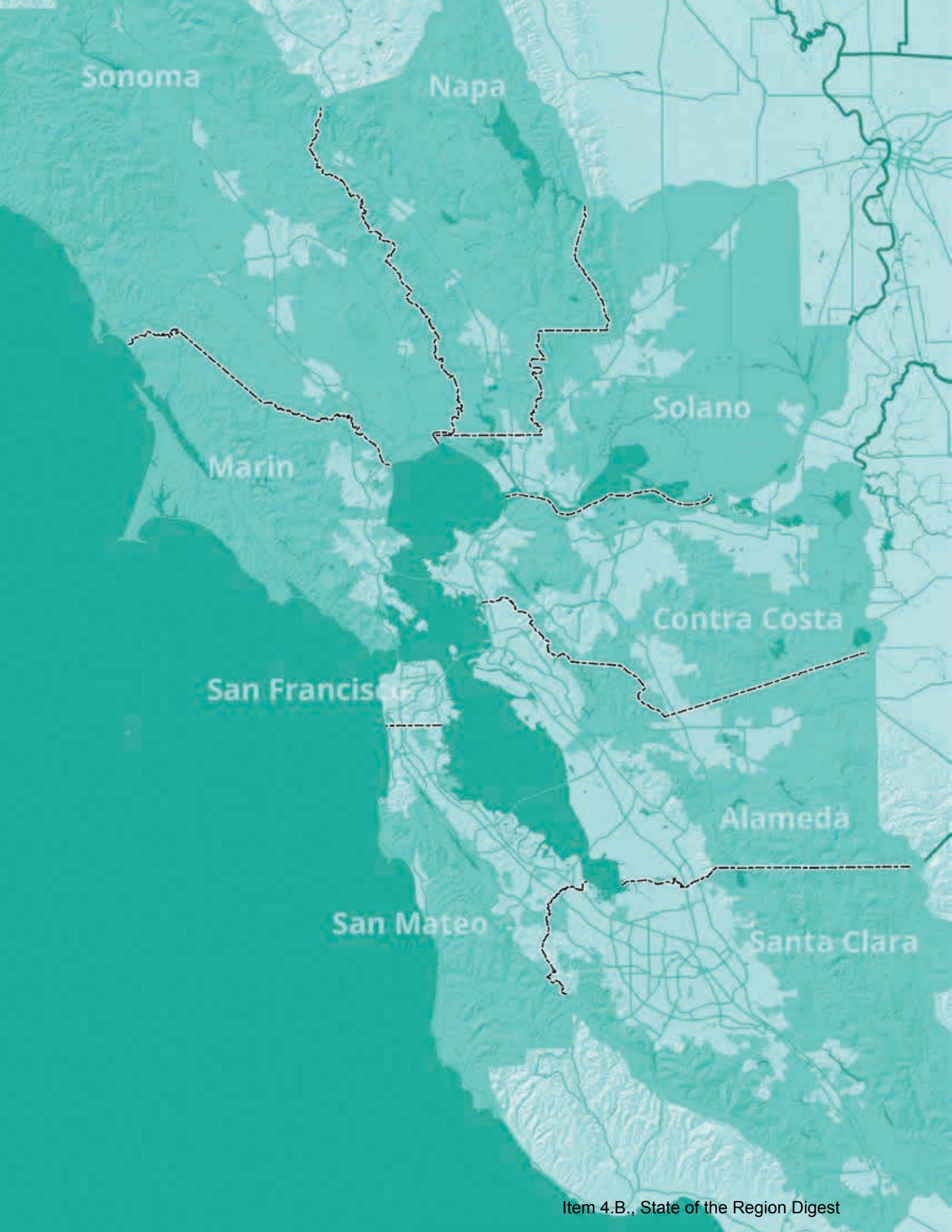
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## Executive Summary

# State of the Region 2015: Economy, Population, Housing

This report examines present conditions in the nine-county San Francisco Bay Area in the context of historic trends and expectations for the future. The report describes the recovery of the economy and identifies driving factors influencing industry expansion, employment opportunities, and income consequences throughout the region. A shifting population is the theme of an analysis of changing demographics generated by continuing foreign immigration, revitalized in-migration of workers seeking opportunities in the region's expanding economy, and a baby-boom population moving into retirement years. A close look at recent housing trends and housing policy shows a shift in the balance of growth from single to multifamily dwellings and from suburban and rural to urban job centers.<sup>1</sup>

The report consists of an introduction, four main sections addressing the regional overview, the economy, the population base, and the housing market, and a concluding section.

<sup>1</sup> While some of the discussion in this report takes a long term historic context, most focuses on more recent trends. For data on longer term historic trends, visit the MTC Vital Signs web site at <http://www.vitalsigns.mtc.ca.gov>.

## Section 1: A Strong Recovery in the Region

The first section sets the framework of recent history and expectations. With a 9.8 percent increase in employment and 10.7 percent increase in gross regional product between 2010 and 2013, the Bay Area has outpaced both California and the US in job recovery and expanding output. Population growth has been more moderate, at 3.8 percent between April 2010 and January 2014, while the housing stock has expanded by only 1.4 percent. The sections that follow explain these short term trends in context to help shape longer term expectations.

## Section 2: The Economy: Strengths and Consequences

By spring of 2013, the region had regained all of the jobs lost in the 2007 to 2009 recession, while estimates indicate that the jobs lost since the higher peak in 2000 were finally regained by the end of 2014. This rebound has spread unevenly throughout the region, with counties as diverse as San Francisco and Napa each having passed the two previous peaks in employment.

The other seven counties remain below previous peaks, although they are rapidly approaching full recovery. Long term industrial shifts continue, with steady growth occurring in health, social services

and education, and leisure and hospitality, resumption of boom growth after a period of volatility in professional and business services and information, and a leveling off of declines in manufacturing employment and financial services. San Francisco has taken the largest share of new professional and technical jobs, Santa Clara the largest share of new information jobs, while the bulk of health and social service and accommodation and food job growth is distributed evenly between San Francisco, the South Bay, and the East Bay.

In all, much of the new growth has gone to sectors and locations that already are areas of competitive advantage for the region. The three fastest growing major occupation categories—computer and mathematical, food preparation, and sales and related occupations—reflect the combination of highly technical, distributive and local serving industry expansion.

Labor force participation—close to 67 percent—is higher than the average for the state or nation, and has ceased its decline from the 2009 peak. The region has a highly educated workforce, and shows signs this high education level will continue well into the future. The majority of the adult age groupings have seen growth in the share that are college educated, and most of the younger adult age groups are better educated than the next older population group. Total personal income growth (the change in the sum of all income across the entire population) has been strong in the region, although, adjusting for inflation, household incomes remain below their 2007 peak, and in six

counties remain at or below 1990 levels. The number of jobs in higher wage occupations is growing more quickly than low wage or middle income jobs, while many occupational categories—whether high, middle or low wage—continue to have wages below their 2010 levels. With these trends, the Bay Area is moving in concert with other parts of the nation in seeing rising income inequality.

## Section 3: A Diverse and Changing Population

The region's rate of population growth is rebounding from low levels in the previous decade, but remains far below the experience of the 1990s. The character of population growth has changed in several ways, including the location of growth, age composition of the population, and ethnic makeup. The location of growth has shifted from concentrating in the suburban and rural counties in the 1990s and 2000s to focusing on the more urban counties since 2010. Santa Clara, Alameda, and San Francisco counties, the three largest counties in the region, had the fastest rate of population growth between 2010 and 2014, with over one third of the region's population increase occurring in the cities of San Jose, San Francisco, and Oakland. However, Contra Costa County exceeded San Francisco in the number of households added, suggesting a very different age and family composition between the two counties.

Aging is happening unevenly throughout the region. San Francisco is the only one of the nine counties with a decrease in the share of population over 65, while the share is rising steadily in the other eight counties. The median age has dropped since 2007 in San Francisco, Santa Clara, Alameda, and San Mateo counties, but is increasing in the North Bay counties. Marin County has the oldest and most rapidly aging population. The region's population is also diversifying. The share of the population that is non-Hispanic white has dropped from being a majority in 2000 to 41 percent in 2013. The non-Hispanic Asian population has overtaken the Hispanic population as the most rapidly expanding population group. The larger counties with the more urban job centers have significantly higher shares of foreign born residents than the smaller and more suburban counties. The region's growth patterns are further changing with the stronger economy, as fewer people leave the region and more move into the region.

## Section 4: Gauging Progress on Housing Goals

Although new housing production has lagged behind population and job growth, new construction and building permits are focusing more on existing job centers than in the recent past, and multifamily units are a growing proportion of new stock. The region's housing stock grew by less than 40,000 between 2010 and 2014, a far slower pace of growth

than in the previous two decades. While the pace of construction has yet to reach that of the 2000's, the overall share of housing in the biggest cities has increased: During the 1990s, San Francisco and San Jose accounted for 22 percent of all units added; the following decade, the share was up to 28 percent, while for the period since 2010, the share had risen to 37 percent. Approximately 15,000 of the units added to the region since 2010 were single family homes, while over 23,000 were multifamily homes. This is a continuation of a steady increase in the multifamily share of new units from 1990 to the present. While single family units are still built predominately in the more suburban areas, multifamily construction is concentrated not only in the large urban job centers of San Jose, San Francisco, and Oakland, but also in areas that were historically suburban but have added major employment hubs, such as Dublin, Sunnyvale, Fremont, and San Ramon. These trends can be expected to continue in the near future, as reflected by the high share of building permits that are for multifamily projects.

A survey of planning departments shows a large share of new units are being permitted in priority development areas (PDAs), especially in the more urban parts of the region where the majority of new building permits have been issued.<sup>2</sup> The counties where the majority (or all) of new units have been permitted outside of PDAs are also counties with very small shares of new units permitted (Marin, Napa, and Solano). Using the Regional Housing Need Assessment Goals as a benchmark, only about one fourth of the region's

needed production goals have been met for very low, low, and moderate income housing, compared to over 80 percent for above moderate income housing. The overall numbers are less than in the 1999 to 2006 period—not surprising when comparing two time periods divided into housing boom and bust. With the lag in housing construction and strong economic growth, housing affordability continues to be a major concern for the region. Renters have the highest levels of housing burden, higher rates of growth in housing burden, and greater levels of overcrowding, as measured with census data and using the HUD definition of more than 1.01 occupants per room. While affordability is predictably poor in San Francisco and Santa Clara counties, renter affordability is a challenge even in Alameda, Contra Costa, Marin, Napa, Solano and Sonoma counties, where more than 50 percent of households pay over 30 percent of their income on housing. Problems of homeowner affordability also show up in both urban and rural pockets throughout the region.

## Conclusion: Prospects and Challenges

The San Francisco Bay Area has experienced a decisive economic recovery from the Great Recession (which officially went from fourth quarter 2007 through second quarter 2009) and is poised for expansion. Although employment growth since 2010 has far outpaced recent history or long term expectations, in fact by the end of 2014, the region had just

<sup>2</sup> A priority development area (PDA) is a locally designated infill area with frequent transit service, where a jurisdiction has decided to concentrate most of its housing and jobs growth for development in the foreseeable future.

returned to the employment peak of 2000 (the peak of the dot-com bubble). Population and labor force are growing more slowly, not needing to match the pace of employment change because many of the “new” jobs have been filled by existing residents. Nevertheless, household growth continues, increasing the demand for new housing units, while financing for new residential construction from either the private or public sectors is less readily available than in the previous decade.

The region's challenges continue to be related to the interplay of employment change, population shifts, and housing supply.

Key uncertainties include:

- A history of job change driven by innovative but volatile industries.
- Housing and location choices of a changing population: to what degree will an increasingly urban lifestyle be the choice for aging retirees as well as for today's young adults as they begin to form families?
- Meeting the housing needs for a wide spread of income groups: the concentration of occupation growth at both the low and high ends of the wage spectrum means the region will need housing affordable to households at multiple income levels.

- Whether new business centers and residential development will concentrate where transit services exist or can be provided.
- The effects of changing public resources and public policy on the ability of the region to meet the housing demands of growing population and labor force.



# Association of Bay Area Governments Executive Board Leadership and Key Staff

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

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

**Ezra Rapport**—ABAG Executive Director

**Brad Paul**—ABAG Deputy Executive Director and Communications Director

**Miriam Chion**—ABAG Planning and Research Director

**Duane Bay**—ABAG Assistant Planning and Research Director

## ABAG Project Staff

**Cynthia Kroll**—Chief Economist and Project Director

**Gillian Adams**—Senior Regional Planner

**Wally Charles**—Administrative Secretary

**Pedro Galvao**—Regional Planner

**Vinita Goyal**—Regional Planner

**Björn Griepenburg**—Planning Intern

**Shijia Bobby Lu**—Regional Planner

**Jason Munkres**—Senior Regional Planner (Retired)

**Aksel Olsen**—Regional Planner

**Hing Wong**—Senior Regional Planner

**Leah Zippert**—Communications Officer

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SAN FRANCISCO BAY AREA  
**STATE OF THE REGION 2015**  
ECONOMY, POPULATION, HOUSING  
**SYMPORIUM**

**March 6, 2015 | 8:30am to 12:00pm**  
MetroCenter Auditorium, 101 Eighth Street, Oakland

- 8:30am **Registration**
- 8:45am **Introduction**  
Miriam Chion, ABAG Planning and Research Director
- 9:00am **Summary of the State of the Region**  
Cynthia Kroll, ABAG Chief Economist
- 9:30am **Progress on Housing Goals?**  
Russell Hancock, Moderator, Executive Director, Joint Venture Silicon Valley  
Lisa Feldstein, Adjunct Associate Professor, San Francisco State University  
Carol Galante, Professor, UC Berkeley Program on Housing  
Luis Granados, Executive Director, Mission Economic Development Agency  
Meea Kang, President, Domus Development LLC
- 10:30am **Break**
- 10:45am **Economy: Strength and Consequences**  
Amit Ghosh, Moderator, Retired Chief Planner, City and County of San Francisco  
Lia Bolden, Data Specialist, US Census Bureau  
Cindy Chavez, Supervisor, County of Santa Clara  
Terri Griffith, Professor, Santa Clara University  
Egon Terplan, Regional Planning Director, SPUR
- 11:45am **Conclusion**  
Cynthia Kroll

**CM | 3 Credits Pending**

**Register at <http://reports.abag.ca.gov/sotr/2015/>**

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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: February 25, 2015

To: ABAG Executive Board Administrative Committee

From: Miriam Chion, Planning and Research Director  
Johnny Jaramillo, Senior Regional Planner

Subject: **Regional Economic Development Framework Update**

The purpose of this session is to provide an overview of content and process for the Economic Development framework to date, discuss a process to select high consensus Economic Development strategies, and a regional approach to industrial land and Priority Industrial Areas. This will set the stage for the next Executive Board discussion on March 19<sup>th</sup> following a presentation of key projects.

On January 15<sup>th</sup>, 2015, staff presented a *draft Regional Economic Development Framework* of what ABAG could do to support regional economic development, a priority identified in Plan Bay Area and the Joint Policy Committee. The Board directed staff to begin the process of scoping a comprehensive, orderly and inclusive process to assemble and document a Regional Economic Development Framework, drawing in large part from existing work in this area. The intent of this framework is to elevate and support common themes and strategic solutions from various organizations throughout the region, improve our understanding of the structure of the local and regional economy, and to identify what specific actions ABAG can take to advance regional economic prosperity.

Attached is a set of key reports and links requested by the ABAG Executive Board, a memo from the Executive Director to the Board outlining next steps, and a copy of the original January 15<sup>th</sup>, 2015 staff report.

#### Discussion:

- Given our current economic opportunities and challenges, what are your key priorities in supporting a prosperous regional economy?
- How to identify key strategies that address key regional challenges? What are some of the priorities of high consensus across local jurisdictions?
- How can Priority Industrial Areas support the diversity of our economy, small businesses and provide incubator space for innovation?

#### Attachments

1. Economic Program Key Reports and Links
2. Economic Program Next Steps Memo
3. Executive Board January 2015, Regional Economic Development Framework Memo

## Key Reports to Inform the Regional Economic Program

This set of reports was requested by the ABAG Executive Board on January 15<sup>th</sup>, 2015, when staff presented a *draft framework* of what ABAG could do to support regional economic development, a priority identified in Plan Bay Area and the Joint Policy Committee. The Board directed staff to begin the process of scoping a comprehensive, orderly and inclusive process to assemble and document a Regional Economic Development Framework, drawing in large part from existing work in this area. The intent of this framework is to elevate and support common themes and strategic solutions from various organizations throughout the region, improve our understanding of the structure of the local and regional economy, and to identify what specific actions ABAG can take to advance regional economic prosperity.

### Regional Economic Strategy Process - Bay Area Council Economic Institute (BACEI)

As part of the Regional Economic Strategy process, the Bay Area Council Economic Institute in partnership with ABAG and MTC has led five sub-regional meetings that have highlighted local best practices in economic development and identified local priorities and concerns. Possible regional-level strategies were discussed that would support or complement local efforts. These sub-regional meetings have included local leaders and economic development organizations, with representation from entities focusing on business, workforce development, transportation, and education. Five sub-regional meetings have taken place to date in the North Bay, San Francisco, the East Bay, Santa Clara County, and San Mateo County. A sixth meeting is currently being planned for Solano County. The findings from that discussion will be integrated into this summary document.

Each meeting addressed two broad questions: 1) What best practices and initiatives in support of economic vitality are taking place at the local level and have proven outcomes? 2) What potential regional-level actions do local leaders see as helpful to their own efforts? The following memo highlights the economic development themes that emerged over multiple meetings:

[http://abag.ca.gov/planning/pdfs/RES\\_Memo\\_BACEI\\_Aug2014.pdf](http://abag.ca.gov/planning/pdfs/RES_Memo_BACEI_Aug2014.pdf)

### Economic Prosperity Strategy

The San Francisco Bay Area is in the midst of a strong recovery from the past decade's economic downturn. However, the benefits of prosperity are not universally shared. In the Bay Area, more than 1.1 million workers — over a third of the total workforce — earn less than \$18 per hour.

How can we make sure the region's rising economic tide does more to lift all boats? The Economic Prosperity Strategy identifies a comprehensive, three-pronged approach to providing greater economic mobility to low- and moderate-wage workers in the Bay Area. First, create pathways that will help lower-wage workers move into middle-wage employment. Second, promote economic growth with an emphasis on middle-wage jobs — to ensure that there are sufficient opportunities for moving up. And third, improve the quality of jobs and economic conditions for lower-wage workers.

Another goal was not to develop prescriptive recommendations, but strategies for regional consideration that represent the diversity of perspectives in the nine county Bay Area. The research, outreach and drafting of the Economic Prosperity Strategy was carried out by a core team of four organizations informed by outreach to businesses, economists, local jurisdictions and labor including SPUR, Center for Continuing Study of the California Economy (CCSCE), San Mateo County Union Community Alliance, and Working Partnerships USA.

The strategies outlined in this report are grounded in the key findings. The study found that the continued success of the Bay Area economy requires growing middle-wage jobs and offering lower-wage workers

## Attachment 1

more opportunities to advance. The region faces a number of critical issues in improving upward mobility for lower-wage workers.

The full report can be found here: <http://www.spur.org/publications/spur-report/2014-10-01/economic-prosperity-strategy>

### **Regional Goods Movement Plan Update - Preliminary Findings**

Goods movement is a critical piece of the region's transportation system, supporting a strong economy and providing residents and businesses with the products they need. Goods movement activities create a diverse array of jobs, and generate tax revenues to support crucial public investments. At the same time, goods movement activities have significant environmental and public health impacts on those communities located in close proximity to goods movement activities. Plan Bay Area, the region's regional transportation plan and sustainable communities strategy, identifies goods movement as a key work item to advance as part of Plan implementation and to develop further for the Plan update in 2017.

MTC is developing an update to the Regional Goods Movement Plan. The regional work is being closely integrated with the [Alameda County Transportation Commission's \(ACTC\) countywide goods movement planning effort](#), as well as the ongoing state and federal freight planning and policy activity to ensure consistency among all plans and to provide a more complete picture of the goods movement system in the Bay Area. In collaboration with ABAG, the goods movement effort involves updating the *regional and subregional analysis of goods movement* in terms of the transportation system, land use requirements, and air quality implications.

General information on the Regional Goods Movement Plan update can be found here:  
<http://www.mtc.ca.gov/planning/rgm/>

A staff presentation on the Needs Assessment currently underway can be found here:  
[http://apps.mtc.ca.gov/meeting\\_packet\\_documents/agenda\\_2341/5\\_Freight\\_Memo\\_and\\_PowerPoint.pdf](http://apps.mtc.ca.gov/meeting_packet_documents/agenda_2341/5_Freight_Memo_and_PowerPoint.pdf)

### **Industrial Land and Job Study – Summary Scope of Work**

The location of Industrial or *Production, Distribution, and Repair* (PDR) businesses within the nine-county Bay Area has important implications for regional sustainability and jobs. Locating wholesale distributors in particular near major trading ports and city centers on industrial lands where space is relatively more affordable provides access to key local markets helps ensure the efficient movement of goods. The recent growth of the Bay Area's lighter "maker and artisanal goods" industries, from catering businesses to pet facilities to coffee roasters and chocolatiers, gain productivity benefits from clustering in the core. Displacing these to outlying areas – a trend that is already occurring – has economic impacts and significantly increases vehicle miles traveled (VMT) from trucks (Hausrath Economics Group and Cambridge Systematics 2008). Displacement of these firms may also increase VMT for workers, should their job accessibility decrease, or result in a loss of employment if the firm moves outside the Bay Area altogether.

With research support from ABAG and in close coordination with MTC, this UC Berkeley study proposes to:

## Attachment 1

- Analyze the function of and demand for industrial/PDR land in the economy of today and tomorrow;
- Describe the current supply and location of industrial/PDR land, and develop a typology of businesses currently located on industrial land that includes their projected growth trends and location in the region;
- Analyze the economic, employment and transportation impacts of land conversion on job quality and accessibility, other industry sectors, and VMT;
- Estimate future needs for industrially zoned land and develop strategies for preserving industrially zoned land, as needed, to support the policy and planning approaches under development by MTC / ACTC to support sustainable goods movement in the region.

## Summaries and Links to Other Bay Area Economic Development Organization Reports

- *Bay Area Council Economic Institute (BACEI) Regional Economic Assessment.* This study finds that the Bay Area enjoys unique economic assets that have enabled it to prosper across economic cycles. It also finds growing economic inequality, and a risk that significant parts of the population won't share in the region's general economic success. The study asks, despite the region's present economic strength, could its economy be even stronger and generate more jobs for its residents if a number of challenges could be overcome including housing cost and availability, congestion, regulatory efficiency, and a lack of strategic focus on regional economic priorities. It finds that there is a need for a more effective partnership between business and government on economic issues, and is designed to provide a shared foundation of facts and analysis which both government and business can build a closer strategic partnership.  
<http://www.bayareaeconomy.org/media/files/pdf/BAEconAssessment.pdf>
- *East Bay Economic Development Alliance (EBEDA) Building on our Assets: Economic Development and Job Creation in the East Bay.* The purpose of this report is to better understand the dynamics of the East Bay economy to identify the East Bay region's opportunities and challenges for future growth. The project team conducted an in-depth analysis of employment, business, workforce, infrastructure, and land use characteristics, augmented with interviews with business executives. On the basis of the analyses, this study provides recommendations for elected officials, workforce development and education board members, city managers, city and regional planners, economic development specialists, regional agency commissioners, state officials, business leaders and other decision-makers to plan for a prosperous region. [http://www.eastbayeda.org/ebeda-assets/reports/2013/Econ%20Report\\_Building\\_on\\_Our\\_Assets\\_Report\\_2011.pdf](http://www.eastbayeda.org/ebeda-assets/reports/2013/Econ%20Report_Building_on_Our_Assets_Report_2011.pdf)
- *Joint Venture Silicon Valley Index.* This report finds that Silicon Valley is experiencing a level of innovation and economic activity that is impressive by any standard, and leads the nation. Yet the region also shows stark income and achievement gaps, and faces considerable challenges in accommodating sustained economic growth.  
<http://www.jointventure.org/images/stories/pdf/index2014.pdf>

## Attachment 1

- *Silicon Valley Community Fund, Community Economic Development Brief.* This brief represents a summary of important trends and issues related to community economic development.  
[http://www.siliconvalleycf.org/sites/default/files/CEDBrief\\_web.pdf](http://www.siliconvalleycf.org/sites/default/files/CEDBrief_web.pdf)
- *Northbay Leadership Council / McKinsey, Education to Employment Designing a System that Works.* Around the world, governments and businesses face a conundrum: high levels of youth unemployment and a shortage of job seekers with critical skills. How can a country successfully move its young people from education to employment? What are the challenges? Which interventions work? How can these be scaled up? These are the crucial questions this report attempts to answer.

Executive Summary: [http://mckinseyonsociety.com/downloads/reports/Education/Education-to-Employment-exec-summary\\_FINAL.pdf](http://mckinseyonsociety.com/downloads/reports/Education/Education-to-Employment-exec-summary_FINAL.pdf)

Full Report: <http://mckinseyonsociety.com/education-to-employment/report/>

- *Tri-Valley Rising: Its Vital Role in the Bay Area Economy.* An examination of the Tri-Valley's assets and the transportation investments required for sustaining economic success.  
[http://www.bayareaeconomy.org/media/files/pdf/BACEI\\_Tri\\_Valley\\_report.pdf](http://www.bayareaeconomy.org/media/files/pdf/BACEI_Tri_Valley_report.pdf)
- *BACEI, Reforming California Public Higher Education for the 21st Century.* This Bay Area Council Economic Institute White Paper assesses the changing environment for public higher education in California, and the changes required in the University of California, California State University and California Community Colleges systems to ensure that the state will continue to generate a globally competitive workforce.  
<http://www.bayareaeconomy.org/media/files/pdf/ReformingCApublicHigherEdWhitePaperDec2014.pdf>
- *League for Innovation in the Community College, Role of Community Colleges in Regional Economic Prosperity.* In many regions in North America, community and technical colleges serve a critical role in supporting, and often lead, regional economic prosperity planning and collaboration. In this monograph, leaders from League for Innovation in the Community College member institutions share creative examples of how they are helping to advance economic prosperity in their regions.  
[http://www.league.org/publication/files/Regional\\_Economic\\_Prosperity.pdf](http://www.league.org/publication/files/Regional_Economic_Prosperity.pdf)

As a next step, we will distribute a selection of reports from local economic development organizations, to ensure that economic development efforts at the local level are acknowledged as well.

Attachment 2

January 20, 2015

To: ABAG Executive Board  
From: Ezra Rapport, ABAG Executive Director  
Re: Regional Economic Development Framework:  
Discussion Summary and Next Steps

ABAG staff appreciated the energy and guidance the Board offered towards the development of a Regional Economic Development Framework (“Framework”) at the January board meeting. This memo summarizes the discussion and actions recommended by the ABAG Board.

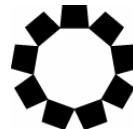
Our understanding of the **executive board motion** includes the following:

1. **Reviewing Key Projects:** Staff will compile and send to the ABAG Board copies of the reports or preliminary findings of the key regional initiatives informing the Regional Economic Development Framework. This includes the Business Partnerships findings (BACEI), the Economic Prosperity Strategy Report (HUD Grant), the Goods Movement preliminary findings (MTC) and an outline of Industrial Land study (ABAG). In addition, staff will compile a list of reports (with website links) prepared by our economic development organizations in the Bay Area. Staff will schedule presentations of these projects throughout 2015 – 2016.
2. **Engagement:** The discussion of the revised Regional Economic Development Framework Memo will be expanded to include additional discussion at the ABAG Board, the Regional Planning Committee, and the Regional Advisory Working Group. We will also distribute the memo to planning directors and economic development organizations. We will post it on our website for additional input.
3. **Rewvisions to the Framework:** Based on Board input the revised memo will include the following components:
  - a. Schedule for discussion and completion: Staff will describe the work plan for the Framework with a schedule of activities and a scope of tasks.
  - b. Clarification of purpose and audience: This will include an overview of how the framework will support local jurisdictions and the efforts of other organizations.
  - c. Discussion of policy input: Staff will identify a process to select high consensus policies and initiatives from all of the key regional initiatives and bring a synthesis of those to the executive board for discussion. The board will not be requested to discuss or vote on the extensive list of policy recommendations of the various initiatives.
  - d. Additional issues to be considered: The revised Framework will identify issues that need attention but are not necessarily fully addressed through current efforts. (air quality, access to skilled labor force, parking challenges, junior accessory dwelling units, etc.)

Should you identify any missing points from the Board meeting or have any questions about this memo, we would appreciate hearing from you.

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: January 8, 2015

To: ABAG Executive Board

From: Ezra Rapport, Executive Director  
Miriam Chion, Planning and Research Director

Subject: **Regional Economic Development Framework**

### Executive Summary

The economic growth of the San Francisco Bay Area is essential to the quality of life of our residents, the vitality of our neighborhoods, and the environmental and cultural amenities that make this region a special place for local residents. Addressing economic development was identified as a priority in Plan Bay Area and at the Joint Policy Committee (JPC). This memo outlines a process for developing a regional economic development framework based primarily on input from the Bay Area's economic development organizations, the HUD-sponsored Regional Prosperity Plan, and input from regional agencies, local jurisdictions and other stakeholders. The first section describes the context for the development of the regional economic development framework. The second section describes the process to identify the regional trends, challenges and strategies. The third section provides a brief summary of current key projects. The fourth section outlines the recommended process.

### Section 1: Context

Over the last three years, ABAG has been an active participant in several efforts, including the Bay Area Council Economic Institute's Business Partnerships initiative, the HUD-sponsored Regional Prosperity Consortium and the PDA feasibility assessment. In a presentation to the Executive Board in October 2013, economic development was featured as one of four areas of focus for Plan Bay Area implementation, and as an outgrowth of discussions at the JPC in early 2014, progress has already been made to assemble this work and the work of other Bay Area business organizations into a coherent, comprehensive framework.

### Why We Need to Assemble a Regional Economic Development Strategy Framework

The economic development framework is an effort to coordinate the variety of economic development efforts within the region towards greater collaboration and deeper insights. One of the strengths of our region is the diversity of places and communities, which is reflected in our economy as well. We benefit from some of the most innovative technology clusters as well as from some of the most sophisticated restaurants and farms. We house some of the top social

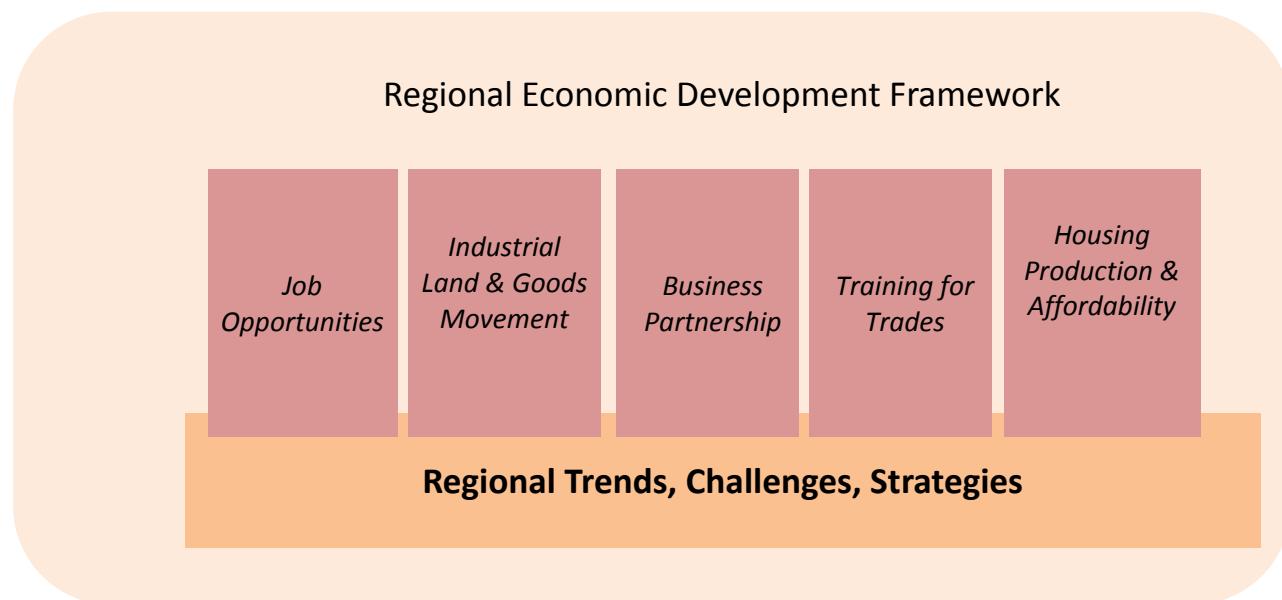
## Attachment 3

### Regional Economic Development Framework

January 8, 2015

media companies as well as top organic wineries. Sustaining this diversity has been a priority for this region. One lesson from decades of economic development programs is that the efforts that are most successful build from local resources and talent but recognize the regional and global context. A regional role in local economic development could facilitate communication among jurisdictions within the region, offer resources that are applicable to multiple jurisdictions, and provide context and support for the region's brand as perceived statewide, nationally and globally.

The proposed regional framework identifies key areas to support this healthy economic diversity in light of our demographic changes, environmental challenges, and infrastructure needs. The chart below outlines five of the major regional projects representing a comprehensive review of regional trends, challenges and strategies. This chart will be updated according to the development of new projects and input from the ABAG Executive Board, MTC and the Joint Policy Committee.



This framework will help us build a better business climate in the Bay Area, by understanding the specific complementary roles of each project and how to facilitate collaboration across projects and across agencies. Coordination of these projects and other related activities can enhance the value of the economic analysis, planning, strategies and programs for each of the leading organizations and for the region as a whole. The distinct qualities and perspectives of these projects provide a rich platform from which to support employment growth, regional and local economic vitality, and quality job opportunities for the future work force.

#### Why ABAG

In terms of the process, ABAG is well positioned to support this coordination as a natural outgrowth of our established economic forecasting and analytic responsibilities regarding the region's economy, population and forecasted income growth. ABAG is closely involved with the Bay Area Council Economic Institute and has worked with the various economic development organizations in the region.

## Regional Economic Development Framework

January 8, 2015

This process of coordination would support the overall regional efforts and the Joint Policy Committee work at multiple levels:

- Communication: ABAG understands how local and regional economic conditions and objectives can play a role in facilitating communication among projects and in establishing communications between stakeholders in different settings (for example, communicating the existence of policies related to business requirements to local PDA planners) and with complementary interests (for example, community organizations and trade organizations). The process or output of one project can inform the work in other projects. Goals of projects may overlap and if coordinated can enable both projects to reach more successful outcomes.
- Policy Recommendations: As an organization that works at the state, regional and local levels, ABAG can assist with translating local concerns to the level of government where policy recommendations can lead to implementation activities.
- Analysis: ABAG has staff experienced in regional analysis to support local jurisdictions and economic development organizations, and provide oversight of methods, conceptual approaches, and interpretation of results for individual projects.
- Vision: As a Council of Governments representing elected officials, ABAG can communicate a regionwide vision of economic development goals that cross different stakeholder groups.

### Section 2: Identifying Regional Trends, Challenges and Strategies

This task is a process of collaboration among ABAG, MTC, and other regional and economic development organizations. ABAG is participating in each of the five projects indicated above. Drawing from those projects and bringing additional regional research, ABAG will produce reports to address Regional Trends, Challenges and Strategies. The State of the Region report and the Forecast report describe current and future regional trends, respectively. Another report synthesizes key regional economic development challenges and strategies for discussion at the ABAG Executive Board.

- The **State of the Region Report** will provide an overview of recent economic trends to inform an assessment of future trends as well as regional challenges and opportunities. This current period of strong economic growth implies changes in our regional economy, including the growth of new industries and jobs, the location and patterns of investments, and the labor force requirements. This report will be released in March 2015 and presented at the State of the Region conference.
- Then, given our understanding of the regional economy today, ABAG will prepare the **Regional Forecast** of population, jobs and housing by 2040. This forecast will be a component of Plan Bay Area 2017 and will be developed based on a demographic model (Pitkins and Myers), economic model (REMI), and housing model.
- ABAG will present a set of findings stemming from the HUD-sponsored Regional Prosperity Plan. The findings will address policies related to job opportunities, housing production and affordability, and equity issues within the Bay Area economy.
- ABAG will also present information and recommendations from the BACEI's Bay Area Economic Assessment and other related reports as they come forward.
- From these documents ABAG will synthesize into a regional economic development framework the essential components necessary to achieve the economic growth pattern

### Attachment 3

## Regional Economic Development Framework

January 8, 2015

envisioned in Plan Bay Area. These strategies will support and coordinate local efforts on the economic vitality of Priority Development Areas.

### Section 3: Overview of Selected Regional Projects

The following sections describe each project in more detail. This note ends with a brief overview of the role ABAG could play in framing the projects within this related area of work.

	Job Opportunities	Industrial Land & Goods Movement	Business Partnership	Training for Trades	Housing Production & Affordability
<b>Engagement</b>	Cities, worker and business organizations, schools	Transportation agencies, cities, businesses	Businesses leaders and key players	Workforce boards, schools	Cities, businesses, housing organizations
<b>Status</b>	Economic Prosperity Strategy Report completed	Under way	Underway	Defining goals	HUD-sponsored Regional Prosperity Report underway
<b>Schedule</b>	2015	2015	2015	TBD	2015
<b>Purpose</b>	Retain and expand access to middle income jobs	Meet increasing demands for goods movement, address environmental and community impacts	Identify key opportunities and actions for healthy business climate and job growth	Strengthen the match between business needs and school programs for essential trades	Increase housing production and affordability

### Job Opportunities

One of the central goals of the Bay Area Prosperity Plan is to expand economic opportunities for low- and moderate-income residents in the Bay Area by collaborating with local and regional stakeholders, underserved communities as well as housing organizations. Given the contraction of middle-income jobs in our regional economy, a central task of this Prosperity Plan has been to support the retention of these jobs and increase access to them from a perspective that addresses housing needs, training and infrastructure. Funded by HUD and scheduled for completion in early 2015, the Bay Area Prosperity Plan provides an initial vehicle for developing a regional, coordinated approach to expanding economic opportunities based on 50 pilot projects throughout the region (Attachment 1). While the Prosperity Plan focuses on low- and moderate-income workers, the strategies proposed in this policy paper addresses a broader set of needs over a wide range of industries. More specifically, the Prosperity Plan will identify the types of potential partnerships and collaborations that can support expanded economic opportunities for low- and moderate-income workers, while proposing a set of strategies and actions for workforce training and job placement programs.

## **Regional Economic Development Framework**

January 8, 2015

### Industrial Land and Goods Movement

The movement of goods and the protection of production and distribution businesses have important environmental, economic and equity implications for the region. The region is home to the fifth-busiest maritime port in the nation, the Port of Oakland, which serves not only Bay Area residents and industries but also provides a critical link to national and international markets. The goods movement effort, led by MTC in collaboration with ACTC's *Alameda Countywide Goods Movement* process and ABAG, involves a regional and subregional analysis of the transportation system, land use requirements, and air quality implications for the distribution of goods within the region.

The MTC & ACTC Goods Movement study is being developed in coordination with a study of industrial land supply and policies. This study, to be led by UC Berkeley in collaboration with ABAG, proposes to: analyze the function of and demand for Industrial / PDR land in the future; determine impacts of land conversion on job quality and accessibility, other industry sectors, and VMT; identify policies that support goods movement, existing industry clusters, and provides incubator space for new businesses. The need, extent and location of industrial land will depend on the type and amount of land projected to be demanded by businesses in the future to ensure the efficient movement of goods, economic growth, job quality, and GHG reduction in the region.

### Business Partnerships

Funded by MTC/JPC and in collaboration with ABAG, this work builds on the *BACEI Regional Economic Assessment 2012*. The Bay Area Regional Economic Strategy engagement process seeks to form a public-private partnership. The first stage (completed) involved meeting with local business leaders and economic development organizations to learn from the experiences of the different organizations and identify linkages and commonalities across the region. These subregional consultations are the first step in engaging business partners and stakeholders and recognizing their priorities and shared interests. The next stage of the process involves convening stakeholders from the business community (representing a wide spectrum of industries, firm sizes and leadership roles) and the public sector into a steering committee whose tasks will be to *explore the region's best opportunities for economic success, frame an overall strategy, and define concrete actions*. As the process identifies specific areas for action, the steering committee will create action teams that include participants from additional perspectives and areas of expertise to develop concrete actions.

### Training for Trades

This initiative, in the early conceptual discussion stage, would link training programs at a variety of education levels to the demand for skilled trades. The topic area overlaps each of the other initiatives under discussion. For example, training for trades could provide one avenue to move high school students directly into occupations with middle wage career paths or to transition lower wage workers into middle wage jobs or up the career ladder within middle income jobs. On the business side, labor availability in the trades may be a crucial element for some sectors, while training in skills required for transportation and distribution occupations could become one strategy among many for successful goods movement. ABAG will support the coordination of ongoing efforts and identify potential resources at the state and federal levels.

## **Regional Economic Development Framework**

January 8, 2015

### Housing Production and Affordability

Numerous studies and pilot projects designed to generate or field-test strategies to increase housing production and affordability are nearing completion as part of the HUD-sponsored Regional Prosperity Plan. The final report, to be released in mid-2015, is anticipated to feature new approaches to traditional strategies—finding funding for and gaining community acceptance of new, infill, rental affordable housing complexes—as well as non-production strategies that have received less attention historically. These latter group of strategies include acquisition and rehab of existing affordable housing, relatively affordable open-market housing; preservation of existing affordable housing; mitigation of economic displacement of residents in development areas; revolving use of “soft-money”, for example, as first-time homebuyer loans or work proximity housing loans; and new sources of discretionary local funds dedicated to affordable housing, housing affordability and housing-related infrastructure.

### Section 4: Proposed Process and Deliverables

Drawing from partners' existing work and work in progress indicated above, ABAG would synthesize a set of high-consensus policy recommendations and present them as a Draft Regional Economic Development Strategy Framework. Recommendations will be drawn from multiple existing sources such as: Bay Area Council Economic Institute, the Regional Prosperity Consortium's final report, and working documents of the Bay Area's economic development organizations (i.e., East Bay Economic Development Association; Silicon Valley Leadership Group; Bay Area Council; Northern Waterfront Council, and North Bay Leadership Council). ABAG will present the framework to these organizations for their comments and additions.

The final framework document would be a collection of succinct policy recommendations such as those on the final page of the BACEI's *Reforming CA Higher Education, Executive Summary* (Attachment 2). Another example of such a document, this one taken from the Los Angeles Economic Development Corporation, is attached for reference (Attachment 3).

Because the initial draft will encompass and depend upon numerous works in progress to be completed during 2015 by various organizations and agencies, the draft report would be released in 2016. Once this report is complete it would be circulated in draft form to the Joint Policy Committee, and ultimately back to the ABAG Executive Board for final action.

### Recommended Action

Staff requests Executive Board approval for the development of a comprehensive, orderly, inclusive process to assemble and document a regional economic development framework, which would include a set of regional strategies. The framework would be brought before the JPC, and ultimately back to the Executive Board.

### Attachments

1. Regional Prosperity Plan Projects
2. Reforming CA Higher Education, Executive Summary, BACEI
3. Los Angeles Economic Development Corporation Policy Booklet

Attachment 3

**Regional Economic Development Framework**

January 8, 2015

Cc: Steve Heminger, Executive Director, Metropolitan Transportation Commission  
Alix Bockelman, Deputy Executive Director, Metropolitan Transportation Commission  
Ken Kirkey, Planning Director, Metropolitan Transportation Commission  
Jim Wunderman, President and CEO, Bay Area Council  
Matt Regan, Vice President, Public Policy, Bay Area Council  
Micah Weinberg, Senior Policy Advisor, Bay Area Council  
Sean Randolph, President, Bay Area Council Economic Institute  
Tracey Grose, Vice President, Bay Area Council Economic Institute  
Allison Brooks, Executive Director, Joint Policy Committee

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Date: March 1, 2015  
To: ABAG Administrative Committee  
From: Duane Bay, Assistant Planning & Research Director  
Subject: **Regional Housing Program**

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## **Background**

The Regional Housing Program staff report for the 2014 Administrative Committee planning retreat summarized the affordable housing challenge and ABAG's response as follows.

"The need for affordable housing is one of the most significant challenges to implementing Plan Bay Area's proposed land use pattern and equity goals. Over the past several decades, housing production in the Bay Area has not kept pace with demand, contributing to high housing costs. The recent economic recovery has highlighted the lack of affordable housing options, as housing costs have increased sharply in many of the areas of the region with the greatest access to jobs and amenities, leading to the potential displacement of lower income households.

"ABAG is working with regional and state agencies, legislators, housing and business advocacy organizations, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet unique local housing needs in each community. The three primary focus areas of the housing work program are to (1) facilitate development of new sources of funding to finance creation and preservation of affordable housing; (2) encourage coordination among agencies that impact housing planning, production and affordability; and (3) promote legislation that supports the Bay Area's housing goals."

This summary remains applicable today, one year later. The elaboration of these points is largely applicable as well, and is available for reference in *Attachment 1, 02-27-14 Regional Housing Program Memo* (the original attachments to the memo are not included). The 2014 staff report goes on to identify more than a dozen planned ABAG work program activities, all of which advanced to closure or were ongoing by design. The status of each is presented in *Attachment 2, 2014 Housing Program Accomplishments*.

This year, because a recapitulation of the situation, the challenges, and ABAG's general response strategies would be repetitive, the staff report focuses on a few key activities, most of which offer opportunities for direct involvement of Board members and Delegates.

## Signature Projects

The priorities featured below show potential for significant positive impact on the current Bay Area housing situation and leverage ABAG's unique capacity to lead innovation:

1. Amend Housing Element law and/or regulations to incentivize effective local strategies
2. Support expansion of work proximity housing programs regionally
3. Facilitate acquisition/rehabilitation/conversion, a cost-effective, multi-benefit strategy
4. Promote local adoption of sustainable/resilient retrofitting programs
5. Design a sustainable/resilient acquisition/rehabilitation/conversion pilot program
6. Support enabling legislation

These signature projects, described in more detail below, will be complemented by additional projects and on-going programmatic activities in legislation, Priority Development Area (PDA) implementation, and open-data development, all of which are presented in *Attachment 3, 2015 Housing Focus*.

**1. Amend housing element law:** Work to amend Housing Element law and/or regulations to incentivize a broader range of local housing strategies without diminishing requirements to plan adequate housing production.

Local governments, working through private sector partners, have employed numerous effective strategies to increase the supply of open-market affordable housing and deed-restricted affordable housing that are not recognized under current Housing Element law, regulations, and interpretation by California Department of Housing and Community Development (HCD). For example, the following are not fully recognized as production of affordable housing:

- a living unit in an assisted living or skilled nursing facility that frees up an existing home elsewhere;
- an acquisition/rehab project that converts a dilapidated small apartment building to permanently affordable housing; and
- various local programs and policies that make housing more affordable such as home-buyer assistance loans, tenant based rental assistance or rent control.

The full spectrum of best-fit local solutions is broad. Reform will require comprehensive consideration as there are many technical complexities and political trade-offs.

Housing Element law has been amended more than 25 times in the last 15 years, resulting in a patchwork. A constellation of factors bodes well for more comprehensive progress this legislative session: HCD is reconvening a Housing Element Working Group after a ten-year hiatus, leadership in the legislature and HCD are showing strong support for tackling housing issues, and the similar though more narrowly focused 2012-2013 Housing Element Focus Group to streamline review was

a success.

Particular actions for 2015 include: Secure ABAG representation on Housing Element Working Group; continue active participation in California Association of Local Housing Finance Agencies; support consistent State legislation if/as opportunities arise; consider a Bay Area pilot of “both and” performance measurement that uses separate progress measures, one for production of new housing, and one for increasing deed-restricted affordable housing by any means, not just new construction.

**2. Establish a regional fund for work proximity housing loans:** Facilitate expansion of work proximity housing loan programs region wide.

In short, and speaking generically, a PDA-based work proximity loan would provide down-payment assistance to residents who are buying a home in a PDA (this gives them transit access to work and helps address economic exclusion from PDAs) or who work in a PDA and are buying a home within a given distance of their work (this assures a short commute and helps address economic exclusion near PDAs). ABAG could collaborate to assemble a regional fund that would provide matching funds to existing down-payment assistance programs operated by local and subregional housing trust funds (that fulfill State criteria and eligible for State funding) to supplement loans they originate that meet work proximity program criteria.

A regional work proximity loan fund project will respond to three opportunities at once. First, there are many down-payment assistance loan programs in the Bay Area operated by cities, counties, subregional housing trust funds, and by some school districts. Some of these explicitly include live/work proximity in eligibility criteria for their loans, for example, Napa County's Work Proximity Housing program and Housing Endowment and Regional Trust of San Mateo County's Opening Doors program. However, the practice is not wide-spread and certainly not often linked directly to PDAs per se. Given the potential for such loans to partially address de facto income-based exclusion of moderate-income households from ownership in PDAs, there is an opportunity to regionalize the work proximity concept.

Second, there is an opportunity to create options for burdened existing down-payment assistance loan programs to streamline program administration. It has always been difficult to operate small homebuyer loan programs efficiently. Loss of redevelopment agency funding not only crimped municipal programs' primary source of capital, it made it more difficult to pay for administration. Some jurisdictions terminated their programs while others, acting in their capacity as housing successor agencies, still manage legacy portfolios of outstanding loans, probably totaling well over \$20 million region wide. Legislation was proposed last year to encourage and support consolidation of programs into administrative units with sufficient scale, while retaining adequate city control, but to date there is no comprehensive coordinated effort among program operators to address this challenge. Convening a technical advisory group for the proposed work proximity loan project would establish a forum for existing program operators to collaborate. The project would also provide immediate benefits to by augmenting their limited loan capital.

Third, in late 2014, FAN announced a new down-payment assistance program. The launch was relatively well attended but many attendees expressed concerns about its viability and regional impact because of its limited capitalization of \$400,000 and the fact that the \$15,000 typical loan size was too small to stand alone, yet wasn't designed to layer efficiently with other program loans. Program implementation is on hold as FAN deals with other administrative priorities. Launching a regional work proximity loan program, following a collaborative approach to program design, could be an early opportunity to advance this strategy.

Particular actions for 2015 could include: convening an *ad hoc* technical advisory committee of existing program operators and their technical consultants; bringing back a feasibility study to the ABAG Board.

**3. Facilitate housing acquisition/rehabilitation/conversion projects:** When we look for opportunities to generate regional co-benefits from local land use decisions, we tend to focus on development and redevelopment. Yet most of the housing that will be in the Bay Area fifty years from now exists today. A regional consensus is building that acquisition/rehabilitation/conversion—buying and refurbishing older, relatively affordable rental properties, especially in PDAs, then securing their long-term affordability with non-profit ownership and/or affordability covenants—is an underutilized strategy with great promise for substantial positive impact.

A memorandum included in the packet for consideration by the Administrative Committee a year ago, *Attachment 4, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*, makes the case for the many benefits of this strategy, especially with respect to mitigating displacement in PDAs. A final report expected next month from pilot projects conducted in three different PDAs in San Francisco under the auspices of the HUD-funded Regional Prosperity Plan Consortium should yield useful field-testing data. Notwithstanding a compelling case for public benefit and a growing body of applied expertise and numerous success stories region wide, the number of acquisition/rehab projects remains fairly small. One indicator that there are underlying problems that limit applicability of this strategy is that a long-standing, dedicated source of over-the-counter (non-competitive) federal funding for housing rehabilitation (4% low-income housing tax credits) is chronically underutilized.

Among the impediments to utilization, other than those that apply equally to almost all affordable housing development, are that (1) few jurisdictions earmark their limited affordable housing funds for this strategy, in part due to (2) the State not fully recognizing this strategy as housing production, and (3) technicalities tax-credit regulations render only a fraction of potential projects financially viable for use of tax-credit financing, such that (4) many large developers of affordable housing find new construction more financially viable for a variety of technical reasons, while (5) many smaller non-profit developers find it difficult to take on the greater operational risks inherent in rehabilitation. The proposed 2015 focus of this signature project would be to address the first three impediments directly, which could in turn increase project viability.

Particular actions for 2015 could include: encourage jurisdictions that have or are developing dedicated revenue sources for affordable housing to earmark a portion for acq./rehab. projects; support current legislation AB 35 (Chiu) to earmark more State funds and to remove technical barriers to use of tax-credit financing programs, even though the primary focus of AB 35 is preservation of existing affordable housing rather than acq./rehab. *per se*; work with HCD to reduce barriers to “counting” acq./rehab. as affordable housing production (See Project #1 above).

**4. Promote Sustainable/Resilient retrofitting programs:** Promote local adoption of existing financing programs that encourage and enable retrofitting that can simultaneously save energy, save water, save lives in earthquakes, save residents’ money and significantly reduce post-disaster displacement and recovery impacts.

Making the region’s existing housing stock safer and more efficient is a key strategy for increasing resource conservation and for minimizing unnecessary public cost and personal hardship during recovery from inevitable natural disasters. In California there are a variety of funding sources to make homes more sustainable and hazard resilient. Loan, grant, and rebate programs are set up and administered for unique improvements, but in general these programs are not integrated, often not even coordinated. Consolidation of efforts can yield economies of scale that enable better financing mechanisms as well as other benefits:

- Energy retrofits that conserve gas, electricity and water generate household utility cost savings that can help finance seismic retrofits in addition to the conversation measures
- Seismic retrofits protect energy retrofit investments from damage in future earthquakes
- Seismic retrofits prevent the damage of homes, reducing future embedded emissions (emissions during the mining, manufacturing, and construction of a home) from being generated to replace damaged homes
- A home that uses fewer resources is less reliant on fragile infrastructure systems likely to be damaged in hazard events, making the home habitable following an event, and accelerating regional disaster recovery because people can stay in the Bay Area
- The stakeholders for each type of household improvement are the same (home owners, contractors, city inspectors, etc.) providing opportunities to streamline outreach, preparation and installation, and to combine education and training programs
- Improvements made simultaneously only displace or inconvenience residents once

Some of the existing financing resources Bay Area residents can leverage to make their homes more sustainable and resilient are highlighted in *Attachment 5, The Sustainable Resilient Home*. The proposed signature project would develop a program around the safe/smart/affordable concept and promote local implementation.

These activities have evolved since last year's March Administrative Committee meeting where members advocated for a regional effort to improve housing safety and resilience. Staff has secured project support to provide technical and implementation guidance to ABAG member cities that will result in improved, sustainable neighborhoods.

Particular actions for 2015 could include: writing a case study about San Francisco, Oakland and Berkeley, first to implement varied resources; leveraging existing educational and training workshops by BayREN and ABAG to introduce the idea of combining sustainability and resilience efforts and programs; use the update of local hazard mitigation plans to incorporate sustainability measures, and work resilience measures into the implementation of existing climate action plans; conducting a feasibility analysis for how BayREN, could be instrumental in mainstreaming the program regionally.

**5. Design a sustainable/resilient acquisition/rehabilitation/conversion pilot.** This proposed signature project isn't so much a separate project as a proof of concept that programs three and four outlined above can be applied simultaneously to the same building upgrade.

Particular actions for 2015 could include: work with local jurisdictions and non-profit housing developers to identify acquisition/rehabilitation projects in the planning stage that would make suitable pilot case studies, then conduct and document the pilot.

**6. Support enabling legislation.** The legislative priorities adopted by ABAG Legislative and Government Organization Committee already encompass any legislation necessary to implement the signature projects highlighted above. For reference, the legislative priorities related to housing are restated below, but because the legislative process is dynamic specific bills are not discussed.

Legislative priorities related to housing include:

- Housing Element reform, e.g. housing credits for assisted living, acquisition/rehabilitation, and work housing investment/housing trust funds;
- Support for housing infrastructure
- Reauthorization of Proposition 30, currently set to expire in 2018, with a request that a percentage of future revenue be set aside for funding senior affordable housing.
- Resources and incentives for planning, infrastructure and services to assist local governments, as well State and federal legislation establishing innovative financing and project delivery mechanisms
- CEQA/Entitlement Efficiency

## **Discussion**

Staff solicits feedback on the signature projects in particular, as well as any of the other planned 2015 housing related activities.

Question: Do these projects, as intended, "show potential for **significant positive impact** on the current Bay Area housing situation and **leverage ABAG's unique capacity to lead innovation**"?

Attachments:

- *Attachment 1, 02-27-14 Regional Housing Program Memo*
- *Attachment 2, 2014 Housing Program Accomplishments*
- *Attachment 3, Housing Focus for 2015*
- *Attachment 4, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*
- *Attachment 5, The Sustainable Resilient Home*

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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



**ABAG**

Date: February 27, 2014  
To: ABAG Administrative Committee  
From: Miriam Chion, Planning & Research Director  
Subject: **Regional Housing Program**

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## **The Affordable Housing Challenge**

The need for affordable housing is one of the most significant challenges to implementing Plan Bay Area's proposed land use pattern and equity goals. Over the past several decades, housing production in the Bay Area has not kept pace with demand, contributing to high housing costs. The recent economic recovery has highlighted the lack of affordable housing options, as housing costs have increased sharply in many of the areas of the region with the greatest access to jobs and amenities, leading to the potential displacement of lower income households.

In the past, the region has struggled to meet its goals for providing housing that is affordable to moderate-, low-, and very-low income households, and this task is likely to be even more challenging in the future. According to Plan Bay Area, the number of people in very low- and low-income households is projected to increase from 40 percent to 43 percent of all households by 2040. ABAG has estimated that the average amount of subsidy needed in the Bay Area to fill the gap between current resources and the additional funds needed to build the housing needed by these households to be \$4.1 billion per year.<sup>1</sup>

The difficulty of meeting the need for affordable housing has increased dramatically in recent years with the steady reduction of federal and state subsidies for affordable housing development; the elimination of redevelopment agencies and their requirements for dedicated local housing trust funds and for construction of new and replacement housing; and the legal challenges to the use of local inclusionary housing policies.

## **ABAG Housing Program**

ABAG is working with regional and state agencies, legislators, housing and business advocacy organizations, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet unique local housing needs in each community. The three primary focus areas of the housing work program are to (1) facilitate development of new sources of funding to finance creation and preservation of affordable housing; (2) encourage coordination among agencies that impact housing planning, production and affordability; and (3) promote legislation that supports the Bay Area's housing goals.

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<sup>1</sup> *Affordable Housing Funding Gap Analysis, Draft Report, February 19, 2014.*

These areas of emphasis are consistent with the legislative priorities for the 2014 legislative session that were identified by ABAG's Legislation and Governmental Organizations Committee:

1. Supporting measures that reduce the voter threshold for infrastructure taxes and bonds statewide and locally; and
2. Pursuing increased funding as well as policy and legislative changes to support Plan Bay Area implementation, including Housing Element reform and funds for affordable housing .

### **Increased Funding for Affordable Housing**

ABAG staff is engaged in discussions about several legislative initiatives under consideration that have the potential to expand the resources available for affordable housing. Of particular interest are the California Homes and Jobs Act (SB 391) and the Governor's Infrastructure Finance District Trailer Bill.

The California Homes and Jobs Act, SB 391 (DeSaulnier), introduced February 20, 2013, would generate an estimated \$500 million annually for affordable housing programs through a \$75 recordation fee on real estate transactions other than home sales. ABAG is supportive of the bill in concept and has been conveying to the sponsors and supporters of SB 391 the importance of incorporating language to specify that funds will be returned to the place where they were generated. More detail about SB391 is available in *Attachment 1, Assembly Committee on Appropriations Bill Analysis*.

One of the most compelling potential tools to support Plan Bay Area implementation, including production of affordable housing, is the creation of Infrastructure Financing Districts (IFDs). Governor Brown's proposed budget expressed support for expanding the types of projects that can be funded through an IFD to include urban infill, transit priority projects, and affordable housing. ABAG staff is currently reviewing proposed legislative changes to IFDs to ensure that the revisions would adequately support affordable housing production and preservation. More detail about the Governor's proposal for IFDs is available in *Attachment 2, Trailer Bill Language for the Local Economic Development Proposal from the California Department of Finance (DOF)*.

Another potential source of funding for affordable housing is the state's cap and trade auction. Governor Brown's proposed budget included \$100 million for local assistance funding to support regions as they implement their Sustainable Communities Strategies. ABAG staff will contribute to discussions about how these funds are targeted to ensure they support Plan Bay Area.

Given the uncertainty about the potential for adoption of these funding mechanisms at the state level, ABAG staff is also exploring options for how best to ensure that the affordable housing resources available at the regional level—including the Transit-Oriented Affordable Housing Fund (TOAH) and the ABAG Finance Authority's Multifamily Housing Finance Program—are supporting the goals of Plan Bay Area. In particular, staff has emphasized the importance of promoting the acquisition and rehabilitation of existing properties as an affordable housing and anti-displacement strategy. This strategy is described in more detail in *Attachment 3, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*.

At the local level, the ruling in 2009 in *Palmer v. City of Los Angeles* that prohibited the imposition of inclusionary requirements on rental units and the loss of redevelopment agencies has led many jurisdictions to rely on impact fees as a primary source of funds for affordable housing. To implement a housing impact fee or commercial linkage fees, a jurisdiction must first conduct a nexus study to show the relationship between new housing or jobs and the need for affordable housing in the community. ABAG is exploring ways to support local jurisdictions that want to conduct the nexus studies necessary to implement these fees, similar to the approach that is currently being undertaken by 21 Elements in San Mateo County. A synopsis of this approach is presented in *Attachment 4, San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report*.

### **Policies to Provide Affordable Housing and Prevent Displacement**

In addition to trying to identify new sources of funding for affordable housing development and preservation, ABAG staff is also promoting policies that increase housing supply and affordability and prevent displacement. At the state level, ABAG has convened a series of meetings with staff from the California Department of Housing and Community Development (HCD), the California Housing Finance Agency (CalHFA), and DOF to discuss potential changes to state policies and requirements that would support better implementation of the redevelopment agency dissolution process, local Housing Elements, and Plan Bay Area.

At the local level, ABAG is working on several initiatives that will inform local Housing Elements, the Priority Development Area Investment and Growth Strategies prepared by county Congestion Management Agencies (CMAs), and the next Sustainable Communities Strategy. Staff has been working with the Housing Leadership Council of San Mateo County and other housing advocacy organizations to develop a toolkit of best practices for local government staff to consider as they update their Housing Elements for the 2014-2022 period. Through the HUD Sustainable Communities Grant, ABAG staff is currently developing a "Development Dashboard" that will facilitate the collection and reporting of details about housing developments as they move through the entitlement process. The HUD Grant is also supporting ABAG's work to help research and promote best-practices that local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs.

### **Discussion Questions**

Which of the following examples of housing-related implementation activities use ABAG's comparative advantages most effectively?

#### *Building support for affordable housing*

- Provide data, fact sheets and/or talking points that make the case for affordable housing development and displacement mitigation tailored to local needs
- Convene meetings among local elected officials, staff, and other stakeholders to discuss the need to address local affordable housing and displacement issues

#### *Addressing affordable housing funding and displacement mitigation at the local level*

- Develop annual progress report on affordable housing development

- Develop annual progress report on local adoption of policies and programs that address displacement
- Provide technical assistance to local jurisdictions to support local adoption of housing and commercial linkage impact fees when invited to do so
- Promote and facilitate local adoption of housing and commercial linkage impact fees as needed

*Facilitating sub-regional (e.g., within counties and/or along transportation corridors) communication and cooperation related to housing issues*

- Share best practices related to affordable housing and displacement mitigation with jurisdictions and CMAs
- Establish county or corridor working groups to address housing issues

*Working with appropriate State agencies (HCD, DOF, Governor's Office of Planning and Research) to explore changes in state regulations that facilitate creation of affordable housing*

- Count congregate housing (e.g., senior assisted living facilities) toward Regional Housing Need Allocation goals and make Housing Element provisions related to acquisition/ rehabilitation easier to use
- Expedite DOF procedures for transferring former redevelopment agency land

## **2014 Housing Program Accomplishments**

The table below presents the disposition of housing activities featured in the staff report for the February 27, 2014 Administrative Committee meeting followed by other milestone accomplishments in on-going housing program work not singled out for mention.

<b>Featured Housing Activities</b>	<b>Disposition</b>
1 Support the California Homes and Jobs Act, SB 391 (DeSaulnier) dedicated revenue source for affordable housing.	Worked with housing advocacy organizations and legislative leaders to support passage of SB 391.
2 Support legislation that enables creation of Infrastructure Financing Districts (IFDs) that supports affordable housing production and preservation.	Supported legislative efforts to expand applicability and viability of IFDs.
3 Assure that guidelines for allocation of revenues from State cap and trade auction support Plan Bay Area implementation.	Worked with Strategic Growth Council staff to develop guidelines for the Affordable Housing and Sustainable Communities (AHSC) that encourage affordable housing and PDA implementation.
4 Promote the acquisition and rehabilitation of existing properties as an affordable housing and anti-displacement strategy, and advocate for changes to the TOAH fund to fully support this strategy.	Developed memo outlining the benefits of acquisition and rehabilitation as a Plan Bay Area implementation strategy.
5 Explore ways to support local jurisdictions that want to conduct the nexus studies necessary to implement development impact fees as a dedicated local source of funding for affordable housing, especially subregional strategies.	Compiled data about jurisdictions with residential and commercial nexus fee studies. Reached out to jurisdictions potentially interested in conducting their own studies or implementing fees. Presented to Alameda County Planning Directors
6 Work with HCD and housing advocacy organizations to develop a package of standard demographic data and a toolkit of best practices for use by local government staff as they update their Housing Elements for the 2014-2022 period.	Developed an HCD-approved data set. Facilitated HCD office hours at ABAG for jurisdictions to get feedback on Housing Elements. Developed a "best practices" policy toolkit in collaboration with housing organizations.
7 Provide data and technical assistance to county Congestion Management Agencies (CMAs) as they prepare their first required Priority Development Area Investment and Growth Strategy reports as condition of receipt of OBAG planning block grants.	Tracked residential permitting activity within and outside of PDAs for 2013.
8 Develop a more streamlined and transparent data collection and reporting system (aka "development	Work in progress on feasibility analysis

- dashboard") for tracking local housing production.
- 9 Research and promote best-practices that local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs. Researched and developed a regional Housing Policy Database. Developed a "best practices" policy toolkit in collaboration with housing organizations.
  - 10 Count congregate housing (e.g., senior assisted living facilities) toward Regional Housing Need Allocation goals and make Housing Element provisions related to acquisition/ rehabilitation easier to use Laid foundation for ABAG invitation to participate in 2015 Housing Element Working Group where this issue can be addressed.
  - 11 Provide data, fact sheets and/or talking points that make the case for affordable housing development and displacement mitigation tailored to local needs Created an "Affordable Housing 101" piece disseminated at General Assembly. Researched and developed a regional Housing Policy Database. Developed a "housing best practices" policy toolkit for jurisdictions in collaboration with housing organizations
  - 12 Develop annual progress report on affordable housing development Tracked residential permitting activity in 2013; will continue to track for 2014.
  - 13 Develop annual progress report on local adoption of policies and programs that address displacement Researched and developed a regional Housing Policy Database.
  - 14 Establish county or corridor working groups to address housing issues Spearheaded the creation of a housing working group in ongoing work with the East Bay Corridors initiative.

<b>Other Major Housing Activities</b>	<b>Disposition</b>
15 RHNA Sites inventory	Mapped housing opportunity jurisdictions identified in 2007-2014 Housing Elements and made information available on ABAG website.
16 Housing Website	Reorganized and refreshed website to make information more easily accessible.
17 Ongoing tracking of promising housing funding sources	Monitored housing legislation and research into promising funding sources for affordable housing development or preservation.

## **2015 Housing Focus**

Note: Thirteen projects are grouped under five themes. The first six projects are presented in greater detail in the body of the staff report.

**Support for regionally scalable local best-fit practices** (consistent with Plan Bay Area goals)—*ABAG will support and leverage scalable local efforts that create and preserve permanently affordable housing and affordable open-market housing.*

1. Work to amend Housing Element law and/or regulations to incentivize a broader range of local strategies (credit for acquisition/rehab, congregate housing for seniors and persons with disabilities) without diminishing requirements to plan adequate housing production.
2. Facilitate expansion of work proximity housing loan programs region wide by working with the Finance Authority for Non-Profits (FAN) to reposition its announced, but not yet implemented, homebuyer assistance loan product.

**Expand housing solutions that make existing housing more sustainable, resilient and affordable**—*ABAG will advance a multi-benefit approach that recognizes existing housing stock as opportunity for resource conservation, neighborhood resilience, and neighborhood stabilization.*

3. Facilitate acquisition/rehabilitation/conversion, a cost-effective, multi-benefit strategy.
4. Promote local adoption of existing financing programs that encourage and enable retrofitting that can simultaneously save energy, save water, save lives in earthquakes, save residents' money and significantly reduce post-disaster displacement and recovery impacts.
5. Design and enable an integrated acquisition/rehabilitation strategy that converts smaller, older "softstory" apartment buildings in PDAs into resource efficient, permanently affordable housing that secures residents against displacement due to natural hazards or new development.

**Support enabling legislation**—*ABAG will support State legislation that enables or strengthens these projects, and furthers the housing related goals of Plan Bay Area.*

6. Support legislation consistent with the legislative priorities identified by ABAG's Legislation and Governmental Organizations Committee, for example: increasing funding for affordable housing, Housing Element reform, enabling infrastructure financing districts, removing technical impediments to fully utilization of available tax-credit financing for acquisition/rehabilitation projects.

**Effective housing policy requires enhanced housing data**—*ABAG will help member jurisdictions and State HCD markedly improve local housing production reporting to increase scope, accuracy, timeliness and public transparency, while substantially reducing administrative workload.*

7. Release Housing Policy Database 2.0
8. Release Housing Sites Database 2.0 (Housing Element sites & deed-restricted housing)
9. Convene Housing Production Reporting Streamlining Working Group

**Concentrated PDA implementation pilots also further housing goals—ABAG will accelerate implementation of best-fit practices by supporting concentrated multi-jurisdiction, multi-impact corridor-scale collaborative projects as laboratory for scalable, replicable efforts.**

10. Extend Oakland's hazard resilience "nuts & bolts" implementation work to other cities in East Bay corridor
11. Continue to encourage and facilitate formation of a Complete Communities Fund pilot
12. Implement an Entitlement Efficiency Clinic pilot in collaboration with the Governor's Office of Planning & Research (OPR)
13. Seek funding for a subregional housing policy implementation working group for East Bay corridors, similar to 21 Elements project in San Mateo County

Date: February 5, 2014

To: Ezra Rapport, Executive Director

From: Brad Paul, Deputy Executive Director

Subject: **Acquisition/Rehab as a Plan Bay Area Implementation Strategy**

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Plan Bay Area, the region's first Sustainable Communities Strategy, was adopted by the ABAG Executive Board and Metropolitan Transportation Commission (MTC) in July 2013. Its purpose is to help manage the Bay Area's long-term growth to reduce greenhouse gas emissions (GHGs), promote economic development, incorporate community equity, protect natural resources, and enhance resiliency to natural disasters.

ABAG is now facilitating the combined efforts of the Bay Area's 109 cities and counties as they implement the pattern of focused growth envisioned in Plan Bay Area. Much of the region's future growth is expected to occur in locally-nominated Priority Development Areas (PDAs). ABAG will continue working with local jurisdictions and other key agencies to help PDAs become "complete communities" that provide existing and future residents with easy access to employment, shopping, and services such as schools, parks, and health care in appealing walkable neighborhoods.

One of the most essential characteristics of a complete community is access to a range of housing choices that can serve people at all income levels. Addressing the need for affordable housing is one of the most significant challenges to implementing the vision articulated in Plan Bay Area. The degree of difficulty of this challenge has increased dramatically in recent years with the steady reduction of federal and state subsidies for affordable housing development and the elimination of redevelopment agencies and their requirements for dedicated local housing trust funds and for construction of new and replacement housing.

ABAG is working with housing advocacy organizations, regional and state agencies, legislators, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet local needs in each community. ABAG is also researching and promoting best-practices local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs.

### **Acquisition and Rehabilitation of Existing Homes**

ABAG is pursuing increased funding and policy changes to promote one of the most promising tools to address these challenges: the acquisition and rehabilitation of existing older apartment buildings to create long-term affordable housing by non-profit housing organizations. This "acq/rehab" strategy increases the supply of

permanently affordable housing, mitigates displacement, and helps revitalize neighborhoods with concentrations of aging rental housing. These outcomes further the goals of Plan Bay Area. Importantly, it is also a flexible tool that can be adapted to meet the housing needs in jurisdictions of all sizes.

### **Preventing Displacement**

Providing affordable housing near transit is critical if the Bay Area is going to meet the GHG reduction target identified for the region in Plan Bay Area. Fourteen percent of workers with income below 200 percent of poverty commuted by public transit compared to nine percent of workers with income above 200 percent of poverty.

According to the Plan's forecast, the number of people in very low- and low-income households is projected to increase from 40 percent to 43 percent of all households by 2040. At the same time, market demand for housing near transit is expected to increase based on forecasted demographic changes in the region. There is the potential that the increased investments in PDAs envisioned in Plan Bay Area will spur additional demand for housing in these areas. Amplifying these pressures, 56 percent of new jobs will be at relatively low wage rates. To respond to these trends, local and regional agencies need additional tools and resources to prevent the displacement of existing very low- and low-income households from areas near transit.

As the economy has improved, some Bay Area jurisdictions have experienced rapid increases in residential rents, which have made it even more difficult for low- and moderate-income households to afford housing. The acquisition and rehabilitation of existing rental homes is a strategy that can help prevent displacement in these areas with overheated real estate markets.

Any money government agencies, foundations or others currently contribute to a city's affordable housing program help that city add to its permanent affordable housing inventory. Typically, each source imposes requirements. Historically, there was a regulatory tension and balance between local sources, especially redevelopment agency funds, that required or encouraged preference for local residents and federal sources that discouraged or disallowed local preference policies as discriminatory. With the elimination of redevelopment agencies, and the near impossibility of building new affordable housing without federal subsidies, federal fair housing policy prevails and any newly constructed housing must hold a lottery to determine who moves in. This approach does little or nothing to help nearby low-income and working poor families avoid displacement as rents escalate beyond their reach. They get no preference in these oversubscribed lotteries.

For example, in San Francisco's South of Market (SOMA) neighborhood, escalating rents are driving out hundreds of working and immigrant families that have lived there for generations. While several new affordable housing developments of 50-80 units have opened recently, SOMA residents have not fared well in those lotteries.

Last year, given the unmet citywide need for affordable housing, almost 2,500 families entered a lottery for 50 very affordable apartments. The odds were 50:1. After intense door-to-door outreach, 150 SOMA families submitted valid applications. This was more than five times the normal volume of applicants from SOMA due to this extraordinary outreach. Statistically, only 3 apartments would be expected to go to SOMA families, and as luck would have it, desperate SOMA families won only 2 of the 50 units. By contrast, in a 50-unit non-profit acquisition/rehabilitation project, also financed using federal funds, federal fair housing laws would **require** that current residents of the building be given first preference for retaining their home after renovation. In those cases where major renovation is not necessary, families would remain in place.

In response to this problem, policy advocates recently convinced the San Francisco Mayor's Office of Housing to use a portion of San Francisco's affordable housing resources to support a new *Small Sites Acquisition/Rehab* program. It will use some of the city's housing funds to purchase existing 4-40 unit buildings that, because they need only minor renovation, prevent displacing low-income tenants. With this approach, **100 percent** of those city housing dollars will benefit existing at-risk SOMA residents compared to 4 percent in the prior new construction example.

### **Addressing Concerns About Impacts on Neighborhood Quality of Life and Schools**

An acquisition and rehabilitation strategy also addresses two major concerns that often drive local opposition to affordable housing in older suburbs and small towns: a fear of outsiders moving into small, tight knit neighborhoods and the impact the newcomers' children might have on struggling local school districts. Acquiring existing buildings that already house low- and moderate-income households is a strategy aimed at preventing the displacement of existing residents who are potential opponents' current neighbors and their children's current friends and classmates. The children living in the houses and apartment buildings that would be acquired through this strategy are already in the local school system and have probably been so for many years. In general, an acquisition/rehab strategy's impact on local school enrollment should be negligible.

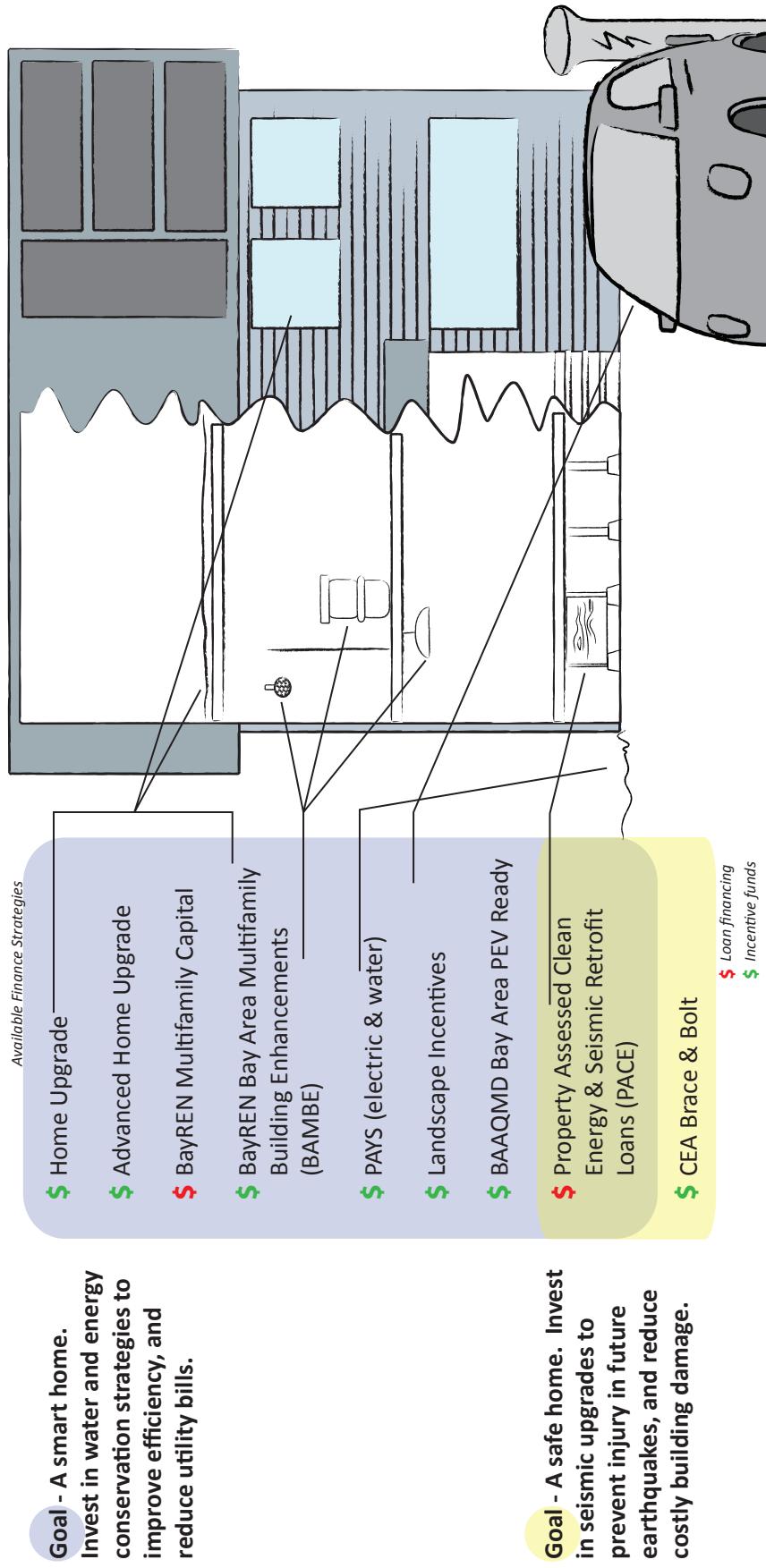
### **A Special Opportunity to Meet the Needs of Bay Area Seniors**

Many of the current residents in older rental properties are seniors. Based on the growth forecast in Plan Bay Area, the region's population aged 65 and over will increase from 12 percent of the total population to 22 percent by 2040. Economic displacement due to rent pressure can be particularly problematic for seniors, who often face the loss of the support networks and access to services upon which they rely when forced to relocate. While creating affordable housing through the acquisition/rehab strategy alone cannot stabilize housing for more than a fraction of the number of Bay Area seniors who will face displacement pressures, it will make a transformational difference for the initial occupants and will subsequently provide housing security for several generations over many decades to come.

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## The Sustainable, Resilient Home

Finance solutions for a smart and safe home



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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: February 25, 2015

To: ABAG Executive Board Administrative Committee

From: Miriam Chion, Planning & Research Director  
JoAnna Bullock, Senior Grant Administrator and Regional Planner

Subject: Priority Conservation Area Program Update

Early in 2014, staff worked with local jurisdictions, the ABAG administrative committee and stakeholders to develop a Priority Conservation program update. The update revised PCA program criteria and designations. It also established a process for confirming or nullifying existing PCAs and applying for a new PCA. The PCA program update was adopted by the ABAG Executive Board in July 2014 and letters of notification were subsequently sent to local jurisdictions and nominating agencies informing them of the updated program.

Shortly after the adoption of the updated program, ABAG staff began working with staff from local jurisdictions and open space stakeholders to identify and disseminate tools and information useful to the process of selecting PCA designations (natural landscapes, agricultural lands, urban greening and regional recreation). A new web site including FAQs was developed to aid nominating agencies.

Each county has taken a slightly different approach to selecting designations for existing PCAs and identifying new PCAs.

- The City and County of San Francisco nullified its existing PCAs and is in the process of identifying new ones.
- Several counties have taken a formal approach to the PCA program update. The East Bay Regional Park District (Alameda and Contra Costa Counties) formed a PCA Advisory Committee and Solano County developed a PCA Partnership Advisory Committee. The committees are comprised of local jurisdictions and open space advocates who meet regularly to discuss existing and new PCAs.
- South Bay counties are meeting informally to address PCAs. Local jurisdictions and the open space council in Santa Clara and San Mateo Counties have compiled a list of over ten potential new PCAs.
- Staff has not been contacted by Sonoma County but believe we can expect applications for new PCAs from that part of the region. We do not expect applications from Napa or Marin Counties.

In addition to nominations from the counties, the California Coastal Conservancy is developing a comprehensive PCA application for the Ridge Trail.

The tools ABAG provided to aid in selecting designations for PCAs have proven useful. To assist nominating agencies with new PCA applications, we provided copies of previous applications as guidance documents.

Overall, local jurisdictions and open space advocates are pleased with the PCA program update, preparing for the May 30<sup>th</sup> submission of applications and confirmations, and hoping for increased monetary support including another set-aside in the next round of One Bay Area Grant funding.

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date:

July 9, 2014

To:

ABAG Executive Board

From

Miriam Chion  
Planning and Research Director

Subject:

**Priority Conservation Area (PCA) Program Update**

## Executive Summary

This memo describes a proposed update to the Priority Conservation Area (PCA) program. The update, identified as a priority in Plan Bay Area, is the result of consultation with the ABAG Regional Planning Committee, Administrative committee, and stakeholders. A resolution and supporting materials are attached to the memo.

## Recommended Action

Staff respectfully requests that the Executive Board support the recommendations of the ABAG Regional Planning Committee (RPC) by adopting ABAG Resolution No. 12-14 (Attachment D). This addresses the following, which are described in this memo and where necessary in attachments to the memo: a) revised PCA program criteria; b) PCA Designations; c) process for new PCA approvals; d) process for confirming existing PCAs; e) statements of support for expanding funding for the PCA program.

## Attachments:

Attachment A: PCA Designations

Attachment B: Updated PCA Application

Attachment C: Map and List of Existing PCAs

Attachment D: ABAG Resolution 12-14

## **Background**

The Priority Conservation Area (PCA) program was initiated in 2007 to identify Bay Area open spaces that: 1) provide regionally significant agricultural, natural resource, scenic, recreational, and/or ecological values and ecosystem functions; 2) are in urgent need of protection due to pressure from urban development or other factors; and 3) supported by local consensus. The PCAs were established at the same time as the locally nominated Priority Development Areas (PDAs) through the FOCUS program. Together, the PDAs and PCAs have informed the development of Plan Bay Area and implementation initiatives such as the One Bay Area Grant (OBAG).

The PCA program helped spur collaboration between local governments, public agencies, and nonprofit organizations to nominate more than 100 PCAs. Nominations were reviewed by staff, regional committees, and local governments. The ABAG Executive Board adopted the first set of PCAs on July 17, 2008.

The first PCA projects were funded in 2013 and 2014 through OBAG. OBAG provided \$5 million in funding for a competitive program in San Francisco, San Mateo, Santa Clara, Alameda, and Contra Costa counties managed by the Coastal Conservancy. Another \$5 million in OBAG funding was divided between the North Bay county Congestion Management Agencies—each of which managed its own program.

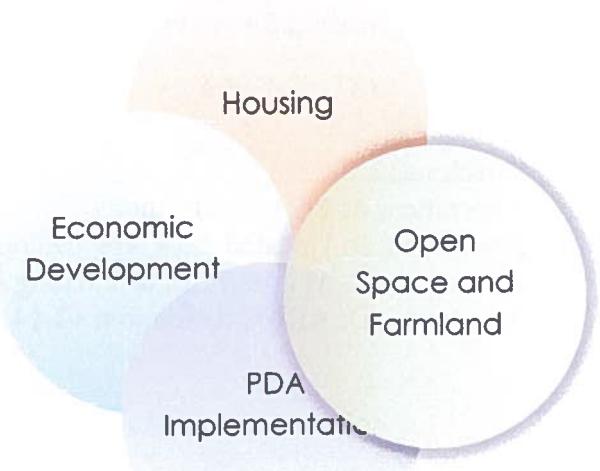
During meetings in 2012 and 2013, the ABAG Regional Planning Committee and Executive Board requested that staff revise the PCA program to provide greater specificity about the qualities and function of different types of PCAs—using an approach more in line with the Place Types utilized to categorize PDAs. In addition, RPC and Executive Board members stressed the importance of urban parks and green spaces. This feedback was formalized in Plan Bay Area, which directs staff to update the program to define the role of different kinds of PCAs and ensure that local jurisdictions are consulted on updates to individual PCAs.

**Figure 1. Plan Bay Area Implementation Focus Areas**

## **PCA Program Update**

As part of the broader Plan Bay Area Implementation effort, over the past six months ABAG staff worked with local jurisdictions, the ABAG administrative committee, the RPC and stakeholders to develop a proposed PCA program update. The update addresses the Open Space and Farmland Plan Bay Area implementation area.

At its April and June 2014 meetings, the RPC reviewed, requested changes to, and recommended for adoption the update presented in this memo and its attachments. The elements of this proposed update are described below.



### **PCA Program Criteria**

The RPC requested that the PCA criteria adopted in 2007 be modified to recognize the importance of urban greening. This proposed change is underlined in the text below:

The intent of the PCA program is to identify Bay Area open spaces that: 1) provide regionally significant agricultural, natural resource, scenic, urban greening, recreational, and/or ecological values and ecosystem functions; and 2) are in urgent need of protection due to pressure from urban development or other factors; 3) and are supported by local consensus.

### **PCA Designations (Attachment A)**

The updated application requires that staff from the nominating agency identify one or more of the PCA designations described in Attachment A. The designations recognize the role of different kinds of PCAs in supporting the vitality of the region's natural systems, rural economy and human health. These include:

- **Natural Landscapes**—areas critical to the functioning of wildlife and plant habitats, aquatic ecosystems and the region's water supply and quality.  
*Existing PCA Examples:* Upper Stevens Creek Watershed Area (Santa Clara County); Napa Valley River Corridor (Napa County); Acalanes Ridge Open Space (Walnut Creek and Lafayette)
- **Agricultural Lands**—farmland, grazing land and timberland that support the region's agricultural economy and provide additional benefits such as habitat protection and carbon capture.  
*Existing PCA Examples:* Suisun Valley (Solano County); Napa County Agricultural Lands and Watersheds (Napa County); Coastal Agriculture area (Sonoma County)
- **Urban Greening**—existing and potential green spaces in cities that increase habitat connectivity, improve community health, capture carbon emissions, and address stormwater. Many existing and likely Urban Greening areas are not within PDAs. *Existing PCA Examples:* East Bay Greenway (Oakland/San Leandro/Hayward/Unincorporated Alameda County); Hercules Waterfront (Hercules); and Palou-Phelps, Bayview park/open space connector (San Francisco)
- **Regional Recreation**—existing and potential regional parks, trails, and other publicly accessible recreation facilities.  
*Existing PCA Examples:* Bay Trail (multi-county, multi-jurisdiction); Boethe-Napa Valley State Park to Sugarloaf Ridge State Park (Napa County); Russian River Access (Sonoma County)

Attachment A also identifies benefits and potential co-benefits for each designation (i.e. wildlife and plant habitat, agricultural economy). New PCA applicants are required to discuss how the PCA provides these benefits—referencing data and maps. As noted above, ABAG will work with staff from the nominating agency of existing PCAs to identify a designation and benefits. ABAG will provide resources (e.g. maps, databases, etc) to assist applicants in this process, drawing upon data published by federal and state sources as well as scientific research.

### ***Process for new PCA approvals (Attachment B)***

Attachment B presents an updated PCA application reflecting a revised process for PCA approvals. This requires:

- 1) Adopted resolution of support from the city council, board of supervisors or special district board of the nominating agency
- 2) Map and text describing the general area and boundaries of the PCA
- 3) Selection of one or more PCA designation with text and supporting data
- 4) Copy of public notification of meeting at which resolution was adopted
- 5) Copy of notification sent to all jurisdictions within which the PCA is located

PCA applications may be submitted by jurisdictions or special districts such as open space and park districts. The nominating agency must send notifications to all of the jurisdictions in which the PCA is located. These jurisdictions will have 90 days from receipt of the notification to adopt a resolution of opposition to the PCA. An adopted resolution would invalidate the nomination.

### ***Process for Confirming Existing PCAs***

The process for confirming PCAs that have already been adopted by the ABAG Executive Board will involve the following steps:

- 1) ABAG sends a notification to the nominating agency and to jurisdictions in which the PCA is located
- 2) These jurisdictions have 90 days to adopt a resolution of opposition to the PCA. An adopted resolutions nullifies the applicable existing PCA
- 3) If no resolution of opposition is submitted to ABAG within 90 days, the existing PCA will be confirmed

In addition to the confirmation process, ABAG staff will work with the nominating agencies to identify the designation applicable to each PCA and the relevant benefits it provides.

### ***Future Funding***

The RPC identified the need for additional funding to support the PCA program beyond the previously allocated OBAG pilot program. The RPC requested that the Executive Board adopt a statement of support for expanding funding available to PCA Program.

The RPC also requested that the Executive Board recommend: a) prioritizing future OBAG PCA resources for projects that cannot otherwise be funded with OBAG PDA funds, with the exception of transportation improvements that complete portions of the Bay Trail and other regional trails; and b) prioritize funds dedicated to urban parks for projects within or in proximity to high-need PDAs.

**Timeline for PCA Applications and Confirmations**

**July 2014:** Executive Board adoption of PCA application process, confirmation process and designations.

**August 1, 2014:** Beginning of PCA application and confirmation period.

**May 30, 2015:** Deadline for PCA applications and confirmations.

**June 2015:** Following staff review, RPC recommends PCA nominations to the Executive Board for adoption

**July 2015:** Executive Board adopts PCA nominations recommended for adoption by the RPC.



## ATTACHMENT A: PCA DESIGNATIONS

### Priority Conservation Area Designations

This attachment introduces four Priority Conservation Area (PCA) designations and a set of measurable benefits provided by the PCAs. ABAG staff will provide assistance with interpretation of the Designations and Benefits as needed.

**Designations** describe the primary function of a PCA. In some cases, PCAs with different designations include the same geographic area. For example, a riparian corridor designated as a Natural Landscape PCA may cross an Agricultural Lands PCA and Regional Recreation PCA.

**Benefits** describe specific types of habitats, health outcomes, and other objectives that the designated PCAs support. Each benefit is accompanied by at least one criterion as well as data sources for evaluating whether or not the PCA meets the criterion. ABAG staff will periodically review these sources for accuracy and objectivity. Many PCAs will provide additional benefits beyond the primary ones listed for its designation. These are captured as co-benefits. Proposed PCAs are not required to list co-benefits, but these help describe its full impact.

**Table 1. Summary of Priority Conservation Area Designations**

PCA Designation	Primary Benefit(s)	Potential Co-Benefits	Examples
Natural Landscapes	<ul style="list-style-type: none"><li>• Terrestrial (Land) Ecosystems</li><li>• Aquatic Ecosystems</li><li>• Water Supply and Quality</li></ul>	<ul style="list-style-type: none"><li>• Climate and Resilience</li><li>• Compact Growth</li><li>• Recreation</li></ul>	<ul style="list-style-type: none"><li>• Critical habitat areas</li><li>• Wetlands targeted for restoration</li><li>• Riparian Corridors</li><li>• Watershed land protection</li></ul>
Agricultural Lands	<ul style="list-style-type: none"><li>• Agricultural Resources</li><li>• Agricultural Economy</li></ul>	<ul style="list-style-type: none"><li>• Wildlife Habitat</li><li>• Water Supply and Quality</li><li>• Recreation</li><li>• Climate and Resilience</li><li>• Compact Growth</li></ul>	<ul style="list-style-type: none"><li>• Farmland or grazing land</li><li>• Timberlands</li></ul>
Urban Greening	<ul style="list-style-type: none"><li>• Community Health</li><li>• Recreation</li><li>• Climate and Resilience</li></ul>	<ul style="list-style-type: none"><li>• Wildlife Habitat</li><li>• Water Supply and Quality</li><li>• Recreation</li></ul>	<ul style="list-style-type: none"><li>• Potential “edible park” sites (park + community garden)</li><li>• Urban forest areas</li><li>• Urban portion of riparian corridor</li></ul>

## ATTACHMENT A: PCA DESIGNATIONS

<b>Regional Recreation</b>	<ul style="list-style-type: none"> <li>• Recreation           <ul style="list-style-type: none"> <li>• Wildlife Habitat</li> <li>• Water Supply and Quality</li> <li>• Climate and Resilience</li> <li>• Community Health</li> <li>• Compact Growth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Regional trail network</li> <li>• Potential regional park sites</li> </ul>
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**Table 2: Priority Conservation Area Benefits and Criteria**

Benefit	Criteria Required and ( <i>Optional</i> )	Data Sources for Evaluation
<b>Terrestrial (Land) Ecosystems</b>	<ul style="list-style-type: none"> <li>• Protects land within Conservation Lands Network (CLN)           <ul style="list-style-type: none"> <li>1.Essential, 2.Important,</li> <li>3.Fragmented, or</li> <li>4.For Further Consideration; or</li> </ul> </li> <li>• Protects Bay Area Critical Linkage</li> <li>• (<i>Protects Other Critical Habitat</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Conservation Lands Network (CLN) <a href="http://www.bayarealands.org/explorer/">http://www.bayarealands.org/explorer/</a></li> <li>• USFWS Critical Habitat Portal <a href="http://ecos.fws.gov/crithab/">http://ecos.fws.gov/crithab/</a></li> <li>• Locally identified data</li> </ul>
<b>Aquatic (Water) Ecosystems</b>	<ul style="list-style-type: none"> <li>• Protects wetlands identified in Baylands Ecosystem Habitat Goals; or</li> <li>• Protects subtidal Habitat identified in Subtidal Habitat Goals; or</li> <li>• Protects stream identified as a Stream Conservation Target in the CLN</li> <li>• (<i>Protects Other Important Features</i>) e.g. Nationally Important Marine Features</li> </ul>	<ul style="list-style-type: none"> <li>• Conservation Lands Network (CLN) <a href="http://www.bayarealands.org/explorer/">http://www.bayarealands.org/explorer/</a></li> <li>• Center for Ecosystem Management and Restoration</li> </ul>
<b>Water Supply and Water Quality</b>	<ul style="list-style-type: none"> <li>• Protect urban water supply           <ul style="list-style-type: none"> <li>◦ Reservoir Catchment Area</li> <li>◦ Aquifer recharge zone</li> <li>◦ Critical stream</li> <li>◦ Priority stream; or</li> </ul> </li> <li>• Support watershed health</li> </ul>	<ul style="list-style-type: none"> <li>• Greenbelt Mapper <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> <li>• USFWS Critical Habitat Portal <a href="http://ecos.fws.gov/crithab/">http://ecos.fws.gov/crithab/</a></li> </ul>
<b>Agricultural Resources and Economy</b>	<ul style="list-style-type: none"> <li>• Supports agricultural economy/preserves land with soil important for food production           <ul style="list-style-type: none"> <li>◦ Farmland identified in Farmland Mapping and Monitoring Program</li> <li>◦ Grazing Lands identified in FMMP</li> </ul> </li> <li>• Supportive of local or state agricultural policy</li> <li>• Completes contiguous area of farm or grazing lands</li> <li>• Supports production on soil with reduced environmental impacts from agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Greenbelt Mapper, CA Farmland Mapping and Monitoring Program <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> <li>• General Plans/Other Land Use Plans</li> <li>• Greenbelt Mapper <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> <li>• Local Data</li> </ul>

## ATTACHMENT A: PCA DESIGNATIONS

**Table 2: Priority Conservation Area Benefits and Criteria**

Benefit	Criteria Required and ( <i>Optional</i> )	Data Sources for Evaluation
<b>Community Health</b>	<ul style="list-style-type: none"> <li>• Improve access to neighborhood parks in areas with high park need</li> <li>• Increase/complete urban tree canopy</li> <li>• Increase urban tree cover in areas expected to experience urban heat island effect</li> <li>• Supports Local Climate Action Plan/Greening Plan Goals related to Urban Greening</li> <li>• Increase tree canopy, food access, and/or park access in Community of Concern</li> </ul>	<ul style="list-style-type: none"> <li>• ParkScore® Index <a href="http://parkscore.tpl.org/">http://parkscore.tpl.org/</a></li> <li>• Local Data/Analysis</li> <li>• Local Data (e.g. tree inventories)</li> <li>• Heat Island Effect Source</li> <li>• Local Climate Action Plans</li> </ul>
<b>Recreation</b>	<ul style="list-style-type: none"> <li>• Proposed Regional Trails <ul style="list-style-type: none"> <li>◦ Bay Trail</li> <li>◦ Ridge Trail</li> </ul> </li> <li>• Acreage of regional park added</li> <li>• (<i>Local data sources</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Greenbelt Mapper <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> </ul>
<b>Climate and Resilience</b>	<ul style="list-style-type: none"> <li>• Protect and/or Increase Areas with Carbon storage potential; or</li> <li>• Address Hazard Risk in Open Spaces (earthquake, flood, sea level rise)</li> </ul>	<ul style="list-style-type: none"> <li>• Greenbelt Mapper <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> <li>• Conservation Lands Network (CLN) <a href="http://www.bayarealands.org/explorer/">http://www.bayarealands.org/explorer/</a></li> <li>• ABAG Earthquake Mapping Update <a href="http://quake.abag.ca.gov/projects/earthquake-mapping-update/">http://quake.abag.ca.gov/projects/earthquake-mapping-update/</a></li> <li>• NOAA Sea Level Rise and Coastal Flooding Impacts Map <a href="http://www.csc.noaa.gov/slriser/#">http://www.csc.noaa.gov/slriser/#</a></li> </ul>
<b>Compact Growth</b>	<ul style="list-style-type: none"> <li>• Protect land with open space benefits with high development pressure and adjacent open spaces;</li> <li>• <i>Support stable urban edges</i>; or</li> <li>• Support adopted open space policy protection measures</li> </ul>	<ul style="list-style-type: none"> <li>• Greenbelt Mapper <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> <li>• Greenbelt Mapper <a href="http://www.greenbelt.org/greenbelt-mapper/">http://www.greenbelt.org/greenbelt-mapper/</a></li> <li>• Local General Plans</li> </ul>

# Natural Landscapes

## Description

Areas critical to the functioning of wildlife and plant habitats, aquatic ecosystems and the region's water supply and quality.

## Primary Benefits

Terrestrial (Land) Ecosystems, Aquatic (Water) Ecosystems, Water Supply and Quality

## Potential Co-Benefits

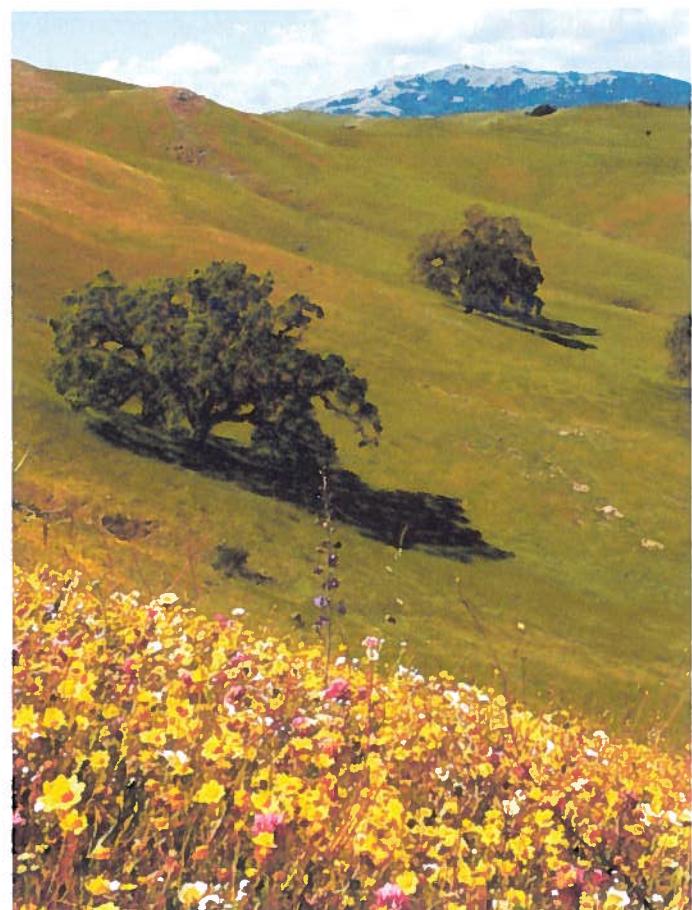
Climate and Resilience, Compact growth, recreation

## Examples

Critical habitat areas, wetlands targeted for restoration, riparian corridors, watershed land protection



Oak Woodland and Pond, Sunol



Uplands Watershed with Wildflower Field,

## Resources

### Conservation Lands Network

<http://www.bayarealands.org/explorer/>

### US Fish and Wildlife Service Critical Habitat Portal

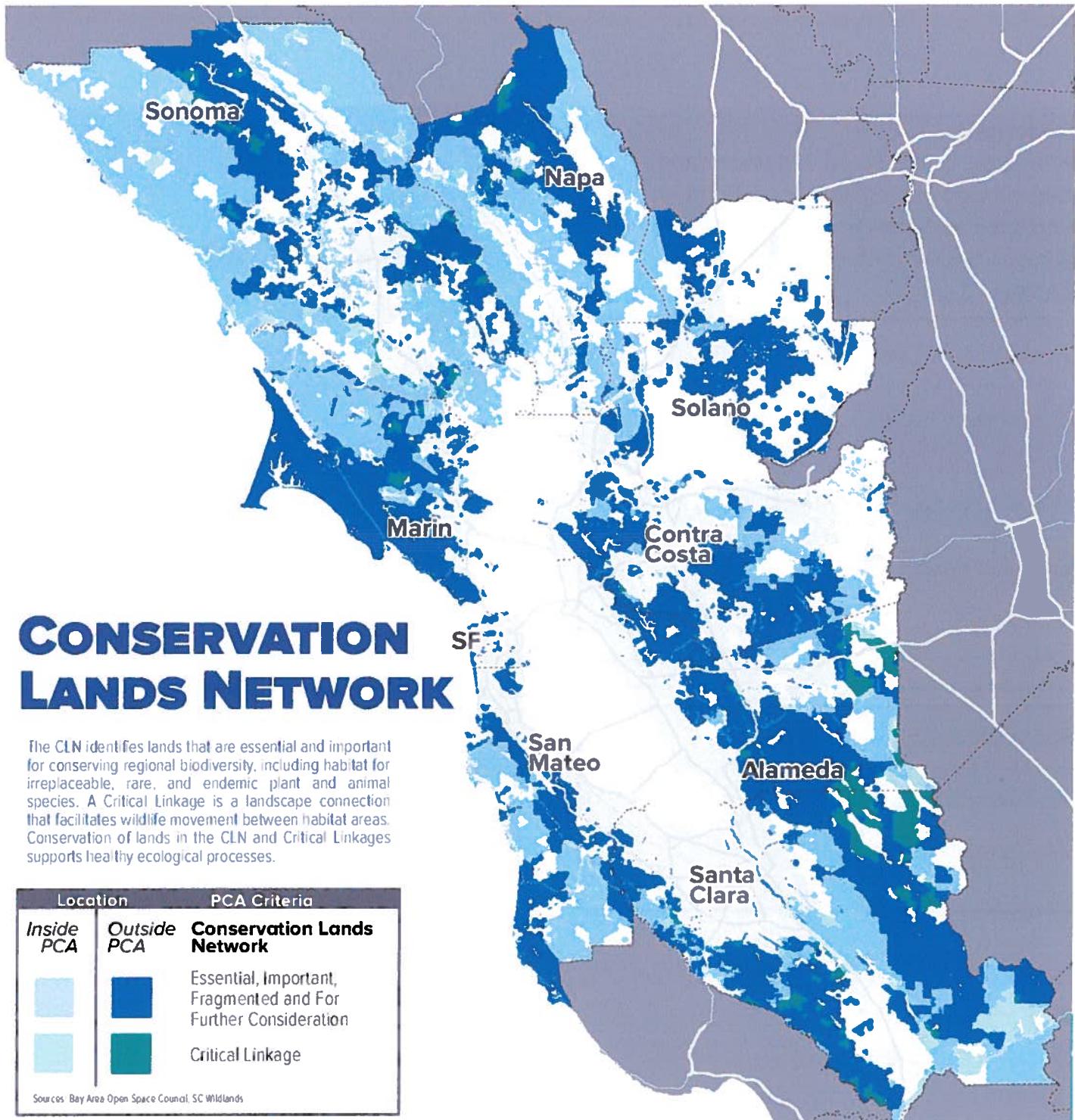
<http://ecos.fws.gov/crithab/>

### EcoAtlas

[http://www.ecoatlas.org/regions/ecoregion/  
bay-delta](http://www.ecoatlas.org/regions/ecoregion/bay-delta)

## ATTACHMENT A: PCA DESIGNATIONS

### Evaluation Resource: Conservation Lands Network



# Agricultural Lands

## Description

Farmland, grazing land and timberland that support the region's agricultural economy and provide additional benefits such as habitat protection and carbon capture.

## Primary Benefits

Agricultural Resources, Agricultural Economy

## Potential Co-Benefits

Wildlife habitat, water supply and quality, recreation, climate and resilience, compact growth

## Examples

Farmland, grazing land, timberlands

## Resources

Greenbelt Mapper

<http://www.greenbelt.org/greenbelt-mapper/>

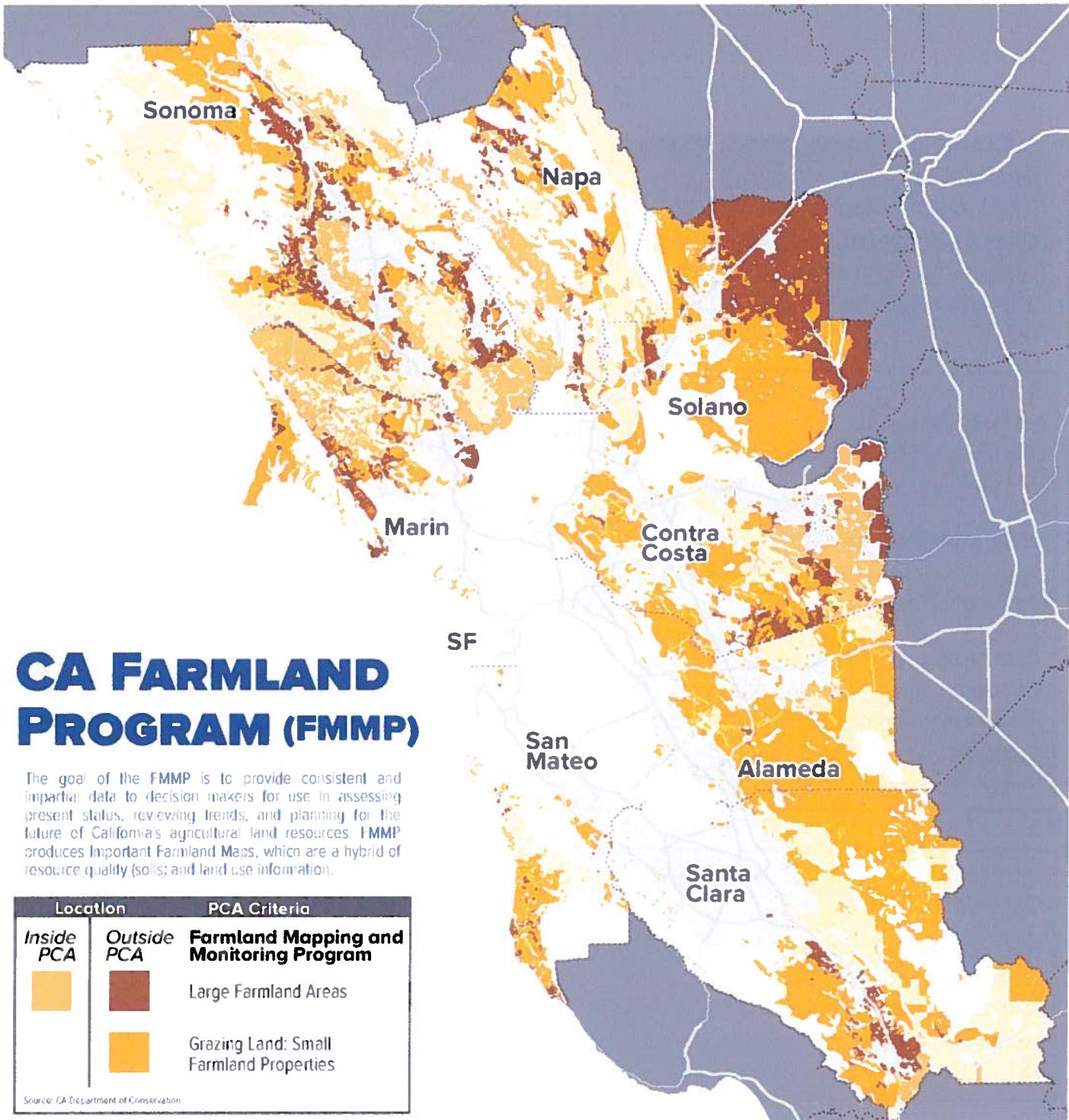
Local General Plans



Grazing Land, Sunol



Chiala Farms, Morgan Hill

**Evaluation Resource: CA Farmland Mapping and Monitoring Program**

# Urban Greening

## Description

Existing and potential green spaces in cities that improve community health, capture carbon emissions, address stormwater, and enhance the public realm.

### Primary Benefits

Community Health, Recreation, Climate and Resilience

### Potential Co-Benefits

Water supply and quality, wildlife habitat, recreation

### Examples

Urban portion of riparian corridors, potential sites for parks and community gardens, urban forest and green street networks

### Resources

ParkScore Index

<http://parkscore.tpl.org/>

Local Climate Action and Urban Greening Plans



Urban Forest Expansion  
San Francisco

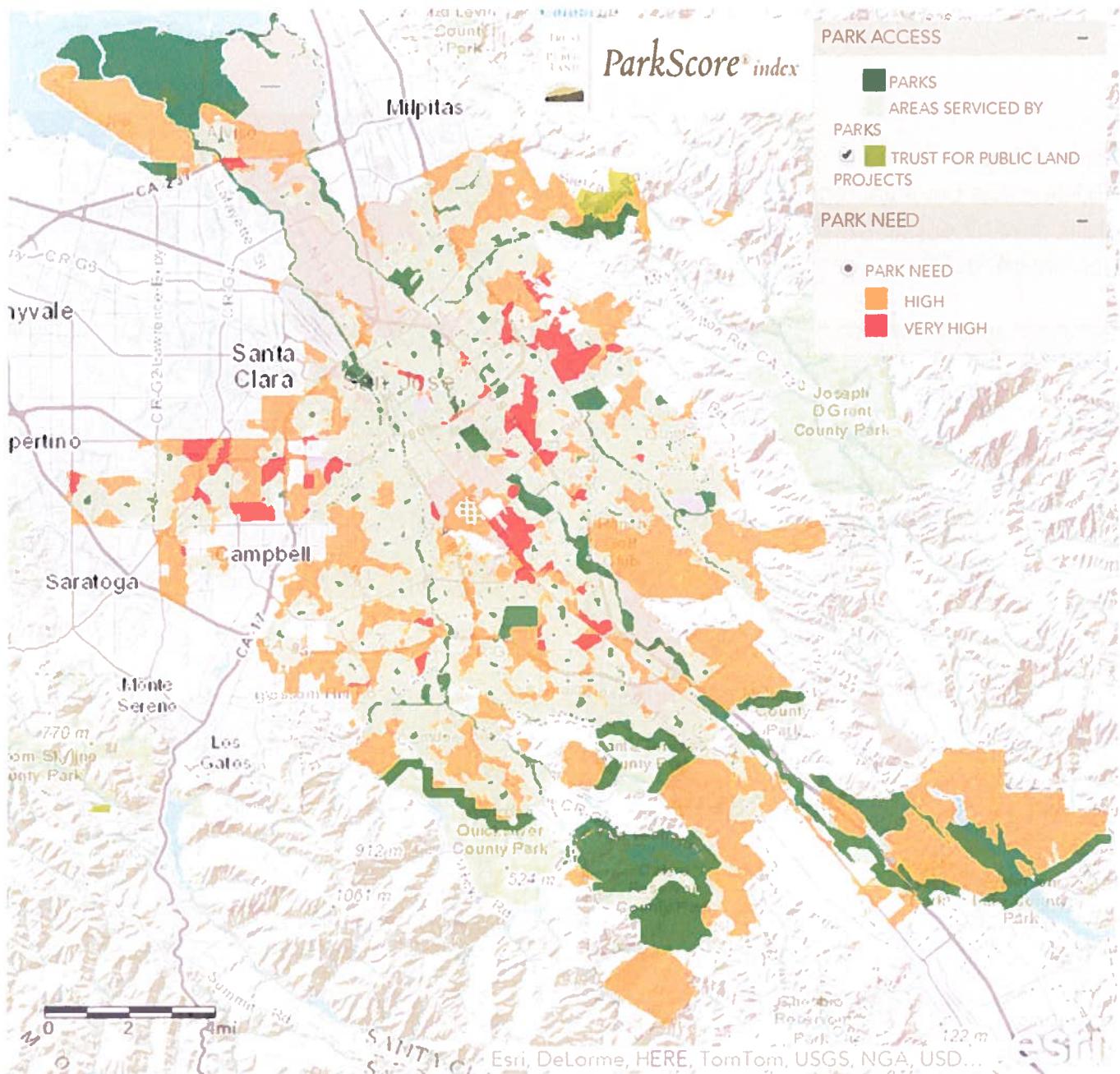


7<sup>th</sup> Street Mural, Garden and Play Area  
People's Grocery, Oakland

**ATTACHMENT A: PCA DESIGNATIONS**

**Evaluation Resource: Trust for Public Land Park Score Index**

**Park Need in San Jose**  
**Trust for Public Land**



## Regional Recreation

### Description

Existing and potential regional parks, trails, and other publicly accessible recreation facilities.

### Primary Benefit

Recreation

### Potential Co-Benefits

Wildlife habitat, water supply and quality, climate and resilience, community health, compact growth

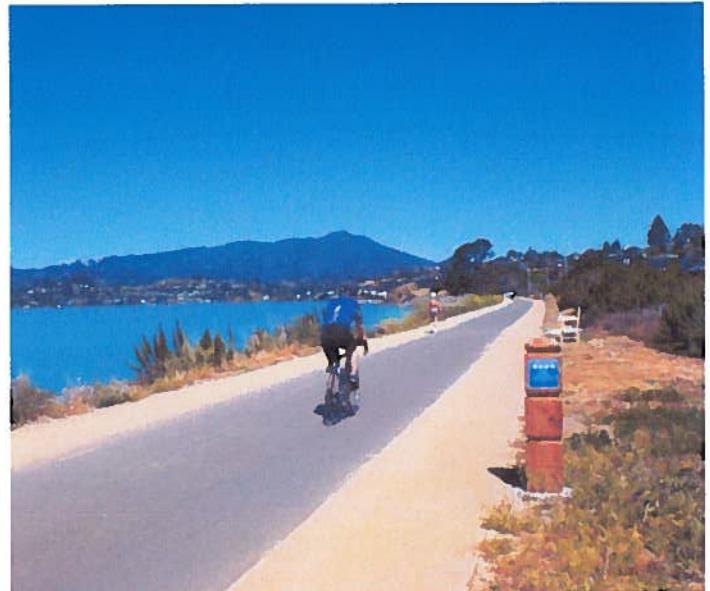
### Examples

Regional trail networks, areas for potential regional park expansion.

### Resources

Greenbelt Mapper (Regional Trails)

<http://www.greenbelt.org/greenbelt-mapper/>



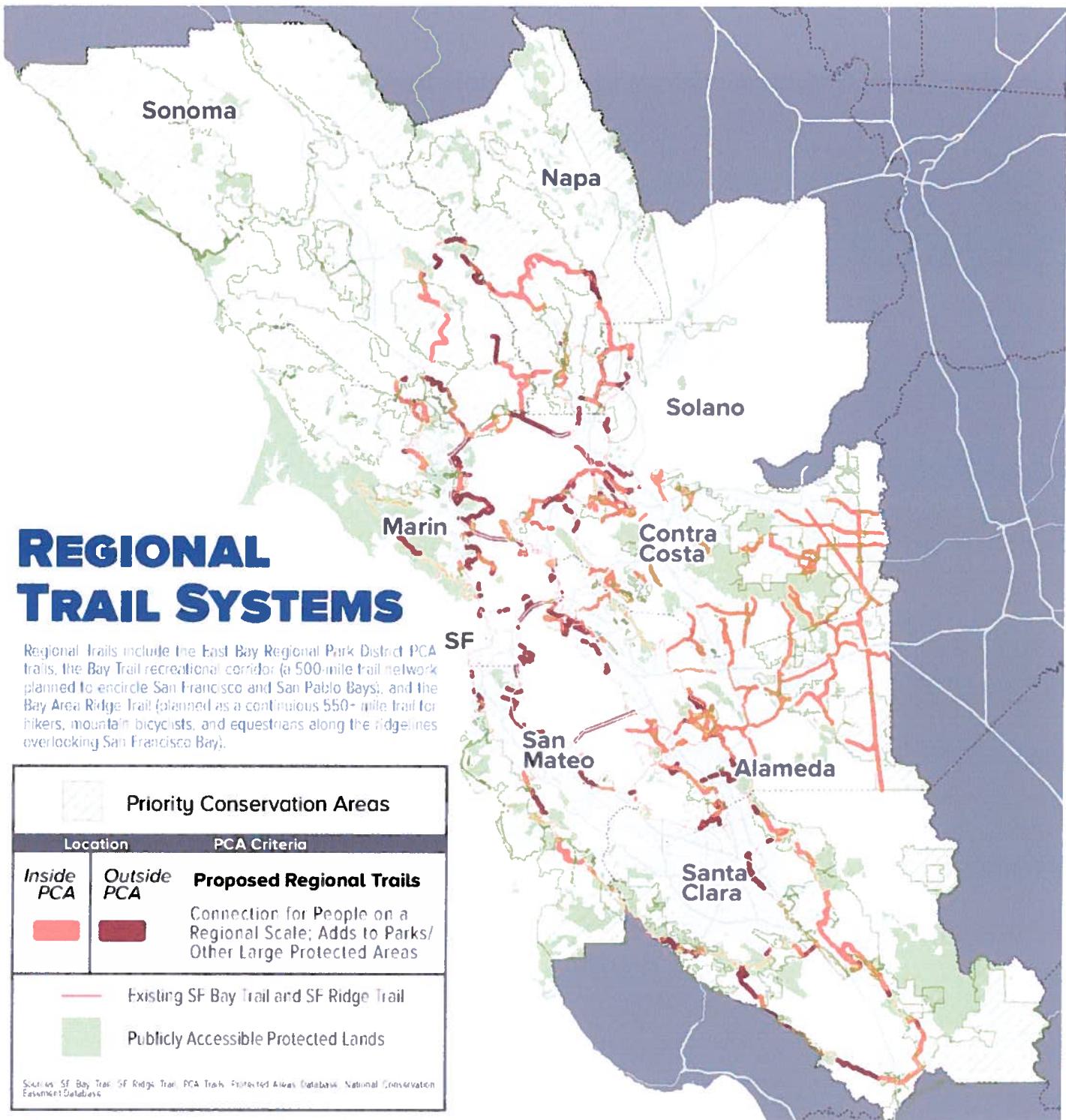
Bay Trail, Tiburon



Bay Area Water Trail

## ATTACHMENT A: PCA DESIGNATIONS

### Evaluation Tool: Existing and Proposed Regional Trail Network (Greenbelt Mapper)





**ATTACHMENT B**  
**Priority Conservation Area**  
**Application Form**

Enter information in the spaces provided. E-mail this completed application form and attachments requested as part of this form to [joannab@abag.ca.gov](mailto:joannab@abag.ca.gov) by **May 30, 2015**. If e-mailing is not possible, a hard copy of materials can be mailed to PCA Applications, Association of Bay Area Governments, P.O. Box 2050, Oakland, CA 94604-2050.

**PART 1: AREA INFORMATION**

Proposed Name	
Description	
Location (include map and text description)	
Total Acreage	

**PART 2: SPONSOR(S)**

Lead Nominating Agency/Organization	
Staff Person	
Address	
Phone Number(s)	
E-mail address	
Partnering Agency(ies)/Organization(s)	

**PART 3: DESIGNATION**

**Selected Designation** – Select one or more designation for the proposed PCA

Natural Landscapes       Agricultural Lands       Urban Greening       Regional Recreation

**PART 4: BENEFITS**

**Primary Benefit(s)** – Select one or more benefits and co-benefits for the proposed PCA

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**PART 5: ATTACHMENTS**

**Required**

1. Copy of adopted resolution by City Council, Board of Supervisors, or Open Space or Park District Board.
2. Attach a map showing the proposed general area boundaries and location. Include other relevant information, such as topography or an aerial photograph, to show the context for protection of this area.
3. Provide text, data/maps that demonstrate primary benefit(s) of the relevant designation and co-benefit(s).
4. Copy of public notification of meeting at which resolution was adopted
5. Copy of notification of PCA nomination to jurisdictions in which PCA is located

**Optional**

6. Letters of Support from partner agencies or organizations (*not required*)
7. Additional data, maps, supportive local policies (*not required*)

For questions regarding the application form, please contact JoAnna Bullock at 510 464-7968 or [joannab@abag.ca.gov](mailto:joannab@abag.ca.gov).



**ATTACHMENT C**  
Priority Conservation Areas - July 2014

Area Name	Local Jurisdiction	County	Lead Sponsor Agency	Partnering Agencies/Organizations
Regional Trails System Gaps	Unincorporated Alameda and Contra Costa Counties	Alameda & Contra Costa Counties	East Bay Regional Park District (EBRPD)	
Leona Canyon Creek Tributaries	Oakland	Alameda	City of Oakland	Potential partners: EBRPD and local community groups.
Temescal Creek/North Oakland	Oakland	Alameda	City of Oakland	Potential partners: Local community groups
Ridgemont West	Oakland	Alameda	City of Oakland	Potential partners: EBRPD, Friends of Two Creeks, Merritt College and other community groups
South Hills, San Leandro Creek	Oakland	Alameda	City of Oakland	Potential partners: EBRPD, Dunsmuir House and Gardens Inc., and Community Groups
North Livermore, South Livermore Valley	Livermore, Unincorporated Alameda County	Alameda	City of Livermore	
Albany Hill	Albany	Alameda	City of Albany	The non-profit organization Friends of Five Creeks has expressed support for this nomination.
Union City Hillside Area	Union City	Alameda	City of Union City	East Bay Regional Park District
Site 1-Coyote Hills	Fremont	Alameda	City of Fremont	
Chain of Lakes Area	Pleasanton, unincorporated Alameda County	Alameda	East Bay Regional Park District (EBRPD)	
Bethany Reservoir Area	Unincorporated Alameda County	Alameda	East Bay Regional Park District (EBRPD)	
Cedar Mountain Area	Unincorporated Alameda County	Alameda	East Bay Regional Park District (EBRPD)	
Duarte Canyon Area	Unincorporated Alameda County	Alameda	East Bay Regional Park District (EBRPD)	
Potential Oakland Gateway Area	Oakland	Alameda	East Bay Regional Park District (EBRPD)	
Potential Tesla Area	unincorporated Alameda County	Alameda	East Bay Regional Park District (EBRPD)	
East Bay Greenway	Oakland, San Leandro, Hayward, and unincorporated Alameda County	Alameda	City of Oakland	Urban Ecology, City of San Leandro, City of Hayward
Butters Canyon/Headwaters of Peralta Creek	Oakland	Alameda	City of Oakland	Butters Land Trust
San Francisco Bay Trail – Bay Area Ridge Trail	Fremont, Albany,	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma counties	San Francisco Bay Trail Project	Bay Area Ridge Trail Council
Sutro Tower, Inc	City & County of San Francisco	City & County of San Francisco	California Native Plant Society Yerba Buena Chapter	Nature in the City/Mt Sutro Stewards
Bayview Hill radio property	City & County of San Francisco	City & County of San Francisco	California Native Plant Society Yerba Buena Chapter	Nature in the City
Central Hercules and Waterfront District	Hercules, CA	Contra Costa	City of Hercules	

**ATTACHMENT C**  
**Priority Conservation Areas - July 2014**

Big Canyon Preserve	City of San Ramon	Contra Costa	City of San Ramon	
MOSO and NON-MOSO Open Space	Town of Moraga	Contra Costa	Town of Moraga	
Point Edith Wetlands Area	Unincorporated Contra Costa County	Contra Costa	East Bay Regional Park District (EBRPD)	
Delta Recreation Area	Oakley	Contra Costa	East Bay Regional Park District (EBRPD)	
Potential Pinole Watershed Area	Hercules and Pinole	Contra Costa	East Bay Regional Park District (EBRPD)	
Pinole Creek Fish Passage Corridor	Pinole	Contra Costa	Contra Costa Resource Conservation District	
Acalanes Ridge Open Space	Walnut Creek and Lafayette	Contra Costa	City of Walnut Creek	
Indian Valley	Moraga	Contra Costa	East Bay Municipal Utility District	California Department of Fish and Game, Lori Salamack 329 Rheem Blvd, Moraga, CA 94556 925-376-5202
Burton Ridge	Lafayette, CA	Contra Costa	City of Lafayette	
Lafayette Ridge	Lafayette, CA	Contra Costa	City of Lafayette	
Contra Costa County Agricultural Core	Unincorporated Contra Costa County	Contra Costa	Contra Costa County Community Development Department	Brentwood Agricultural Land Trust Kathryn Lyddan, Executive Director 1120 2nd Street, Brentwood, CA 94513 (925) 634-6738 brentwoodagtrust@sbcglobal.net
East Contra Costa County Habitat Conservation Plan / Natural Community Conservation Plan (ECCC HCP/NCCP)	Brentwood, Oakley	Contra Costa	Contra Costa County	Cities of Brentwood, Clayton, Oakley and Pittsburg, Contra Costa County, Contra Costa County Flood Control and Water Conservation District, East Bay Regional Park District, East Contra Costa County Habitat Conservancy, California Department of Fish and Game (CDFG), and United States Fish and Wildlife Service (USFWS)
3rd Valley Creek/Chicken Ranch Beach Conservation Area	Inverness	Marin	Tomales Bay Watershed Council	Point Reyes National Seashore, Gulf of the Farallones National Marine Sanctuary, State Lands Commission, California Department of Fish and Game, Coastal Commission, California State Parks, Marin County, Inverness Public Utility District, Environmental Action Committee of West Marin, Inverness Association, and private property owners.
San Geronimo Valley headwaters of the Lagunitas Watershed and shore of Tomales Bay	Unincorporated Marin County	Marin	Salmon Protection And Watershed Network	Point Reyes National Seashore (National Park Service)
Marin County Agricultural Lands	Unincorporated Marin County	Marin	Marin Agricultural Land Trust	State Coastal Conservancy, Department of Conservation Farmland Conservancy Program, Marin County, Marin Resource Conservation District, Marin Farm Bureau, Tomales Bay Watershed Council, National Park Service
Marin City Ridge	Marin City	Marin	National Park Service, Golden Gate National Recreation Area	

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North GGNRA Lagunitas Creek Parcels	Unincorporated Marin County	Marin	National Park Service, Golden Gate National Recreation Area	Marin County Open Space District, Marin County Bicycle Coalition, Point Reyes National Seashore
Central Marin Ridge lands	Central urban Marin, San Anselmo, Fairfax, Ross, County, San Rafael	Marin	Marin County Parks and Open Space Department	San Anselmo, Ross, Fairfax, San Rafael, Marin Conservation League, County Flood Control, TPL
North County Gateway	Unincorporated Marin County	Marin	Marin County Parks and Open Space Department	Marin Conservation League, Sierra Club, Bay Area Ridge Trail Council, Bay Trail, SCAPOSD, State Parks
Bothin Waterfront	Unincorporated Marin County	Marin	Marin County Parks and Open Space	County Flood Control, City of Mill Valley, Marin Audubon, Bay Trail, MCL, Sierra Club
Big Rock Ridge Lands	Unincorporated Marin County	Marin	Marin County Parks and Open Space Department	Bay Area Ridge Trail Council, City of Novato
Tiburon Ridge Lands	Unincorporated Marin County	Marin	Marin County Parks and Open Space Department	Town of Tiburon, Native Plant Society, Marin Conservation League
Bowman Canyon	Unincorporated Marin County	Marin	Marin Conservation League	Marin County Open Space District, Marin County Flood Control District, Marin Agricultural Land Trust, California State Parks, Sierra Club, Friends of Novato Creek, Bay Area Ridge Trail Council
St. Vincent's and Silveira Properties	Unincorporated area of San Rafael	Marin	Marin Audubon Society/Marin Baylands Advocates	Sierra Club, Marin Conservation League
Central Marin Bayfront, Madera Bay Park	Town of Corte Madera	Marin	Marin Audubon Society/Marin Baylands Advocates	Marin County Open Space District, Sierra Club, Marin Conservation League, Priority Conservation Area Committee
Central Marin Bayfront, Canalways	Unincorporated Marin County	Marin	Marin Audubon Society	Sierra Club, Marin Conservation League, Priority Conservation Area Committee, Marin County Department of Parks and Open Space
Napa Valley - Napa River Corridor	Unincorporated Napa County	Napa	Land Trust of Napa County	Friends of the Napa River, Napa County Regional Park and Open Space District
Napa County Agricultural Lands and Watersheds	Unincorporated Napa County	Napa	County of Napa	Napa County Farm Bureau, Land Trust of Napa County, Napa County Regional Park and Open Space District, City of Napa
Blue Oak Woodlands of the Lake District	Unincorporated Napa County	Napa	Napa County Regional Park and Open Space District	Land Trust of Napa County, The Nature Conservancy, California Department of Fish and Game, Blue Ridge Berryessa Natural Area Partnership
Interior Mountains – Moore Creek to Milliken Creek	Unincorporated Napa County	Napa	Napa County Regional Park and Open Space District	Bay Area Ridge Trail Council
Palisades—Mt St Helena to Anqwin	Unincorporated Napa County	Napa	Napa County Regional Park and Open Space District	Land Trust of Napa County, California State Parks
Southern Mountains -- Skyline Park to Newell Preserve	Unincorporated Napa County	Napa	Napa County Regional Park and Open Space District	County of Napa, County of Solano, Land Trust of Napa County, City of American Canyon
Bothe-Napa Valley State Park to Sugarloaf Ridge State Park Priority Conservation Area	Unincorporated Napa County	Napa	Save-the-Redwoods League	multiple
Redwood & Dry Creek Watersheds Priority Conservation Area	Unincorporated Napa County	Napa	Save-the-Redwoods League	multiple

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Lake Curry/Suisun Creek Watershed	Unincorporated Napa County	Napa	Napa County Regional Park and Open Space District	County of Solano
Aquavista/Twin Peaks	San Francisco	San Francisco	City of San Francisco Planning Department	(Jake Sigg of CA Native Plant Society submitted PCA nomination for same parcel - agreed to go w/SF nomination - deleted SF7)
Palou-Phelps, Bayview	San Francisco	San Francisco	City of San Francisco Planning Department	SF Parks + Rec, California Native Plants, Nature In the City
San Francisco Watershed Lands to Wilder Ranch State Park Priority Conservation Area	Unincorporated San Mateo County	San Mateo	Save-the-Redwoods League	multiple
Office of Education Loma Mar Property	Unincorporated San Mateo County	San Mateo	San Mateo County Department of Parks	
Montara Mountain Complex	Montara/El Granada/Moss Beach. Affects Half Moon Bay, Pacifica.	San Mateo	Peninsula Open Space Trust	Golden Gate National Recreation Area, San Mateo County Parks, California Coastal Conservancy
Lobitos Ridge Corridor	South of Half Moon Bay, San Mateo County. Affects Half Moon Bay.	San Mateo	Peninsula Open Space Trust	Midpeninsula Regional Open Space District, California Coastal Conservancy
Gateway to the San Mateo County Coast	Affects Half Moon Bay.	San Mateo	Midpeninsula Regional Open Space District	City of Half Moon Bay, San Mateo County Parks and Recreation Department, Peninsula Open Space Trust, Bay Area Ridge Trail Council, Committee for Green Foothills, San Mateo County Resource Conservation District
Pacifica Conservation Area: South of Mussell Rock to McNeе Ranch State Park	Pacifica	San Mateo	National Park Service, Golden Gate National Recreation Area	Potential partners could include the Pacifica Land Trust, City of Pacifica, City of San Francisco, and the U.S. Fish and Wildlife Service
Upper San Gregorio Creek Headwaters	Includes parts of Portola Valley	San Mateo	Midpeninsula Regional Open Space District	Peninsula Open Space Trust, San Mateo County Parks and Recreation Department, Bay Area Ridge Trail Council, San Gregorio Environmental Resource Center, Natural Heritage Institute
Upper Stevens Creek Watershed Area	Unincorporated Santa Clara County	Santa Clara	Midpeninsula Regional Open Space District	Santa Clara County Parks & Rec Department, Peninsula Open Space Trust, Santa Clara Valley Water District, State Coastal Conservancy
Upper Los Gatos Creek Watershed	Unincorporated Santa Clara County	Santa Clara	Midpeninsula Regional Open Space District	Peninsula Open Space Trust, Santa Clara County Parks & Rec Dept., Santa Clara Valley Water District, Neighbors Against Industrial Logging, Sierra Club Ventana Chapter
East Berryessa Foothills	San Jose	Santa Clara	Santa Clara County Parks & Recreation Department	Midpeninsula Regional Open Space District (MROSD), Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and County of Santa Clara Habitat Conservation/Natural Communities Conservation Plan Program (HCP/NCCP), San Francisco Bay Trail (ABAG), National Park Service – Juan Bautista de Anza National Historic Trail

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Alum Rock Foothills	San Jose	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
Joseph D. Grant to Coyote Ridge	San Jose	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
East Coyote Foothills to Almaden Quicksilver	San Jose	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP); Silicon Valley Land Conservancy
Anderson/Coyote Connection	Morgan Hill	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
East Gilroy Foothills	Gilroy	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
South County Regional Trail Connection	Unincorporated Santa Clara County	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
Lexington Hills	Los Gatos	Santa Clara	Santa Clara County Parks & Recreation Department	Mid-peninsula Regional Open Space District (MROSD), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)

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Sanborn Skyline	Uncinorporated Solano County	Santa Clara	Santa Clara County Parks & Recreation Department	Mid-peninsula Regional Open Space District (MROSD), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
Baylands	San Jose	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), San Francisco Bay Trail (ABAG), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP), National Park Service – Juan Bautista de Anza National Historic Trail Program
Rancho Canada	Unincorporated Santa Clara County	Santa Clara	Santa Clara County Open Space Authority	
South County Agriculture	Unincorporated Santa Clara County	Santa Clara	Santa Clara County Open Space Authority	
Pescadero/Tar Creek	Unincorporated Santa Clara County	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
Paradise Valley to Calero	Unincorporated Santa Clara County	Santa Clara	Santa Clara County Parks & Recreation Department	Santa Clara County Open Space Authority (SCCOSA), Bay Area Ridge Trail Council (BARTC), Peninsula Open Space Trust (POST) and Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Program (HCP/NCCP)
Soap Lake	Gilroy	Santa Clara	The Nature Conservancy	Pajaro River Watershed Flood Protection Authority, Silicon Valley Land Conservancy
Vacaville-Fairfield-Solano Greenbelt and Cement Hill	Uncinorporated Solano County	Solano	City of Fairfield	City of Vacaville, County of Solano
Western Hills (including part of the Vallejo Lakes Property)	Uncinorporated Solano County	Solano	Solano County	Solano Land Trust; Napa County Regional Park and Open Space District (supports nomination); City of Fairfield; City of Benicia
Tri City and County Cooperative Planning Area	Uncinorporated Solano County	Solano	Solano County	Solano Land Trust; City of Fairfield; City of Vallejo; City of Benicia
Blue Ridge Hills (Vaca Mountains)	Uncinorporated Solano County	Solano	Solano County	Solano Land Trust; City of Fairfield; City of Vallejo; City of Benicia (Napa County Regional Park & Open Space District supports this nomination)

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Suisun Valley	Unincorporated Solano County	Solano	Solano County	
Upper Mark West Watershed	Unincorporated Sonoma County	Sonoma	Sotoyome Resource Conservation District	Friends of the Mark West Watershed, Department of Fish and Game, Sonoma County Water Agency, NASA, Monan's Rill Institute
Petaluma Watershed Southeastern Portion	Unincorporated Sonoma County	Sonoma	Southern Sonoma County Resource Conservation District	<ul style="list-style-type: none"> <li>• Southern Sonoma County Resource Conservation District</li> <li>• Sonoma County Agricultural Preservation and Open Space</li> <li>• Sonoma Land Trust</li> <li>• Infineon</li> <li>• USDA</li> </ul>
Laguna de Santa Rosa	Unincorporated Sonoma County	Sonoma	Laguna de Santa Rosa Foundation	Sonoma County Water Agency, City of Santa Rosa
Santa Rosa Plain	Unincorporated Sonoma County	Sonoma	Laguna de Santa Rosa Foundation	Sonoma County Water Agency, City of Santa Rosa
Coastal Sonoma to Armstrong Redwoods	Unincorporated Sonoma County	Sonoma	Save-the-Redwoods League	multiple
Pitkin Marsh – Atascadero Creek Watershed	Unincorporated Sonoma County	Sonoma	Sonoma Land Trust	Sonoma County Agricultural Preservation and Open Space District
Sonoma Baylands	Unincorporated Sonoma County	Sonoma	Sonoma Land Trust	Sonoma County Agricultural Preservation and Open Space District, City of Sonoma, Sonoma County Regional Parks Department, and the San Francisco Bay Joint Venture
The Cedars	Unincorporated Sonoma County	Sonoma	Sonoma Land Trust	Sonoma County Agricultural Preservation and Open Space District
Northern Mayacamas	Unincorporated Sonoma County	Sonoma	Sonoma Land Trust	Sonoma County Agricultural Preservation and Open Space District
Coastal Access and Resource Protection	Unincorporated Sonoma County	Sonoma	Sonoma County Agricultural Preservation and Open Space District	Greg Carr, Sonoma County Permit and Resource Management Department; Elizabeth Tyree, Sonoma County Regional Parks Department
Coastal Agriculture	Unincorporated Sonoma County	Sonoma	Sonoma County Agricultural Preservation and Open Space District	Greg Carr, Sonoma County Permit and Resource Management Department; Elizabeth Tyree, Sonoma County Regional Parks Department
Sonoma County Gateway	Unincorporated Sonoma County	Sonoma	Sonoma County Agricultural Preservation and Open Space District	Greg Carr, Sonoma County Permit and Resource Management Department; Elizabeth Tyree, Sonoma County Regional Parks Department
Russian River Access	Unincorporated Sonoma County	Sonoma	Sonoma County Regional Parks Department	Tom Robinson, Sonoma County Agricultural Preservation and Open Space District; Greg Carr, Sonoma County Permit and Resource Management Department; Wendy Eliot, Sonoma Land Trust
Sonoma Mountain	Unincorporated Sonoma County	Sonoma	Sonoma County Agricultural Preservation and Open Space District	Greg Carr, Sonoma County Permit and Resource Management Department; Elizabeth Tyree, Sonoma County Regional Parks Department, Wendy Eliot, Sonoma Land Trust, David Goodison, City of Sonoma



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## Priority Conservation Areas

### Frequently Asked Questions

#### **What types of agencies/organizations are eligible to apply for PCAs?**

Cities, counties and park/open space districts are eligible to apply to ABAG for PCA designation. Federal and state agencies, as well as non-profit organizations, are not eligible to apply, but may work with local jurisdictions or park/open space districts to encourage a PCA application to ABAG.

#### **Is a PCA a land use designation? Does it change the local zoning requirements or restrict development rights?**

No. A PCA designation does not in any way change the land use status for a piece of property. The local jurisdiction maintains planning and permitting authority over the property and private property owners maintain their development rights.

#### **Can PCAs be designated on private property?**

Yes. Designation of a PCA on private property does not change the local land use designation, zoning or the ability for the property to be developed in the future.

#### **Is the PCA designation process also a grant program?**

No. The PCA designation process creates a list of regionally-significant areas that have the potential for conservation, restoration and public access. Specific projects within these designated PCAs may be eligible for future funding.

### **What types of future funding sources would designated PCA's qualify for?**

The One Bay Area PCA Grant Program requires that all projects be located within a designated PCA. Other sources of funding for natural landscapes, agricultural lands, urban greening and regional recreation may or may not use the PCA designation in the set of criteria for grant awards. It is possible that other grant funding sources, such as a potential new state park bond, would also include PCA designation as part of the evaluation criteria.

### **When will the next One Bay Area Grant Program start?**

The first PCA grant program was launched in 2013. A new PCA grant program has not been scheduled yet.

### **If a regional open space district nominates a PCA in a local jurisdiction and it is approved, can the local jurisdiction use this PCA designation for future grant applications?**

Yes.

### **Does modifying an existing PCA boundary require that it go through the designation process as if it was a new PCA?**

The process of identifying designations and community benefits for existing PCAs presents an ideal time to modify PCA boundaries. A two to three sentence request to modify PCA boundaries and a clear description of the proposed boundary modification should be included with the submission identifying the PCA category designation and community benefits selection.

### **What city and county departments should be notified of new or existing PCAs?**

PCA notifications should be sent to county planning administrators and city planning directors.

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: 2/25/2014

To: Administrative Committee

From: Miriam Chion, Planning and Research Director  
Mark Shorett, Regional Planner

Subject: **Administrative Committee Retreat:  
Priority Development Area (PDA) Implementation**

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To set the stage for Committee discussion this memo summarizes activities related to Priority Development Area (PDA) Implementation pursued by staff in the past year and highlights ongoing efforts. The activities include: 1) Entitlement Efficiency; 2) Placemaking; 3) Enhanced Infrastructure Financing Districts; 4) PDA Readiness and Feasibility Assessment; and 5) Affordable Housing and Sustainable Communities (Cap & Trade) Funding. Attachments are provided with more detailed information about each activity.

### **1) Entitlement Efficiency**

Over the past year, staff worked with local jurisdiction planners and the state Office of Planning and Research (OPR) to identify obstacles to the development of projects consistent with community plans, and to explore opportunities to overcome these obstacles through the use of recent CEQA streamlining legislation. *Attachment 1* is the staff report presented to the Regional Planning Committee at its February meeting highlighting work to date and next steps to providing regional support to help implement local PDA plans through entitlement efficiency. *Attachment 2* is an advisory memo to help jurisdictions make use of recent CEQA streamlining legislation.

### **2) Placemaking**

Demand for housing and workplaces with access to amenities are driving regional trends toward reinvestment in existing downtowns and neighborhoods. Local plans aim to stimulate infill development and a complementary public realm that is socially vibrant, inclusive and economically robust. Staff engaged a group of topic experts and RPC members in a discussion about approaches to shaping Priority Development Areas in the Bay Area's diverse communities. *Attachment 3* is the staff report on Placemaking presented to the Regional Planning Committee at its November meeting.

### **3) Enhanced Infrastructure Financing Districts**

Senate Bill 628 allows an individual jurisdiction or group of local jurisdictions to establish an Enhanced Infrastructure Financing District (EIFD). The EIFD is a potentially powerful tool to fill the significant financial gap currently preventing the completion of infrastructure needed to support successful PDAs, but requires further investigation. During 2015, staff will work with MTC to oversee a consultant report

on the potential application of EIFDs to Bay Area communities, potentially including case studies of specific PDAs or areas of the region. *Attachment 4* presents an assessment of EIFDs by the California Economic Summit.

#### **4) Feasibility and PDA Readiness and Feasibility Assessment**

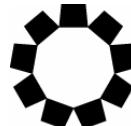
A consultant team is conducting a study to assess the feasibility of development in PDAs throughout the region, pursuant to MTC/ABAG's legal settlement with the Building Industry Association following adoption of Plan Bay Area. Findings are expected in fall 2015. *Attachment 5* is the consultant's scope of work.

#### **5) Affordable Housing & Sustainable Communities (AHSC) Funding**

ABAG worked with senior staff from the Strategic Growth Council (SGC) to ensure that Cap and Trade proceeds allocated to the Affordable Housing & Sustainable Communities supported the implementation of the Plan Bay Area land use pattern and local PDA plans. The program recognizes the diversity of our communities by providing funding for projects in PDAs with high capacity regional transit as well as PDAs with local bus service. Staff was invited by the SGC to work collaboratively with MTC to review the 44 applications submitted by Bay Area jurisdictions and affordable housing developers. After the initial set of applications is narrowed, full applications will be submitted in mid-April and funding will be awarded in June.

Attachments:

- *Attachment 1, Entitlement Efficiency for Land Use Approvals for Development Projects in Priority Development Areas RPC Staff Memo Feb 4, 2015*
- *Attachment 2, Entitlement Efficiency Advisory for Priority Development Areas*
- *Attachment 3, Regional Placemaking Initiative RPC Staff Memo Dec 2, 2014*
- *Attachment 4, Funding Sustainable Communities: A How-To Guide For Using New "Enhanced Infrastructure Financing Districts" (EIFDs)*
- *Attachment 5, Feasibility and PDA Readiness and Feasibility Assessment Scope of Work*



**ABAG**

Date: February 4, 2015  
To: Regional Planning Committee  
From: Duane Bay, Assistant Planning and Research Director  
Mark Shorett, Regional Planner  
Subject: Entitlement Efficiency for Land Use Approvals for Development Projects in Priority Development Areas

### **Executive Summary**

In a September 2013 report to the ABAG Executive Board, *Plan Bay Area Implementation Next Steps*, Priority Development Area (PDA) implementation was identified as one of four focus areas, along with housing production and affordability, economic development and open space and farmland preservation. In turn, ABAG's PDA implementation support would focus on strengthening subregional corridors, improving resilience to natural hazards, providing oversight and assistance to jurisdictions' OBAG PDA planning grant projects, and removing barriers to entitlement efficiency.

The memo framed the tasks related to entitlement efficiency as follows:

"Plan Bay Area set the stage for local jurisdictions to choose to increase the efficiency of the development process for transit-oriented projects consistent with the Plan and state legislation. California Senate Bills 375 and 226 allow jurisdictions to limit the level of environmental review required for projects that are consistent with a Sustainable Community Strategy (i.e., Plan Bay Area), meet specific density and transit proximity requirements, and are located in an area with an adopted programmatic Environmental Impact Report (EIR). Some eligible projects will not require additional CEQA analysis, while others can reduce the number of areas analyzed in an EIR and be subject to a more favorable standard of judicial review."

"ABAG will work with MTC to develop advisory guidelines that assist jurisdictions in determining whether a local programmatic EIR will support PDA projects in utilizing legislative incentives found in SB375 and other bills."

Today's session is a report-back on work in progress and proposed next steps. Regional Planner Mark Shorett will report our findings working with local jurisdictions over the last year and present a summary of the advisory memo on CEQA streamlining. Chris Calfee, Senior Counsel for the Governor's Office of Planning and Research, will report of the current status of streamlining guideline revision. A panel conversation will follow, in which developers and planners from Bay Area cities contextualize the entitlement efficiency issue with a discussion of the certainty/flexibility trade-off dilemma. RPC members will have ample opportunity to ask

questions and comment after the initial presentations, and again, to extend the panel conversation. The session will wrap up with solicitation of members' feedback on the proposed approach to expanding entitlement efficiency opportunity for PDAs.

### **Recommended Action**

ABAG staff requests that the Regional Planning Committee review and accept the proposed approach to providing technical assistance to jurisdictions that wish to increase entitlement efficiency in Priority Development Areas.

### **Background on Entitlement Efficiency**

Plan Bay Area sets a framework for what kind of growth we as a region need in order to achieve a sustainable future: primarily infill development in locally designated Priority Development Areas (PDAs) where local plans have been adopted following a robust community engagement process.

At its best a community process to adopt an area plan that has regulatory force (that is, a Specific Plan, Community Plan or Area Plan that is integrated into the local General Plan and Zoning Ordinance, not an *ad hoc* urban design exercise or developer-driven proposal) can be an opportunity to negotiate a community consensus on what will be built, how it can support community aspirations, who it will likely benefit and how. And the adopted plan enables development consistent with a clear, community-supported vision. At its worst the process can be divisive, expensive, inconclusive, and can fail to empower the community to articulate and achieve local aspirations.

The regional policy consensus, as expressed in Plan Bay Area, favors an approach in which: 1) public input and development standards of PDA Plans, including requisite environmental review, are as robust as reasonably possible; and 2) subsequent review of conforming projects is streamlined and transparent.

Discretionary review of proposed development projects with respect to use, form, adequacy of environmental impact study and mitigation, contributions for public works infrastructure and community benefits / social impact mitigations will tend to increase the public and private cost of the entitlement process as well as its duration, which consequently increases market-timing risks for developer and community alike. Market timing is critical for both developer and community to accomplish their respective financial and social objectives, and to realize together the built environment and resulting community vitality envisioned (and codified) in adopted plans.

*Entitlement efficiency* is an approach that provides local jurisdictions with regulatory methods to affect a suitable, locally determined balance between the opportunity for an envisioned built environment, once codified in publicly adopted plans and policies, to be developed expeditiously, and the opportunity for local government to apply discretion to accommodate ever dynamic market, political and pragmatic circumstances. Entitlement efficiency is an approach that says jurisdictions should have (a) the means and opportunity to understand and consider this crucial trade-off, as well as (b) effective, locally applicable regulatory tools to establish a

more streamlined approval process if they elect to do so, and (c) access to technical assistance to implement the degree and style of streamlining deemed locally appropriate.

Developers and the community may want relatively high certainty with respect to *use and form* of buildings. This could be accomplished with a form-based code and a ministerial (staff level) approval process. However, to some degree this will limit the community's ability to shape and refine the project, and will limit the developer's ability to respond to market conditions if adopted plans require uses or building types for which there is no current market.

Developers may also want relatively high certainty with respect to "*exactions for community benefits*" in order to "see if the project will pencil out" and to avoid project delay. If a set community benefits package (CBP) is in place—for example, local-source hiring, subsidized ground-floor retail for local small businesses, shuttle service, inclusionary housing and/or development impact fee, park in-lieu fees, school district impact fees—an informed buyer and seller of land to be developed will have to take these costs into account in determining the land value. But if the developer has already locked in the land cost, the developer will most likely want the flexibility to negotiate a CBP.

Effective tools exist to pursue aspects of entitlement efficiency mentioned above and ABAG will continue our efforts to bring viable options to jurisdictions' attention. *For 2015, ABAG's top workplan priorities related to entitlement efficiency are (1) to encourage and assist jurisdictions to adopt Specific Plans and (2) to enable and assist jurisdictions to fully utilize state-sanctioned CEQA streamlining.*

What ABAG staff has done to date, and plans to do in 2015 to help jurisdictions fully utilize streamlined environmental review for plan conformant projects is the focus of the rest of this memo and the study session today.

### **Entitlement Efficiency Opportunities and Trends**

During the past 10 years, the California legislature has changed state law in an effort to streamline the entitlement process for development projects that reduce Greenhouse Gas emissions, increase housing options and improve the cost-effectiveness of public infrastructure investments. Project eligibility criteria for these entitlement efficiency opportunities focus on transit proximity and consistency with locally adopted specific plans and regional Sustainable Communities Strategies such as Plan Bay Area.

Four pieces of recent legislation provide opportunities to simplify the entitlement process for transit-oriented infill development: Senate Bill (SB) 1196 (2006), SB 375 (2007), SB 226 (2011), and SB 743 (2013). The collective implications of these bills for PDA development are summarized below:

- Specific Plans Provide Strongest Framework for Entitlement Efficiency. As a result of SB 1196 and SB 743, under state law residential projects consistent with an adopted Specific Plan and Environmental Impact Report (EIR) are exempt from CEQA (i.e. no additional environmental review is necessary) unless they require major revisions to the

Plan's EIR.<sup>1</sup> An example of a project that requires major revisions to an EIR is a proposal to build more units than permitted in the Specific Plan and analyzed in its EIR. Office and mixed-use projects in areas with adopted Specific Plans are also exempt if they are within ½ mile of a transit station with service frequencies of 15 minutes or less during peak periods, are built to a floor area ratio of at least 0.75 and are consistent with a SCS (i.e. Plan Bay Area).<sup>2</sup>

- **SB226 Provides Additional Options for Infill Projects in Areas without Specific Plans.** While many Bay Area PDAs have adopted Specific Plans, others have less detailed plans in place such as Community Plans, Area Plans or detailed General Plan standards. For projects in these PDAs, SB 226 requires analysis only of *new* environmental impacts not: a) addressed in previous EIRs that cover the PDA's geographic area (e.g. General Plan or Community Plan); b) addressed by Uniformly Applicable Development Standards (UADS) applicable to projects in the PDA or larger areas of the jurisdiction. Projects without any new impacts are exempt from CEQA. Issues not addressed in an EIR or by UADS can be addressed through an abbreviated environmental document such as a negative declaration.
- **Automobile Congestion-based Level of Service (LOS) Removed from CEQA.** In addition to exempting many projects in PDAs from additional environmental review, SB743 requires that CEQA guidelines be modified to eliminate traditional Level of Service (LOS) standards measuring automobile traffic congestion as a potentially significant environmental impact. Consistent with the legislation, the state Office of Planning and Research released revised guidelines in 2014 and will be completing its full update for update in 2015.
- **SB375 Includes Most Stringent Requirements for Achieving Entitlement Efficiency.** In addition to introducing Sustainable Communities Strategies, SB 375 provides complete or partial CEQA exemptions to projects that are consistent with Plan Bay Area and meet extensive affordability, environmental sustainability, density, and project size standards. These standards are more stringent and applicable to a smaller range of projects than the legislation discussed above.

Consultation with Bay Area planners since the adoption of Plan Bay Area indicates that, in general, jurisdictions are hesitant to draw upon the entitlement efficiency opportunities created by recent legislation. The streamlining provisions included in the highest profile legislation, SB375, are considered too onerous. SB226 is generally viewed as the most user-friendly and strong interest exists in gaining clarity about, and potentially utilizing, SB743. In many jurisdictions seeking to draw upon SB226 and SB743 to streamline project review, however, legal counsel has cautioned planning staff against modifying an established environmental review process until the provisions in these bills have been more widely utilized and withstood legal scrutiny. Across the region, adjustments to transportation impact analysis requirements—

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<sup>1</sup> CA Government Code 65457

<sup>2</sup> CA CEQA Guidelines 15183.3

currently dominated by Level of Service (LOS) standards—are anticipated to potentially address what is often identified as a primary obstacle to infill development.

A handful of jurisdictions have drawn upon recent legislation to simplify the environmental review process. Berkeley, San Francisco and Oakland have utilized the provisions of SB226 to expedite projects consistent with adopted local plans, the SCS, and/or clear development standards. San Francisco has also utilized SB743. Other jurisdictions, such as Redwood City, have been successful in using detailed development standards in tandem with adopted plans to create development consistent with a community vision.

In response to interest from local planning staff and elected officials, ABAG prepared an advisory document for increasing entitlement efficiency for projects in PDAs. This document, included in the packet as Attachment 1, draws upon all recent legislation to provide a simple process for identifying the eligibility of projects for CEQA exemptions and other streamlining opportunities. The document also provides guidance on filing exemptions, including relevant citations from legislation and court decisions.

### **Today's Workshop on the Certainty/Flexibility Dilemma in Practice**

The very premise that entitlement efficiency is desirable is sometimes called to question. Advocates for or against a particular proposed policy, plan or project may encourage or eschew more “certainty” or more “flexibility” depending on circumstance. A *favorable* requirement (e.g., upper or lower limit of some physical feature, fee waiver or exaction, degree of discretionary review) is considered a comfortable *certainty*, while an unfavorable requirement is considered and unreasonable *constraint*. A *welcome* ability to modify a requirement (i.e., negotiation, customization, community review) may be characterized as *flexibility*, but when *unwelcome* it is *ambiguity* at best and an invitation for back-room deal-cutting at worst.

Some streamlining measures, however, are not very controversial, for example: (a) transparency of the development approval process, (b) reduction of tax-payer supported staff time to administer the entitlement system through office automation or parallel human processing of multiple sub-permits (e.g., sewer, water, fire), (c) or semi-automation of first-drafts for mandatory responses to a last-minute deluge of semi-automatically generated public comments to a draft EIR.

Against this complex backdrop, it is ABAG’s policy perspective, based on general principles of local land control, fiscal prudence, bias toward actual implementation of locally adopted plans, and “complete communities” as the practical meaning of that phrase is refined over time, that:

- the State should provide jurisdictions with regulatory tools and options well-suited to implementation of State policy intent (e.g., GHG reduction, preservation of agricultural and open-space land, deconcentration of poverty, resource conservation, as codified in Housing Element law) in the context of local land use authority;
- local jurisdictions should know of, and know how to apply these tools and options to realize community aspirations reflected in locally adopted policies and plans;

- ABAG should, within locally adopted Priority Development Areas, promote and support enhancement of efficiency with respect to the determination of allowable use and acceptable form, the level of financial contribution to local infrastructure as well as ancillary community benefits, and the entitlement process itself;
- and therefore, that ABAG, as the regional Council of Governments, should diligently pursue these goals in order to support local implementation efforts that can, in aggregate, result in sustainable and equitable regional growth.

In today's workshop, these issues will be framed and discussed by a panel of for-profit and non-profit developers and local planning directors. After the panel presentation, the Committee will be invited to join the conversation.

The purpose of the workshop is to provide context for some of the very technical aspects of entitlement efficiency presented earlier by ABAG and OPR staff, and context for the discussion of the proposed 2015 scope of work that will follow.

### **2015 Entitlement Efficiency Approach**

The proposed scope of work for ABAG staff during 2015 designed to support local jurisdictions' efforts to increase entitlement efficiency is as follows:

- A. Distribute Advisory Memo (See Attachment 1)
- B. Update and distribute Advisory Memo following finalization of BAAQMD guidelines and CEQA Guidelines, especially as related to new transportation analysis guidelines and use of Uniform Applicable Development Standards to address air quality requirements.
- C. In collaboration with California Office of Planning & Research, provide targeted technical assistance to "field test" full implementation of new streamlining measures in 6 to 12 volunteer pilot jurisdictions in order to demonstrate efficacy and/or identify opportunities for improvement.
- D. Facilitate forum or working group with local planners, developers and state policymakers to discuss opportunities to utilize streamlining legislation and tools (including lessons learned and successful approaches).
- E. Create a web-based tool to identify PDAs that have a high level of regulatory readiness. For example, this could be an added data element to the PDA Showcase or a map-based portal that identifies areas that meet transit service criteria and have adopted specific plans and programmatic EIRs

### **Committee Feedback**

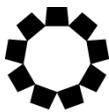
ABAG Planning & Research staff invites RPC members to comment on the PDA entitlement efficiency workplan as presented. In particular, staff seeks input on the following questions:

- 1) How useful would it be to create a web-based tool to identify the degree of entitlement efficiency, by objective measures, in Specific Plan areas within PDAs?
- 2) How useful would it be for RPC to form a working group on entitlement efficiency?
- 3) If a working group is formed, what should its focus be (e.g., policy input, process improvement, publicizing and promoting most-effective practice)?

#### **Attachments**

1. Entitlement Efficiency Advisory for Priority Development Area

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ABAG

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

# Entitlement Efficiency Advisory for Priority Development Areas

## Introduction

This document outlines an approach to simplifying the process for entitling development projects in Priority Development Areas (PDAs) with adopted Specific Plans.<sup>1</sup> PDAs are the framework for implementing the land use strategy in Plan Bay Area, which meets the Greenhouse Gas emissions reduction target adopted for the San Francisco Bay Area's Sustainable Communities Strategy (SCS) by the California State Air Resources Board (ARB).<sup>2</sup> PDAs are places with frequent transit service identified by local jurisdictions for future housing and job growth. Each PDA was voluntarily nominated by a local jurisdiction and adopted by the ABAG Executive Board. Jurisdictions selected a Place Type for each PDA that provides a range of densities, building intensities, and land uses.<sup>3</sup> Development projects in PDAs included in Plan Bay Area are consistent with the Plan if they are within the range of densities and building intensities specified for the Place Type designated for each PDA.<sup>4</sup>

This advisory focuses on opportunities to reduce the time, cost and legal risk required to entitle these kinds of projects in PDAs with locally adopted land use plans that have undergone thorough environmental review and extensive community involvement.<sup>5</sup> Local jurisdictions will decide if and how they will apply the recommended practices according to local conditions. This is not an exhaustive discussion of entitlement efficiency opportunities. Additional resources are provided at the end of the document.

## Recommended Practice for Priority Development Area Entitlement Efficiency

To support the development of sustainable communities and achieve Greenhouse Gas emissions reduction targets, recently adopted state law provides an exemption from the requirements of CEQA for certain residential, commercial and mixed-use development projects in Priority Development Areas if they are consistent with an adopted Specific Plan and a Sustainable

<sup>1</sup> Many Precise Plans, Master Plans, Village Plans and Area plans meet these standards, listed in California Government Code 65451 (<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=65001-66000&file=65450-65457>)

<sup>2</sup> Plan Bay Area was accepted by the Air Res

<sup>3</sup> The Place Type of each PDA is listed in the Plan Bay Area Final Forecast of Jobs, Population and Housing: [http://onebayarea.org/pdf/final\\_supplemental\\_reports/FINAL\\_PBA\\_Forecast\\_of\\_Jobs\\_Population\\_and\\_Housing.pdf](http://onebayarea.org/pdf/final_supplemental_reports/FINAL_PBA_Forecast_of_Jobs_Population_and_Housing.pdf) The range of densities, intensities, and land uses for each place type is found on pp. 14-15 and 18-19 of the Station Area Planning Manual:

[http://www.mtc.ca.gov/planning/smart\\_growth/stations/Station\\_Area\\_Planning\\_Manual\\_Nov07.pdf](http://www.mtc.ca.gov/planning/smart_growth/stations/Station_Area_Planning_Manual_Nov07.pdf)

The station area total jobs and housing targets in the manual are not applicable.

<sup>4</sup> See note above regarding designated place types and criteria.

<sup>5</sup> *Concerned Dublin Citizens et al vs. City of Dublin et al*

Communities Strategy.<sup>6</sup> The required scope of environmental analysis is reduced for many PDA projects that are not fully exempted. Among recent legislation, SB743 provides an arguably less onerous process than SB375 for qualifying for CEQA exemptions by introducing simpler, less extensive criteria than the Transit Priority Project requirements. To avoid confusion, it is worth noting that the Transit Priority Project concept and associated criteria is not applicable to projects seeking the exemptions created by SB743.

The sections below recommend approaches for: simplifying the entitlement efficiency process for projects in PDAs with adopted Specific Plans; amending existing Specific Plans to simplify the project review process; and implications of pending changes to CEQA for new Specific Plans and future infill development projects.

### ***Recommended Approach: Projects in PDAs with Adopted Specific Plans***

#### **Step One: Review Project Eligibility for Exemption**

- Within a locally nominated Priority Development Area (PDA) included in Plan Bay Area
- Within an area with an adopted specific plan or equivalent for which an environmental impact report has been certified
- Consistent with specific plan regulations and policies (i.e. zoning, design standards, mitigations, etc)
- The project consists of residential, commercial or mixed uses
- For commercial or mixed-use projects: Minimum Floor Area Ratio (FAR) of 0.75
- Within ½ mile of transit service with peak service frequencies of 15 minutes or less (a Transit Priority Area)<sup>7,8</sup>
- None of the following events have occurred:
  - The project creates a substantial new, or substantially worse, impact than what was predicted to occur as part of implementation of the Specific Plan buildout based on information not known (and not knowable) at the time.<sup>9</sup>
  - Substantial changes in the circumstances under which the project takes place since the certification of the Specific Plan EIR that will require major revisions in the EIR (e.g., a major earthquake has taken place) due to new or more severe

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<sup>6</sup> The residential exemption is found in CA Government Code Section 65457 (<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=65001-66000&file=65450-65457>).

The office and mixed-use exemption is found in CA Public Resources Code Section 21155.4 (<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=prc&group=21001-22000&file=21155-21155.4>)

<sup>7</sup> This requirement does not apply if the project is 100% residential.

<sup>8</sup> *Transit Priority Areas* are distinct from *Transit Priority Projects*. Transit Priority Areas are geographic areas that meet specific transit service criteria. Transit Priority Projects, introduced through the provisions of SB375, are individual development projects that meet both transit service criteria *and* a more extensive set of requirements related to project size, environmental performance, affordability, and other factors. Projects seeking the exemption described in this advisory *do not* need to meet these more extensive Transit Priority Project requirements.

<sup>9</sup> Aesthetics and parking will not trigger new review if the project is on an infill site

significant impacts. *Implementation of the specific plan is not itself a substantial change.*

### Step Two: File Notice of Exemption

File notice of exemption indicating that the project is exempt from CEQA under Public Resources Code Section 21155.4 as a project that: a) is within a Transit Priority Area; b) implements and is consistent with a specific plan for which an EIR has been certified, and c) “is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in a sustainable communities strategy for which the State Air Resources Board has accepted a metropolitan planning organization’s determination that the sustainable communities strategy would, if implemented, achieve the greenhouse gas emissions reduction targets.”<sup>10</sup>

### Projects Not Fully Exempt: Additional Entitlement Efficiency Opportunities

Projects that are within PDAs but do not meet all of the exemption criteria may still be eligible for limited environmental review, such as an infill EIR as described in Section 15183.3 of the State CEQA Guidelines. Use the checklist in State CEQA Streamlining for Infill Guidelines (Attachment B to this document) to identify the eligibility of a project for these provisions. Also use the checklist for projects in areas without adopted Specific Plans for which a plan (e.g. Community Plan or General Plan) and EIR has been adopted addressing development on individual parcels.

### ***Recommended Approach to New Specific Plans***

The design of Specific Plans and EIRs can heavily influence the entitlement process for future projects in the plan area. Specific Plans can increase the potential of projects to capitalize on entitlement efficiency opportunities by: a) addressing a full range of environmental issues; b) completing area-wide analyses to avoid required future project-level analyses; c) providing flexibility in the permitted development capacity of individual parcels; d) adopting performance standards that can be met through multiple approaches (as opposed to less flexible mitigations); and e) creating a checklist for CEQA exemptions and streamlining.

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<sup>10</sup> Projects that are 100% residential and do not meet transit proximity requirement should file a notice of exemption indicating that the project is exempt from CEQA under Government Code 65457 as a residential project for which an EIR has been certified.

### ***Recommended Amendments and Addenda to Adopted Specific Plans***

Many Specific Plans can be updated periodically by addenda and/or amendments addressing issues for which comprehensive policies may not have originally been developed. One example is a uniformly applicable development standard. These standards, adopted citywide, can be used to address complex challenges such as sea level rise or air quality issues related to proximate distance to major roadways.<sup>11</sup> The development standard can be presented to City Council in a staff report requesting: a) citywide adoption of the standard; and b) an addendum to the Specific Plan incorporating this standard. Addenda can also be adopted for individual projects to address specific issues while avoiding or minimizing additional environmental analysis; examples include voluntary measures such as installing air filters. Project applicants can qualify for an addendum if the project does not result in a new or worse significant adverse impact.

### ***Implications of Pending Changes to CEQA for New Specific Plans and Infill Projects***

In addition to providing the exemptions discussed above, recently adopted legislation requires the state Office of Planning and Research (OPR) to update CEQA guidelines to modify the potential impacts EIRs for plans and projects in infill areas—excluding those fully exempted from CEQA—must address. This focuses on shifting transportation analysis from the existing Level of Service measure to a more multi-modal approach. When these changes are completed, ABAG will work with OPR and MTC to provide guidance to local jurisdictions.

## **Resources**

- **State CEQA Streamlining for Infill Guidelines Streamlining Guidelines**
  - CEQA Guideline Section 15183.3 (included as Attachment A)  
*weblink:* [http://opr.ca.gov/s\\_sb226.php](http://opr.ca.gov/s_sb226.php)
- **CEQA Exemption Citations**
  - Projects consistent with adopted specific plan, certified EIR, and Sustainable Communities Strategy (i.e. Plan Bay Area):  
California Public Resources Code Section 21155.4  
*weblink:* <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=prc&group=21001-22000&file=21155-21155.4>  
  
*full text:*  
(a) Except as provided in subdivision (b), a residential, employment center, as defined in paragraph (1) of subdivision (a) of Section 21099, or mixed-use development project, including any subdivision, or any zoning, change that meets all of the following criteria is exempt from the requirements of this division:
    - (1) The project is proposed within a transit priority area, as defined in subdivision (a) of Section 21099.
    - (2) The project is undertaken to implement and is consistent with a specific plan for which an environmental impact report has been certified.
    - (3) The project is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy for which the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emissions reduction targets.  
(b) Further environmental review shall be conducted only if any of the events specified in Section 21166 have occurred.
- Residential projects consistent with adopted Specific Plan and certified EIR, but not within ½ mile of transit with 15 minute peak headways:  
California Government Code 65457  
*weblink:* <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=65001-66000&file=65450-65457>

*full text:*

(a) Any residential development project, including any subdivision, or any zoning change that is undertaken to implement and is consistent with a specific plan for which an environmental impact report has been certified after January 1, 1980, is exempt from the requirements of Division 13 (commencing with Section 21000) of the Public Resources Code. However, if after adoption of the specific plan, an event as specified in Section 21166 of the Public Resources Code occurs, the exemption provided by this subdivision does not apply unless and until a supplemental environmental impact report for the specific plan is prepared and certified in accordance with the provisions of Division 13 (commencing with Section 21000) of the Public Resources Code. After a supplemental environmental impact report is certified, the exemption specified in this subdivision applies to projects undertaken pursuant to the specific plan.

(b) An action or proceeding alleging that a public agency has approved a project pursuant to a specific plan without having previously certified a supplemental environmental impact report for the specific plan, where required by subdivision (a), shall be commenced within 30 days of the public agency's decision to carry out or approve the project.

- **Specific Plan Definition and Guidance**

- Legal Requirement for Specific Plans (*projects in areas with differently titled plans meeting these criteria may be eligible for the same exemptions as those in specific plan areas*):  
California Government Code 65451  
*Weblink: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=65001-66000&file=65450-65457>*
- Office of Planning and Research Guide to Specific Plans (includes discussion of common challenges to meeting legal adequacy requirements):  
*Weblink: [http://ceres.ca.gov/planning/specific\\_plans/sp\\_part1.html](http://ceres.ca.gov/planning/specific_plans/sp_part1.html)*

- **Key Entitlement Efficiency Legislation**

- Senate Bill 1196 (Section 18 established CEQA exemption for residential projects consistent with specific plans, amending Government Code Section 65457)  
*weblink:  
[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=200520060SB1196&search\\_keywords=](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060SB1196&search_keywords=)*

- Senate Bill 743 (Section 6 established CEQA exemption for employment center and mixed-use projects consistent with a SCS and additional density and transit criteria, adding Public Resources Code Section 21155.4)  
*weblink:*  
[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140SB743](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB743)
  - Senate Bill 226 (established limited environmental review processes for infill projects consistent with a SCS and additional criteria related to environmental review, project size, density, transit service, and resource efficiency, making numerous amendments to the Public Resources and Government Codes)  
*weblink:*  
[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201120120SB226&search\\_keywords=](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB226&search_keywords=)
  - Senate Bill 375 (Sections 14 and 15 established CEQA exemptions or limited environmental review processes for projects consistent with a SCS and density, project size, transit service, affordability, open space and resource efficiency criteria, making numbers amendments to the Public Resources and Government Codes)  
*weblink:*  
[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=200720080SB375&search\\_keywords=](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375&search_keywords=)
- 
- **Legal decision upholding exemption from CEQA for residential project consistent with a specific plan**
    - *City of Dublin vs Dublin Concerned Dublin Citizens*  
Weblink: <http://www.courts.ca.gov/opinions/nonpub/A135790.DOC>

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# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: 12/3/2014  
To: Regional Planning Committee  
From: Mark Shorett and Vinita Goyal, Regional Planners  
Subject: **Regional Placemaking Initiative**

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This memo provides an overview of the new regional placemaking initiative, a description of the workshop that will take place at the December 3rd RPC meeting, and a proposal to include placemaking as an element of the Plan Bay Area 2017.

This is coming a year after we had a placemaking session at the Regional Planning Committee. In attachment 3, we are including two reference documents: (a) Last year's presentation by Greg Tung, Approaches to Placemaking in Priority Development Areas, as a reminder of what we discussed last time; and (b) Chapter 1 of the book Happy City by Charles Montgomery (2013) as a simple short story of urban design and policy.

## **Regional Placemaking Initiative**

The growth pattern adopted in Plan Bay Area reflects a growing trend toward reinvestment in existing downtowns and neighborhoods, demand for housing and workplaces with access to amenities and a variety of transportation options, and local planning to stimulate infill and transit-oriented development. Nearly 80% of new housing in the Plan is projected to take place in Priority Development Areas (PDAs)—locally nominated districts envisioned for additional homes and jobs. To date, regional collaboration around PDAs has focused on two key issues: job and housing growth. The update to Plan Bay Area provides an opportunity to add a third dimension to the discussion: Placemaking. We have heard repeatedly from RPC and Executive Board members that *how* our communities grow is of equal importance to *how much* our communities grow. The details of our streets, parks, buildings, and plazas influence our health, economy, and ability to maintain and create cultural practices and traditions.

Placemaking is the process of shaping streets, public spaces, and buildings. It involves policy-making, planning, design, and construction. It also involves everyone that lives and works in a place. Once a place is constructed, it is continuously shaped by its users. A community park can be a field for pick-up sports games one day, the setting for a farmer's market the next, and a

stage for a music festival the next. A school campus can act as a learning center during the day and a community center during evening and weekend hours. And industrial and commercial buildings can respond to economic changes through retrofits to accommodate different kinds of tenants.

How well these places adapt, and how they impact health and levels of opportunity are connected to decisions made by a wide range of players, particularly elected officials and local staff. Different solutions work in different communities, reflecting the region's diversity. Through a regional discussion, we will identify some common elements of successful placemaking and find concrete ways to integrate successful practices into our regional framework for growth—adding a third dimension to complement regional planning for housing and job growth. The Regional Planning Committee is playing a key role in guiding this discussion and proposing and providing feedback on strategies.

The Regional Placemaking Initiative has been shaped by a **working group** made up of experts in urban design, community planning, and real estate development. This group is led by RPC vice-chair Anu Natarajan and ABAG Executive Board vice-president David Rabbitt. The working group had four sessions in 2014 to frame core challenges, identify key tasks and designed the RPC workshop. The working group will meet in the Spring 2015 to guide the production of the Regional Placemaking Report by summer 2015.

The working group has identified several areas of work:

- Economic development
- Community ownership and inclusion
- Effective public involvement
- Elements of a complete community

Based on input from the working group, staff has identified the following tasks:

- The **workshop** during the December 3 RPC meeting. Working group members will make presentations on a key placemaking issue, followed by moderated small group discussions identifying challenges, opportunities and strategies for creating successful communities.
- A Placemaking **Report** released in Spring/Early Summer of 2015 responding to input from the RPC workshop, the insights of working group members, and additional research. This will identify opportunities to integrate placemaking into the 2017 update to Plan Bay Area and into regional planning initiatives.
- Proposal to **integrate** placemaking into Plan Bay Area 2017
- Ongoing **research and community engagement**. ABAG can leverage the region's wealth of design and academic resources to provide technical assistance to jurisdictions undertaking complex placemaking efforts, and to help identify replicable practices to share with local planners, the RPC and the Executive Board. These do not require expenditure of additional resources, and include the following:

- Videos compiled by San Francisco State planning studio that capture the diversity of the region's public spaces and potentially replicable approaches. These "place stories" will be highlighted on the ABAG website and presented at the beginning of the December 3 RPC meeting. Additional place stories can be added to highlight communities throughout the Bay Area
- An urban design studio with the UC-Davis school of Landscape Architecture in key sites in Priority Development Areas along the San Pablo Corridor between North Oakland and Pinole.
- Participation in the UC-Berkeley's Center for Cities and Schools' Y-PLAN program through a client project with students from Oakland Unified School District (OUSD) focused on 1-2 East Bay PDAs.
- A studio with the UC-Berkeley Department of City and Regional Planning in a location to be determined.

### **Placemaking Workshop December 3**

The purpose of the workshop is to discuss the concerns about placemaking and the ongoing strategies across the region from various perspectives. The working group will provide key ideas to invite insightful discussions in small groups. The insights of this workshop will be part of the Regional Placemaking Report. The workshop will include the following:

- ***Context for the Regional Placemaking Initiative*** – Miriam Chion, ABAG Planning and Research Director (5 minutes)
- ***Placemaking examples in the Bay Area*** - Video by San Francisco State University students (10 minutes)
- ***What can Placemaking do for you?*** Five members of the placemaking working group will address this question from various perspectives (25 minutes):
  - a. *PlaceMaking through economic development lenses* - Anu Natrajan, RPC Vice Chair
  - b. *Places as eco-systems* - Steve Dostart,
  - c. *Intentionality* - Greg Tung,
  - d. *Ownership of places* - Fernando Marti
  - e. *Participation in the construction of places* - Michael Rios, UC Davis
- ***Engagement, challenges and strategies in the development of good places*** - Group discussions (35 minutes)

- *What can you do for PlaceMaking?* - David Rabbitt, Supervisor Sonoma County (5 minutes)
- *Placemaking in Plan Bay Area 2017* – RPC discussion (15 minutes)

### **Requested Action**

The Regional Planning Committee recommends to the ABAG Executive Board the inclusion of placemaking as an element of Plan Bay Area 2017.

### **Attachments**

Attachment 1. Biographies of Working Group Members

Attachment 2. Placemaking examples in the Bay Area: San Francisco State University students project

Attachment 3. Reference documents:

3.a. Approaches to Placemaking in Priority Development Areas by Greg Tung, December 2013

3.b. Happy City, Chapter 1 by Charles Montgomery, 2013

# FUNDING SUSTAINABLE COMMUNITIES: A HOW-TO GUIDE FOR USING NEW “ENHANCED INFRASTRUCTURE FINANCING DISTRICTS” (EIFDS)

While California’s economic outlook is beginning to brighten, the state still must grapple with some imposing fiscal challenges in the years to come—especially in finding ways to meet the infrastructure needs of its growing population. By some estimates, the state will need to invest \$765 billion in the next 10 years on everything from transportation and energy to water and school facilities, but the state and local governments only have the resources to pay for about half of this amount.

This is why the California Economic Summit’s Infrastructure Action Team spent the last year urging state leaders to provide communities with new financing tools they need to take on these challenges themselves—and to begin to invest in everything from long-neglected sidewalks and roads to the mass-transit, affordable housing, and sustainable communities that California’s long-term prosperity depends on.

With inadequate state funding for these projects—and with no sign of increased federal support—the Summit Action Team concluded that existing public resources must be complemented by a new working relationship among the public, private, and non-profit sectors.

The Administration has identified this same problem and offered a potential solution—proposing to expand an existing local financing authority that will allow cities and other local agencies to invest in infrastructure projects from affordable housing and transit facilities to sewage treatment, stormwater management, and water reclamation.

If structured correctly, the Summit believes these new “Enhanced Infrastructure Financing Districts” (EIFDs) could play an important role in driving sustainable growth by connecting a vast number of infrastructure projects with a new array of funding streams.

On the pages that follow, the Summit provides a guide for how these districts can be established and how they can operate.

## How New EIFDs Can Improve Local Infrastructure Development

- **Reduce vote requirement:** Forming an EIFD would require 55 percent approval, instead of the current two-thirds. Once established, a district could use a range of financial tools without further voter approval. Only issuing tax increment bonds would require another vote—with a vote threshold of 55 percent.
- **Expand financing authority:** The new EIFDs would allow local leaders to support infrastructure projects through multiple funding streams, including a full complement of existing public mechanisms (tax increment authority, benefit assessments, and fees), as well as private investment.
- **Increase investment in different types of infrastructure:** The enhanced districts would be able to build every type of infrastructure: transportation, water, flood control and storm water quality management, transportation, energy, public facilities, energy, and environmental mitigation—so long as a direct connection can be established between the needed infrastructure and its users.
- **Allow more flexible institutional collaborations:** The Administration’s proposal also would give communities more flexibility to accommodate regional growth by making infrastructure investments across jurisdictions through Joint Power Authorities.

# CREATING A SUCCESSFUL EIFD: A How-To GUIDE

The Administration's proposed EIFDs would give communities more authority to build the infrastructure California needs to achieve its growth and sustainability goals. These financing districts would not only be able to build all public infrastructure, they could also serve as a platform for multiple funding streams—including private financing. The districts could also encourage the types of policy integration necessary to successfully implement regional sustainable communities strategies. Cities and counties, in conjunction with special districts, can successfully use this new authority by following these three steps:

## STEP 1: IDENTIFY WHAT NEEDS TO BE DONE

To create an EIFD, a local agency—or a group of agencies—need to identify what it is trying to accomplish (a range of desired outcomes) and then outline an investment program with the types of projects necessary to accomplish these objectives. Case studies are provided in sidebars exploring how water infrastructure and infill development projects, for example, could be supported through an EIFD.

## STEP 2: LOCATE AVAILABLE FUNDING STREAMS

At the same time, the public agency must determine how to fund these investments using the wide variety of funding streams available to EIFDs. These could include state and federal funds, as well as a number of other options that make EIFDs a more robust investment mechanism than local governments currently have at their disposal. These include:

- **Assessment revenues:** The new EIFD authority would allow local agencies to conduct benefit assessments of each property—determining how much property owners would directly benefit from the infrastructure investment—and then access these resources using existing Integrating Investment Act (IIA) authority. This would require only a simple majority vote of the properties within the district.
- **Fee revenues:** The EIFD would also be able to fund investments by levying user fees under the Infrastructure Financing Authority Act (IFAA). These fees, in turn, could leverage further private investment. The IFAA has no vote requirement.

## CASE STUDY: WATER AND OTHER INFRASTRUCTURE

**GOAL:** A public agency wants to upgrade sidewalks and streets, while modifying runoff systems to capture stormwater, reduce pollutants, and improve urban vegetation.

**HOW AN EIFD COULD HELP:** While existing, single-purpose funding makes it difficult to achieve all of these outcomes, they could be accomplished using the full range of tools provided by an EIFD—especially with the newly-expanded definition of water services signed into law in July after the passage of AB 2403 (Rendon).

**ESTABLISHING THE EIFD:** A city or county would need to take the lead because of the possible use of public indebtedness to pay for the project. If multiple cities or counties were involved, a Joint Powers Authority could be formed. The district boundaries could be a tributary to a water body or even an entire watershed. A workplan would be developed and presented to the district properties. A vote would occur to obtain the 55 percent approval for the EIFD and a simple majority for an Assessment District.

**CREATING INVESTMENT PROGRAM:** An investment program would then be developed, identifying a range of physical improvements and their costs—sidewalks, streets, redesigned runoff, use of landscaping as water storage, and other property improvements. Localized stormwater storage, infiltration, and treatment facilities could be included. The plan would also include operations and maintenance schedules to reduce life-cycle costs.

**CRAFTING A FINANCING PACKAGE:** At the same time, a financing package would be developed using a “tipping point” analysis to calculate how much property values will be increased by improvements to sidewalks, streets, urban vegetation, water supply, and flood control. Assessments per parcel would be conducted and revenue streams forecast. The jurisdictions could amortize their current budgets for single-purpose investments and create availability payment schedules for assessment proceedings. Groundwater infiltration volumes could also be calculated this way to determine a revenue stream. State grants could also be leveraged for water treatment.

**COMBINING INTO A STRATEGIC PLAN:** Together, these assessments, water revenues, availability payments, tax increments, and state grants would support a final strategic plan directly linking infrastructure beneficiaries and payers. The EIFD would provide the authority, leadership, and institutional framework to implement it.

- **Public debt:** If the investment program requires public indebtedness, the agency could also use the authority of the EIFD to tap two public revenue sources: (1) A percentage of the growth of the property tax base that results from the investment (an approach similar to the one used by redevelopment agencies); or (2) An amortized portion of local budgets known as an “availability payment” that can serve as a reliable method of compensating infrastructure vendors working for a specific period of time.

### STEP 3: ESTABLISH LINK BETWEEN PAYER AND BENEFICIARY

While all of these funding streams can be used in conjunction with each other, a final strategic plan combining these resources must include one last consideration: For each project and property involved, a link must be established between the payer and the beneficiary.

This is a potentially complex task, of course—one that has caused local governments for years to turn instead to sales tax measures and state bonds to support infrastructure projects. But innovations in the planning profession are making this approach much more feasible. In the “Blueprint” growth-visioning process used by the Southern California Association of Governments, for example, planners relied on geographic informational systems analysis and modeling to identify when specific land parcels experienced a “tipping point” in value as a result of public infrastructure and land-use investments. A modification of this “tipping point” analysis is under development that will allow the same approach to be used for water infrastructure—giving planners a way to determine how geomorphology within an EIFD, for example, determines how water runoff impacts individual land parcels.

By using these tools, the proportionality analysis needed to satisfy Proposition 218 and Proposition 26 can be established—and an EIFD can successfully tap into a wealth of new revenue streams directly linking infrastructure beneficiaries with taxpayers. This will empower local leaders to address local infrastructure issues—and provide California with a way to take on one of its preeminent fiscal challenges.

### CASE STUDY: INFILL DEVELOPMENT

**GOAL:** Many cities are eager to make investments in projects like expanded transit stations, affordable housing, and mixed-use development that support the state’s sustainable communities policy framework. They will also help cities meet mobility, air quality, and energy reduction targets in Regional Transportation Plans.

**HOW AN EIFD COULD HELP:** While long-term funding for sustainable communities is still uncertain, EIFDs provide a complementary set of financing tools for supporting this type of growth. They can also serve as a platform for the types of policy integration necessary to successfully develop interconnected transportation, housing, and land-use projects.

**ESTABLISHING THE EIFD:** As above, a city or county would take the lead because of the use of public indebtedness. A JPA would once again be an option. The district boundaries could be a larger transit station development zone, for example, that includes collector systems.

**CREATING INVESTMENT PROGRAM:** An investment program would target a range of interactive physical improvements—sidewalks, streets, redesigned traffic patterns, and the use of parking structures to create more space for walking and bicycles. The EIFD investment program would also include operations and maintenance schedules to reduce life-cycle costs.

**CRAFTING A FINANCING PACKAGE:** A business plan would be created using a “tipping point” analysis calculating how much property values are increased by these investments. In many cases, investments like parking districts and circulation systems could generate fees that could be captured using the fee authority of the EIFD. Tax increment could also be used to leverage these assessment and fee funding streams. To encourage affordable housing development, the Strategic Growth Council could also use new cap & trade funds to further leverage this system.

**COMBINING INTO A STRATEGIC PLAN:** Once again, all of these new EIFD authorities would be combined in a strategic plan—one that provides cities with a unique instrument that can integrate all of the different types of projects encouraged by SB 375.



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The California Economic Summit is a partnership of **California Forward**, an organization that works with Californians to stimulate the economy, make government more effective, and promote accountability and transparency, and the **California Stewardship Network**, a civic effort to develop regional solutions to the state's most pressing economic, environmental, and community challenges.

## ATTACHMENT A

### SCOPE OF WORK

#### Task 1 – Establish Project Technical Advisory Committee (TAC)

Together with MTC Project Manager, Consultant shall establish a project TAC that shall provide input on the project at key stages, review project materials and provide project guidance based on technical knowledge of the infill residential development process in the San Francisco Bay Area. TAC membership shall include representatives from local jurisdictions familiar with residential infill development project approval and delivery, residential infill developers, and others with knowledge related to residential infill development in the region's PDAs.

#### *Deliverable 1 – Final list of TAC members, their affiliation and contact information*

#### Task 2 – Review and Update of 2013 Priority Development Area (PDA)-Level Development Readiness and Feasibility Assessment Evaluation Criteria

Consultant shall review the readiness criteria used to assess the sample of 20 PDAs in the 2013 PDA Development Readiness and Feasibility Assessment (PDA Assessment). The criteria<sup>1</sup> shall include:

- Planning and Entitlement Process – requirements and institutional capacity to process higher-density housing projects, including length of processing time, and whether or not achievement of substantial densities would require displacement of or conflicts with existing residential neighborhoods.
- Community Support – whether elected officials have exhibited support for higher-density housing through PDA endorsement, project approvals, adoption of Specific Plans, etc., and whether community groups have actively supported or significantly opposed such relevant actions or project.
- Market and Investment Attractiveness – the type and pace of recent development; the pipeline of planned development projects; general market indicators (incomes, prices, etc.); whether prices appear high enough to support new construction costs at required densities, whether parcels are large or regular enough to accommodate common construction formats, and whether other conditions may detract from consumer location preferences (i.e. poor schools, high crime, environmental contamination, etc.)
- Infrastructure Capacity, Needs and Financing – whether existing roadways, water/wastewater, parks, and other infrastructure are adequate, need minor or major upgrades to accommodate new growth, whether a plan or mechanism to finance such improvements is already in place, and whether future improvements represent a significant financial burden compared to the value of future housing development.

Consultant shall evaluate whether minor refinements are advised to improve the PDA assessment analysis. Consultant shall ensure that any modifications to the criteria will result in analysis that is comparable to the 2013 PDA Assessment. Consultant shall submit any recommendations for

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<sup>1</sup> PDA Development Feasibility and Readiness Assessment, 2013, pg. 13-14

changes or modifications to the readiness evaluation criteria, along with the rationale for the changes/modifications to MTC and ABAG staff for approval.

***Deliverable 2 – Memorandum containing CONSULTANT recommendations for any changes or modifications to 2013 PDA Assessment evaluation criteria, including rationale for changes/modifications.***

**Task 3: Selection of Representative Sample PDAs**

Consultant shall select a representative sample of PDAs from the entire set of PDAs listed in Appendix B of the Final Forecast of Jobs, Population and Housing, a supplementary report to Plan Bay Area. The sample set shall be larger and contain different PDAs from those included in the 2013 PDA Assessment. The sample shall contain a range of place types as listed in the Final Forecast of Jobs, Population and Housing, as well as a range of PDAs reflecting current market conditions throughout the region. The sample set shall include at least one PDA from each Bay Area county. While the Consultant shall conduct more intensive analysis of this sample set, findings should be used as instructive examples and case studies for the greater set of PDA not included in the sample. The sample set is expected to be approximately 65 PDAs, including the same 20 that were reviewed in Consultant's 2013 PDA Assessment.

***Deliverable 3 – Matrix containing PDA sample set, including place type and number of projected units included in Plan Bay Area***

**Task 4: TAC Meeting #1**

Consultant shall convene and facilitate a TAC meeting to review the PDA Assessment methodology and evaluation criteria (and any modifications), as well as discuss the sample set.

***Deliverable 4 – TAC meeting #1 summary notes***

**Task 5: Evaluation of Sample Set Development Readiness**

Consultant shall subject the selected PDA sample to the readiness assessment using the evaluation criteria and related evaluation process. This process shall reflect data from Plan Bay Area, the Consultant's extensive in-house market data and planning document resources, and interviews with the respective local jurisdictions and other knowledgeable individuals, including local builders and developers.

Consultant shall produce or compile available estimates of the physical development capacity within the selected PDA sample, based on known development conditions (vacant or underutilized parcels) and existing or currently-contemplated planning regulations. Consultant shall assess the financial viability of such physically possible development from a market perspective, based on observed market conditions, comparative pricing among jurisdictions, and generalized development revenue/cost parameters (e.g., the ability for market rents to cover the costs of underground parking, if required to achieve envisioned densities). For relevant PDA infrastructure costs, Consultant shall characterize the conditions and constraints qualitatively, unless such costs have already been provided in Specific Plans or other pre-existing documents relevant to each PDA.

For each PDA in the sample, Consultant shall summarize existing conditions and describe the major constraints (if any) to achieving the Plan Bay Area-projected growth. As possible, Consultant shall also highlight actions that have proven effective in advancing infill development and other goals included in Plan Bay Area within the sample set communities. Examples may include parking ratio reductions, public infrastructure investments, rezoning and entitlement streamlining, etc.

Consultant shall review the sample set of 20 PDAs included in the 2013 PDA Assessment for any significant changes in the development readiness findings from the 2013 analysis. Consultant shall update and document any noteworthy changes.

***Deliverable 5.1: Monthly progress report***

***Deliverable 5.2: Monthly progress report***

***Deliverable 5.3: Monthly progress report***

***Deliverable 5.4: Monthly progress report***

***Deliverable 5.5: Monthly progress report***

***Deliverable 5.6: Technical Memorandum #1 documenting 1) the development readiness assessment of the sample set, including the methodology and assumptions used for assessment, as well as documentation of any interviews with local builders/developers or others for data collection purposes and 2) summary of the review and update of the 20 PDAs in the 2013 PDA Assessment sample.***

## **Task 6 – Policy Areas for Refinement**

### **Task 6.1: Identification of Resources and Policies to Improve Development Readiness**

Consultant shall use the evaluation criteria described above as the basis of a “problem definition”—what are the factors that limit development readiness in the PDAs, and shall match each of these problems with a set of general policy actions and resource requirements. These policy actions and resource requirements shall be drawn from Consultant’s extensive experience with urban planning, revitalization and redevelopment, project entitlement, and infrastructure financing.

***Deliverable 6.1 – Technical Memorandum #2 documenting general policies and resources to address PDA development limitations***

### **Task 6.2: Application of General Resource and Policy Actions to the Sample PDAs**

A key determination of the PDA Development Readiness Assessment shall be how available or future resources and policies can advance development readiness of the PDAs. Accordingly, Consultant shall implement a detailed application of the general set of techniques to each of the PDAs included in the sample set.

In effect, this specification shall produce an implementation program for each of the sample PDAs that addresses each of the identified constraints along with the likely limitations of these

efforts. Assuming the influence of these implementation strategies, Consultant shall estimate the amount of housing development that may be foreseeable in the years 2020, 2030 and 2040, considering the amount of underutilized land, extrapolation of market conditions, infrastructure constraints, and policy considerations at hand in each PDA in the sample set. Consultant shall also produce a comparative estimate of the foreseeable housing development without the recommended implementation strategies, to illustrate the difference that such strategies can make to increase the physical and financial capacity for planned growth.

***Deliverable 6.2 – Technical Memorandum #3 documenting implementation strategies for the sample set, including housing development foreseeable in the years 2020, 2030 and 2040 with and without the recommended implementation strategies.***

### **Task 6.3: Conclusions Regarding Capacity of PDAs**

Consultant shall document conclusions regarding the likelihood of achieving the desired population, employment and housing targets reflected in Plan Bay Area. With appropriate caveats, Consultant shall extrapolate the findings of **Task 6.2** regarding the capacity for development with and without policy changes and financial resources to the greater set of PDAs to illustrate the aggregate effect that such strategies can have on overall development goals.

Based on the results of the 2013 PDA Assessment, development readiness varied among the 20 PDAs in the sample set. Even given the 30-year time horizon of Plan Bay Area, it is unlikely that the population, employment and housing projections can be entirely realized in many of the region's PDAs without substantial financial resources and policy actions (e.g., land use policy changes) by local governments. Consultant shall review and update the resources and policy actions included in the 2013 PDA Assessment to help the region achieve Plan Bay Area targets over the time horizon of the Plan. With any new resources or policy actions identified, Consultant shall assess their applicability to the PDA sample included in the 2013 PDA Assessment and update the development capacity associated with each PDA in the 2013 sample.

***Deliverable 6.3 - Technical Memorandum #4 extrapolating findings from Task 6.2 to all PDAs, documenting the resources and policies needed to advance PDA development readiness and asserting conclusions regarding the effectiveness of these resources and policies.***

### **Task 7 – Development Readiness and Feasibility in Non-PDA Areas**

While Plan Bay Area directs a substantial portion of the expected regional growth through 2040 to PDAs (approximately 80 percent of new regional housing units and 66 percent of employment), new population and employment is expected to locate in non-PDA areas as well. Consultant shall review and update the assessment of development located in non-PDA area identified in the 2013 PDA Assessment. Consultant shall review and assess non-PDAs in or along corridors within the region. These corridors will represent a variety of different conditions and geographies in the region. Non-PDA corridors may include characteristics such as:

- Traditional suburban greenfield residential subdivisions and industrial parks
- Areas constrained by natural or policy-based growth boundaries (waterfronts, hillsides, etc.)
- Infill development within established but non-PDA neighborhoods and commercial districts

Consultant shall apply analysis similar to that described in Tasks 5 and 6 to these non-PDA corridors, though the analysis may reflect general conditions pertinent to each corridor rather than reflecting conditions within a particular place. As illustrated in the 2013 PDA Assessment, non-PDA areas face a range of development opportunities and constraints similar to the PDAs, although the pattern of these opportunities and constraints differ.

***Deliverable #7 - Technical Memorandum #5 documenting the methodology for evaluating development readiness in the non-PDA areas, the results of the development readiness in these areas, as well as any policy or resources necessary for development to occur in these types of areas.***

#### **Task 8: TAC Meeting #2**

Consultant shall convene and facilitate TAC meeting #2 to review the PDA Assessment results.

***Deliverable 8 – TAC meeting #2 summary notes***

#### **Task 9: Additional Tasks**

Consultant shall perform additional tasks as assigned by the MTC Project Manager or designee.

***Deliverable 9 – TBD***

**Attachment B**  
**PROJECT PAYMENT SCHEDULE**

<b>Task</b>	<b>Deliverables</b>	<b>Total Cost</b>	<b>Completion Date</b>
1	Final list of TAC members, their affiliation and contact information	\$2,500	8/30/14
2	Memorandum containing Consultant recommendations for any changes or modifications to 2013 PDA Assessment evaluation criteria, including rationale for changes/modifications.	\$4,000	9/15/14
3	Matrix containing PDA sample set, including place type and number of projected units in Plan Bay Area	\$4,000	10/1/14
4	TAC meeting #1 summary notes	\$2,500	11/25/14
5.1	Task 5 monthly progress report	\$29,000	11/30/14
5.2	Task 5 monthly progress report	\$29,000	12/31/14
5.3	Task 5 monthly progress report	\$29,000	1/31/15
5.4	Task 5 monthly progress report	\$29,000	2/28/15
5.5	Task 5 monthly progress report	\$29,000	3/30/15
5.6	Technical Memorandum #1 documenting 1) the development readiness assessment of the sample set, including the methodology and assumptions used for assessment, as well as documentation of any interviews with local builders/developers or others for data collection purposes and 2) summary of the review and update of the 20 PDAs in the 2013 PDA Assessment sample.	\$30,000	4/30/15
6.1	Technical Memorandum #2 documenting general policies and resources to address PDA development limitations	\$12,000	5/31/15
6.2	Technical Memorandum #3 documenting an implementation strategies for the sample set, including housing development foreseeable through 2020, 2030, and 2040 with and without the recommended implementation strategies	\$10,000	6/30/15
6.3	Technical Memorandum #4 extrapolating findings from Task 6.2 to all PDAs, documenting the resources and policies needed to advance PDA development readiness and asserting conclusions regarding the effectiveness of these resources and policies.	\$3,500	6/30/15
7	Technical Memorandum #5 documenting the methodology for evaluating development readiness in the non-PDA areas, the results of the development readiness in these areas, as well as any policy or resources necessary for development to occur in these types of areas.	\$12,500	6/30/15
8	TAC meeting #2 summary notes	\$4,000	7/30/15
9	Additional Tasks to be assigned	\$20,000	TBD
<b>Total Not to Exceed Amount:</b>		<b>\$250,000</b>	

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: February 23, 2015  
To: ABAG Administrative Committee  
From: Ezra Rapport, Executive Director  
Subject: **Resilience Program 2015 projects in process**

The Resilience Program is working on a number of different projects that will result in products in 2015.

## Regional Resilience Plan

With funding from FEMA, ABAG and BCDC staff will support local governments in planning for existing natural hazards and preparing for future hazards due to climate change by creating a process that will support **update and development of local hazard mitigation and climate adaptation plans**. This process is timely since many local hazard mitigation plans will expire in 2016.

<http://resilience.abag.ca.gov/projects/2016-mitigation-adaptation-plans/>

To assist communities updating or developing hazard mitigation plans, ABAG and BCDC will:

- Present a series of workshops to help local plan leaders in the development of their plan and provide a forum for interaction with staff from neighboring jurisdictions, subject matter experts, and plan reviewers;
- Create a plan development “roadmap” that provides guidance for jurisdictions on the timing and focus areas for local planning team meetings;
- Provide an OpenData website with maps, data, and tools for community-specific hazard and risk analysis that jurisdictions can download to use for their own hazard analysis;
- Compile mitigation and adaptation strategies in a compendium with implementation guidelines for jurisdictions to select from, as locally appropriate;
- Offer specialized one-on-one technical assistance for plan development.

ABAG will be further supporting implementation of identified resilience needs by working with the East Bay Corridor cities to assist with the development and implementation of mitigation strategies and resilience policies and actions at the local level. In future years, staff will provide similar support to other sub-regions as funding allows. <http://resilience.abag.ca.gov/projects/local-policy-implementation-assistance/>

This technical work will be supported by policy level work to implement the policies promoted at the Loma Prieta 25<sup>th</sup> Anniversary Symposium and adopted by ABAG’s Executive Board in January 2015. These policies include promoting standards for the evaluation, identification and retrofit of seismically unsafe soft-story apartment buildings, developing financial incentive programs to support this work, improving building code standards to achieve more acceptable post-earthquake livability standards, and promoting development of a regional lifelines council to examine disruption risks to regional utility systems and develop a regional strategy to foster lifeline resilience. <http://www.lomaprieta25.com/policy-actions/>

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



## Rockefeller 100 Resilient Cities

The Rockefeller 100 Resilient Cities (100RC) program recently selected three Bay Area cities – Oakland, Berkeley and San Francisco – as resilient cities. This was the only instance where several cities were selected from one region, giving recognition to the interconnectedness and collaboration among Bay Area cities. With funding from Rockefeller, ABAG will serve as a hub to leverage the 100RC investment made in the Bay Area and support current planning to enhance regional resilience. ABAG will extract lessons learned and best practices developed within the three Rockefeller cities to all Bay Area cities.

## Oakland Soft-Story

For over six years ABAG staff has worked with the City of Oakland to identify and assess earthquake vulnerable soft-story apartment buildings within the City. Over the past 12 months, this effort has really taken hold with a strong multi-agency Oakland staff team. ABAG staff is advising the team on program and policy development for mandatory soft-story retrofits. An ordinance is expected to be presented to Council in late spring. <http://resilience.abag.ca.gov/projects/oakland-soft-story/>

## Housing and Community Risk

ABAG staff worked closely with BCDC with funding from USGS, EPA, SGC and FEMA to help the region meet its smart growth, resilience, sustainability, prosperity, and equity goals by developing strategies to strengthen existing housing and communities and plan smartly for future housing. Staff has developed a map of locations in the region where high hazards, vulnerable housing, and vulnerable populations intersect and has developed a suite of strategies to guide development and retrofit of existing housing. The full report and strategies will be available early this year.

<http://resilience.abag.ca.gov/projects/housing-and-community-risk/>

## Infrastructure Vulnerabilities

In January 2015, staff published a comprehensive report of the region's infrastructure and its vulnerability to future earthquake. The project maps regional airports, transportation (highways & passenger rail), fuel, electricity, and water systems, and highlights their interaction with seismic hazards. The study illustrates the potential consequences of system damage. The key findings warrant keen attention from local, regional, and state actors to understand the regional impacts of damage to infrastructure systems and the interactions among systems. [http://resilience.abag.ca.gov/projects/transportation\\_utilities\\_2014](http://resilience.abag.ca.gov/projects/transportation_utilities_2014)



### 2015 MILESTONES

- 1) Complete Resiliency Chapter of the Sustainable Communities Strategy
- 2) Integrate climate-planning documents
- 3) Prepare to develop comprehensive regional adaptation plan
- 4) Provide strategic leadership to key institutions and collaborative efforts addressing climate change in the Bay Area
- 5) Galvanize resources and increase visibility of Bay Area regional agencies' climate initiatives

Regional Collaborative  
for the Bay Area

# 2015–2016 Work Plan

# 2015-2016 Work Plan & Tasks

## PLANNING

### Sustainable Communities Strategy

#### > Complete Resiliency Chapter of the Sustainable Communities Strategy

##### Collaborative Tasks

- 1) Organize staff resources and Resiliency Chapter content
- 2) Establish storyline and align policies across agencies
- 3) Facilitate communication and meetings to coordinate content
- 4) Convene transit staff on infrastructure vulnerability
- 5) Integrate Air District's Planning Healthy Places guidelines

### Regional Climate Protection Strategy

#### > Integrate climate-planning documents

##### Collaborative Tasks

- 1) Link substance of Regional Climate Protection Strategy to other planning documents

### Regional Adaptation Plan

#### > Prepare to develop comprehensive regional adaptation plan

##### Collaborative Tasks

- 1) Identify next steps for regional resilience plan based on BCDC Adapting to Rising Tides planning, ABAG plan on resilience and hazard preparedness, and Sustainable Communities Strategy

### Climate Technical Assistance

#### > Establish information system for cities and counties, integrating existing efforts

##### Collaborative Tasks

- 1) Build collaborative structure to provide foundation for cohesive technical assistance
- 2) Begin to identify options for developing technical assistance plan

## EXTERNAL INITIATIVES

### Regional Leadership

#### > Provide strategic leadership to key institutions and collaborative efforts addressing climate change in the Bay Area

##### Collaborative Tasks

- 1) Alliance for Climate Resilience Steering Committee
- 2) Alliance of Regional Collaboratives for Climate Adaptation
- 3) Climate Readiness Institute steering committee
- 4) MTC Representative Co-Chair of 2016 Rail-Volution Conference
- 5) Great Communities Collaborative Advisory Committee and Transit-Oriented Development Implementation Group

### Funding Advocacy

#### > Galvanize resources and increase visibility of Bay Area regional agencies' climate initiatives

##### Collaborative Tasks

- 1) Provide hands-on role in securing funding for Alliance for Climate Resilience
- 2) Communicate Bay Area efforts to Federal and State officials
- 3) Weigh in on relevant legislation

## ANTICIPATED 2016 MILESTONES

Publish Climate Protection Strategy | Outline comprehensive regional adaptation plan | Deliver new resources for climate strategy implementation | Vet regional climate strategy concept | Coordinate climate technical assistance plan | Create public-ready materials to communicate critical technical information

Regional Collaborative  
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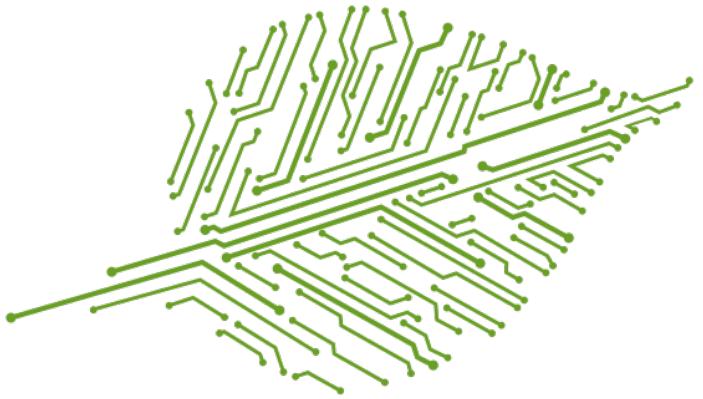
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San Francisco Bay  
Conservation & Development  
Commission (BCDC)

Executive Director  
Allison Brooks  
abrooks@mtc.ca.gov



# SILICON VALLEY 2.0

## Climate Adaptation Guidebook

### EXECUTIVE SUMMARY

County of Santa Clara Office of Sustainability

03 FEBRUARY 2015 / DRAFT - CONFIDENTIAL



## **What?**

The Silicon Valley 2.0 Project (SV 2.0 Project) is an extensive regional effort, managed by the Santa Clara County Office of Sustainability and funded by the State's Strategic Growth Council, to minimize the anticipated impacts of climate change within the County boundary (15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale; and the unincorporated portions of the County). Building on a multi-year, multi-stakeholder process, the SV 2.0 Climate Adaptation Guidebook (Guidebook) captures the key inputs and outputs of the SV 2.0 Project and helps establish a proactive framework for Santa Clara County and its member cities, agencies, and other stakeholders to work together to help prepare the region for the anticipated impacts of climate change in the short, mid, and long term. The Guidebook is not designed as a “plan” to be adopted by one or many jurisdictions, but rather intends to provide a recommended set of strategies that can be taken on by individual agencies, groups of cities, and/or regional partnerships. **A coordinated response to climate change is needed now, in order to ensure that the region continues to thrive in the future.**

## **PROJECT GOALS**

- Identify assets threatened by climate change and the magnitude of the potential economic, social, and environmental impacts using a robust vulnerability and risk management framework
- Develop the SV 2.0 Climate Change Preparedness Decision Support Tool (Tool) to evaluate the vulnerability and consequence of key assets to potential climate change (see page 10)
- Identify potential adaptation strategies to minimize climate impacts
- Identify the region’s top priorities and the near-term actions needed to implement an effective regional-scale adaptation response
- Facilitate and coordinate regional climate adaptation planning and implementation efforts for Silicon Valley

## **Why?**

The SV 2.0 Project focuses on Santa Clara County (1.86 million residents as of 2013<sup>1</sup>), but its success is critical to the larger Silicon Valley (3 million people and 1.4 million jobs).<sup>2</sup> The region is consistently ranked amongst the top regions for growth in employment, personal income, and real taxable sales, and Santa Clara County has the highest average salary and median family income in California and one of the most ethnically diverse metro areas in the U.S.<sup>3</sup> While the county is a highly desirable place to live and conduct business, climate change presents a complex, and uncertain challenge requiring the dedication and action of multiple actors and agencies at all levels.

The County aspires for the Guidebook to be a living, go-to sourcebook of ideas and opportunities that could be pursued not only by the individual cities of Santa Clara County, but more importantly in partnership with each other. Together, new and innovative collaborations between cities (and with the

<sup>1</sup> <http://quickfacts.census.gov/qfd/states/06/06085.html>

<sup>2</sup> <http://www.siliconvalleycf.org/sites/default/files/publications/2014-silicon-valley-index.pdf>

<sup>3</sup> <http://www.forbes.com/sites/trulia/2012/11/13/finding-diversity-in-america/>

county) could realize greater benefits for the region's climate preparedness and quality of life than might otherwise be achieved by separate municipalities.

## CLIMATE CHANGE AND SILICON VALLEY

Over the next century, increasing atmospheric greenhouse gas concentrations are expected to cause a variety of changes to local climate conditions, including sea level rise and storm surge by the Bay, increased riverine flooding throughout the county, and more frequent, higher temperatures (leading to extreme heat events and wildfires), particularly inland. These climate variables (and associated threats) are projected to impact critical assets throughout the county, including regionally significant highways, water and wastewater treatment plants, electricity substations, technology campuses and other employment centers, agriculture, homes, vulnerable populations, and ecosystems.

For example, climate change could cause the San Francisco Bay (the Bay) to rise 12 to 24 inches by mid-century and by 36 to 66 inches by end-of-century.<sup>4</sup> This means that today's floods will likely be the future's high tides and areas that currently flood every 10 to 20 years could flood much more frequently. The frequency of extreme heat days<sup>5</sup> is also predicted to increase dramatically by mid- and end-of-century in Santa Clara County from the historical frequency of four days per year on average, which could have significant impacts on vulnerable populations, such as the very young, old, or infirm. Although the county and the state are experiencing one of the most severe drought periods of record, drought does not directly impact physical infrastructure assets, so is not included in the vulnerability assessment and/or adaptation strategy portion of the SV 2.0 Project. Details on historic weather events and projected climatic changes are described in Chapter 2 and the Appendix.

## GUIDEBOOK CONTEXT—RELATIONSHIP TO EXISTING PLANNING EFFORTS

The SV 2.0 Project is unique in its county-level approach to climate change adaptation and collaboration with cities, major agencies, and other stakeholders. It is one of several other important climate change adaptation efforts occurring at the State and regional levels, including:

- **Safeguarding California (California Natural Resources Agency):** 2013 update to the State of California's 2009 Climate Adaptation Strategy, providing policy guidance for State decision makers in their efforts to reduce impacts and prepare for climate change risks.
- **State Hazard Mitigation Plan (FEMA):** Establishes long-term policies and actions to reduce risk and future losses from a wide range of hazards and secures FEMA funding. The State of California's Enhanced State Hazard Mitigation Plan includes climate change.
- **Regional Multi-Jurisdictional Local Hazard Mitigation Plan (ABAG):** 2010 Update of the Multi-Jurisdictional Hazard Mitigation Plan for the San Francisco Bay Area includes climate change impacts, with an opportunity for Santa Clara County to participate in the 2016 update.

<sup>4</sup> Sea-Level Rise for the Coasts of California, Oregon, and Washington: Past, Present, and Future, National Research Council 2012 <http://www.nap.edu/catalog/13389/sealevel-rise-for-the-coasts-of-california-oregon-and-washington>

<sup>5</sup> CalAdapt defines an extreme heat day in a given region is defined as a day in April through October where the maximum temperature exceeds the 98th historical percentile of maximum temperatures for that region based on daily temperature data from 1961 to 1990

- **Adapting to Rising Tides (BCDC and NOAA):** Collaborative planning effort to help Bay Area communities adapt to sea level rise and storm surge flooding, starting with Alameda County.
- **Bay Area Climate & Energy Resilience Project (JPC):** Collaborative of 100+ public, private, and non-profit stakeholders in the Bay Area focused on specific actions that will help stakeholders move forward with climate adaptation planning and implementation.
- **Bay Area Housing and Community Risk Assessment Project (ABAG + BCDC + EPA):** Helping the Bay Area meet smart growth, resilience, sustainability, prosperity, and equity goals by developing strategies to plan smartly for future housing development and strengthen existing housing and communities that may be vulnerable to sea level rise and earthquakes.
- **Climate Readiness Institute (UC Berkeley):** Developing cutting edge climate science, adaptation strategies, and mitigation tools needed to ensure a resilient, low-carbon Bay Area.
- **100 Resilient Cities San Francisco, Oakland, and Berkeley (Rockefeller Foundation):** Program and funding to establish resilience strategies and resilience as a city-wide priority. Led by an appointed Chief Resilience Officer and supported by 100 Resilient Cities and its consultant partners.

This is not an exhaustive list of adaptation planning in California or the Bay Area, but rather highlights those most closely related to the SV 2.0 Project that might also yield useful partnerships (as of January 2015).

## **How?**

### **STAKEHOLDER ENGAGEMENT**

#### **Technical Advisory Committee**

An essential component of the SV 2.0 Project was regular engagement with a group of key local stakeholders and technical experts. The Technical Advisory Committee (TAC) was convened and led by the County's Office of Sustainability, and included representatives from local cities, utility providers, public service providers, and other pertinent organizations. Over an 18-month period, the TAC group convened six meetings, provided critical review of the asset sector gap analysis, adaptation strategies, the Draft Guidebook, and the beta version of the Tool.

#### **Project Partners**

A larger group of approximately 60 local stakeholders were convened at the outset of the project to review the proposed vulnerability assessment methodology and preliminary exposure maps, and to provide input on the impact of historic extreme weather events on the SV 2.0 Project asset categories. They also provided their input on the biggest climate threats, barriers, and needs relating to regional collaboration and the appropriate time horizon for climate adaptation planning in the county. Select project partners also assisted with the Draft Guidebook review.

## Working Groups

Ecosystems and public health working groups were convened as part of the vulnerability assessment and adaptation strategy development. Ecosystems included recognized local professionals (biology, habitat conservation, landscapes, and resource management) and public health leveraged the County's existing Public Health Department's General Plan amendment working group. Both groups provided insight and review on the gap analysis, vulnerability assessment, and the adaptation strategies.

## SV 2.0 CLIMATE CHANGE PREPAREDNESS DECISION SUPPORT TOOL

The Tool < [www.siliconvalleytwozero.org](http://www.siliconvalleytwozero.org) > automates vulnerability assessment and economic consequence analysis<sup>6</sup> for infrastructure and property-related assets, allowing jurisdictions and users to:

- Select different climate variables, time-horizons, geographies, assumptions, and assets to study
- Understand how the region's climate conditions will change over the next century
- See which assets will be exposed to climate change variables and their associated vulnerability
- Calculate estimated levels of economic consequence resulting from asset vulnerability
- Generate vulnerability and risk reports, maps, tables, and charts

The Tool contains geospatial data on SLR and storm surge, riverine flooding, wildfire, and extreme heat climate variables (mid- and end-of-century horizons). Air quality deterioration was not included due to the lack of geospatial data. The Tool also contains data on nine categories of assets (types of infrastructure, property, and buildings) and 11 sub-assets for analysis.

**Figure 1: Example SV 2.0 Tool Screenshot Showing Vulnerability Assessment Summary**

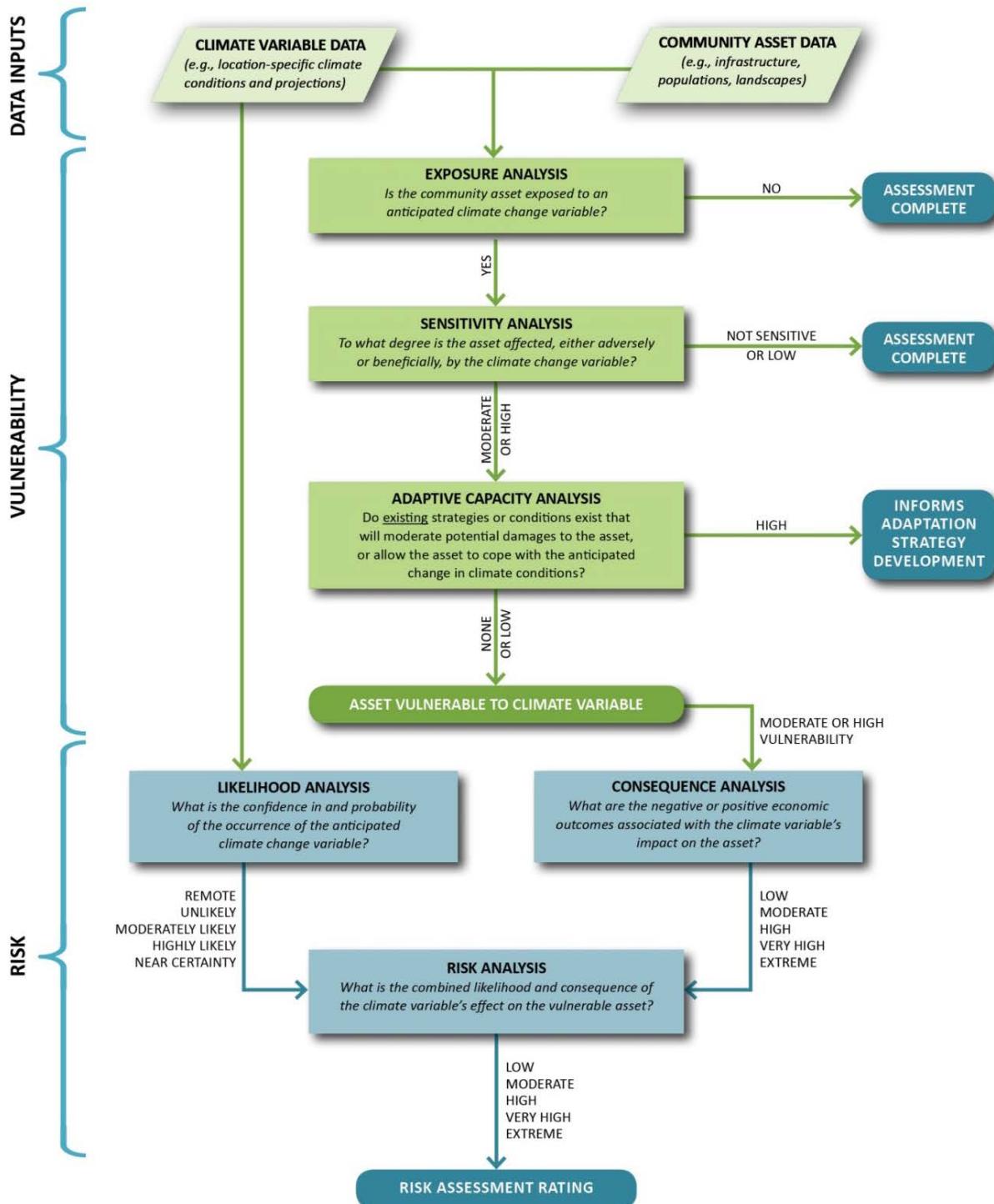


<sup>6</sup> The Tool does not contain an adaptive capacity analysis because it would be extremely difficult to automate at the regional level since it requires evaluation of site level conditions and the constantly changing policy environment.

## METHODOLOGY

The technical methodology used a robust vulnerability and risk assessment process to identify community assets that are threatened by anticipated changes to local climate conditions and to prioritize future adaptation responses, as outlined in Figure 2.

**Figure 2: Project Methodology Flow Chart**



## Climate Variable Data

The term “climate variables” is used to describe basic physical, chemical, or biological variables that contribute to the characterization of the earth’s climate. For the SV 2.0 Project, sea level, precipitation, and temperature are referred to as “primary climate variables”. These primary climate variables interact with local factors such as land use, vegetation, and soil conditions to produce second-order impacts such as riverine flooding, wildfire, drought, and air quality deterioration (“secondary climate variables”). Chapter 2 provides an overview of historical and projected trends for sea level, storm surge, riverine flooding, wildfire, and extreme heat, as well as drought and air quality deterioration.

Table 1 summarizes the historic and projected trends for the climate variables. Increasing atmospheric greenhouse gas concentrations are expected to cause a variety of changes to local climate conditions, including sea level rise, increased riverine flooding throughout the county, and more sustained / higher temperatures (leading to extreme heat events and wildfires).

**Table 1: Summary of Historic and Project Trends in Climate Variables in Santa Clara County**

Historical Analysis				Future Climate Change Projections
Climate Variable	Frequency of Occurrence	Level of Impact	Historic Trend	
Sea Level	High (0.8 inches/decade)	No data found	Increasing	Increasing 11–19 in. by mid-century and 30–55 in. by end-of-century.
Riverine Flooding	High (almost annual)	High (property, cost)	Uncertain	<b>Annual:</b> No change in average precipitation <b>Seasonal:</b> Less spring and autumn precipitation. Generally wetter, but more variable, winter precipitation year to year. <b>Intensity:</b> 3-day maximum precipitation peak values increasing. Increase in riverine flooding due to increased frequency of strong storms.
Wildfire	High (annual)	High (property, injury cost)	Increasing	Increasing in frequency and duration. Change in severity unknown due to dependence on local conditions.
Extreme Heat	Medium (multiple per decade)	High (life, injury, cost)	Increasing	Increase in severity, frequency, duration
Drought	Medium (multiple per decade)	High (cost)	Stable	Increasing
Air Quality Deterioration	No data found	No data found	No data found	Increasing

## Community Asset Data—Asset Sectors

Climate change vulnerabilities were assessed for nine total asset sectors comprised of physical assets (buildings properties, and infrastructure), public health assets (populations), and natural assets (ecosystems). Table 2 summarizes the asset sectors and associated sub-asset sectors (types). It should be noted that agriculture was not included as an asset sector in this analysis since it does not comprise a major part of the Santa Clara County economy or jobs. NOTE: As the shoreline protection strategies presented could help protect multiple assets, they are also referenced as addressing ‘All’ assets.

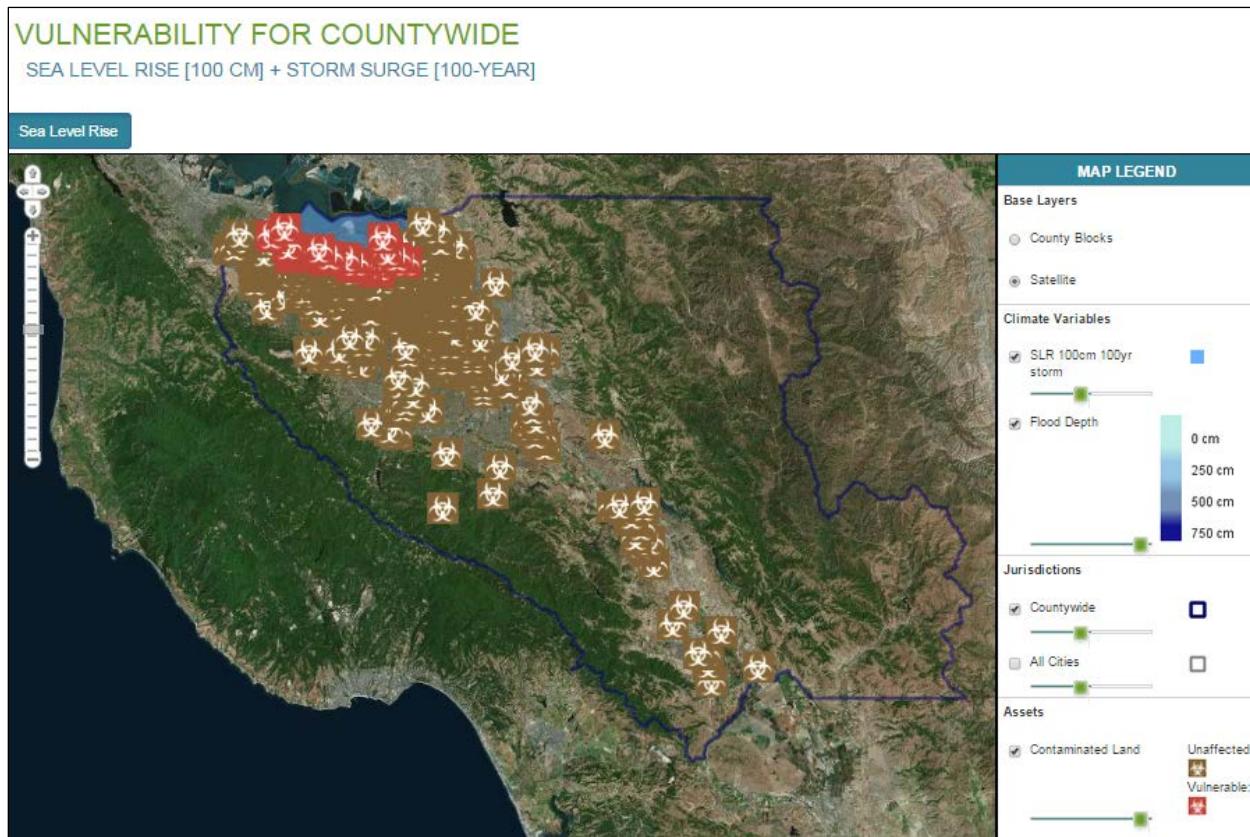
**Table 2: Asset Sectors and Sub-Sectors (Types) Considered**

ASSET SECTOR	SUB-ASSET SECTORS (TYPES)
<b>Shoreline Protection (All)*</b>	Shoreline protection (dikes and levees, serving All other assets regionally)
<b>Buildings + Properties</b>	Buildings (per parcel)
	Property (vacant urbanized land, not open space, agriculture, et al)
<b>Communications</b>	Towers
	Fiber optics lines
	Data centers
<b>Ecosystems</b>	Coastal wetland (coastal salt marsh marsh)
	Coastal scrub
	Riparian and riverine
	Grassland
	Freshwater wetland
	Chaparral and scrubland
	Oak woodland
	Coniferous forest
	Redwood forest
	Hardwood forest
<b>Energy</b>	Lakes and ponds
	Power generation facilities
	Electrical substations
<b>Public Health</b>	Transmission infrastructure (electrical)
	General population
	Vulnerable populations: seniors >65, children <5, disadvantaged, those with health conditions
<b>Solid + Hazardous Waste</b>	Workers
	Solid waste facilities (landfills, recycling facilities, transfer stations, composting)
	Contaminated land sites (Superfund, State Response, underground tanks)
<b>Transportation</b>	Hazardous waste facilities (Superfund, State Response site, underground storage)
	Roads (highways and local)
	Bridges
	Pedestrian pathways and bikeways
	Airports
<b>Water + Wastewater</b>	Rail (heavy and light)
	Potable water treatment plants
	Wastewater treatment plants
	Surface reservoirs

## Vulnerability Assessment

The vulnerability assessment evaluates the degree to which an asset is susceptible to and unable to cope with the projected changes in sea level, storm surge, riverine flooding, extreme heat, and wildfires. It includes exposure analysis, sensitivity analysis, and adaptive capacity analysis. The Tool automates exposure and sensitivity, with adaptive capacity considered independently (see Figure 2). As shown in Figure 3, the Tool, as described previously, also produces detailed maps showing the selected asset and whether or not it is vulnerable to the selected climate variable.

**Figure 3: SV 2.0 Tool Screen Shot: Vulnerability Assessment Map for Contaminated Land Sites**



## Economic Consequences Analysis

The consequence analysis in the SV 2.0 Project focuses on the economic consequences associated with the temporary or permanent loss or impairment of assets due to climate change in Santa Clara County. A primary driver for understanding climate vulnerability and developing and implementing adaptation strategies is to help ensure that businesses continue to locate and invest in Santa Clara County, thus providing access to high-quality jobs and services. Estimating the potential economic consequences of climate change impacts helps to demonstrate that while implementing adaptation strategies may seem costly in the near-term, they could potentially avoid significantly higher economic consequences from inaction in the future.

## **Framework**

This analysis estimates the economic consequences in order of magnitude under a mid-century climate change scenario in which no adaptive measures have been taken. This methodology estimates order of magnitude baseline costs for business as usual (BAU) conditions, which allows decision-makers to understand the greatest costs of no action, and to consider adaptation measures that could help avoid these costs. While the SV 2.0 Decision Support Tool includes allows users to view economic consequences at end-of-century, those results were not included in this Guidebook, because a scenario in which no adaptive measures have been taken is less probable for the end-of-century timeframe.

Economic consequences from climate change come in many forms, but this analysis is limited to quantifiable impacts on the asset sectors included. It is also limited by the data availability from which order of magnitude costs associated with climate-related natural hazard events could be estimated. The economic consequences criteria used in this analysis and a brief definition are included below. For a detailed description of the criteria and ratings used, please see Chapter 2.

- Replacement cost: cost to replace a damaged asset or parts of a damaged asset
- Loss of fiscal revenue: loss of property tax and sales tax revenue due to an impaired asset
- Change in operational cost: cost of changes in the operation of an asset in order to retain its functionality or reduce damage
- Interruption of economic activity: cost of lost or delayed economic activity, such as labor or goods movement, resulting from an asset's impairment

## **Limitations of the Analysis**

In addition to the criteria included in this analysis, there are other important economic consequences of climate change that have not been possible to quantify due to lack of available information, such as those economics impacts from decreased health, loss of ecosystem services, increasing utility rates, and social impacts, such as increased crime or population displacement. As such, the economic consequences described here are low estimates, with impacts likely to be significantly higher if we consider broader environmental and social consequences associated with climate change. Furthermore, this analysis considers the economic impact of climate variables independently of each other and largely considers assets independently of each other. Therefore, it does not fully capture the potential for cascading and cumulative economic impacts. Multiple climate-related disasters in a short timeframe or the loss of multiple assets simultaneously, could impact the economy more than this analysis captures.

## Results

Table 3 estimates the potential aggregate economic consequences of climate change impacts on all assets included in the economic consequences analysis.<sup>7</sup> The economic consequences of SLR, SLR + storm surge, riverine flooding, and wildfire on the assets analyzed are extreme (in excess of \$13 billion). The economic consequences of extreme heat on the assets analyzed are estimated to be low (less than \$100 million), which come exclusively from impacts to the buildings and properties sector. Due to lack of available data, AECOM did not estimate the total societal economic consequences of extreme heat (such as within the health sector), which can be significant considering the additional strain placed on Santa Clara County's infrastructure and services. Thus, these estimates are conservative and only address the direct operation costs.

**Table 3: Aggregate economic consequences for all assets in mid-century scenario**

	SEA LEVEL RISE	SEA LEVEL RISE + STORM SURGE	RIVERINE FLOODING	WILDFIRE	EXTREME HEAT
Replacement Cost	Extreme	Extreme	Extreme	Extreme	N/A
Loss of Fiscal Revenue	Very High	Very High	Very High	Very High	N/A
Change in Operational Costs	N/A	N/A	N/A	N/A	Low
Interruption of Economic Activity	Very High	Very High	Extreme	High	N/A
<b>Overall Economic Consequences</b>	<b>Extreme</b>	<b>Extreme</b>	<b>Extreme</b>	<b>Extreme</b>	<b>Low</b>

*Note: For definitions of economic consequence criteria and ratings, please see Chapter 2. N/A: not applicable or data not available.*

<sup>7</sup> Does not include data centers, fiber optic lines, bridges, and waste facilities, due to insufficient cost data

## **Strategy Development**

Based on the vulnerability assessment, targeted climate adaptation strategies were developed to help mitigate potential climate change impacts to specific assets throughout the county. A long list of strategies was developed, vetted by the TAC and others, and prioritized using the following criteria:

- Addresses critical facilities or infrastructure; i.e. hospitals, water treatment?
- Addresses multiple asset sectors and/or sub-sectors? New or existing assets?
- Regional impacts and benefits? Anticipated jurisdictional actor(s)?
- Anticipated initiation timing; i.e. short-term vs long-term?
- Potential environmental, economic, and social benefits?
- Significant high-level capital and/or financing requirements?

A final short-list of strategies is included in the Guidebook, along with the following information:

- Table summary of key information
  - Asset
  - Climate variable
  - Strategy summary
  - Scale
  - Class
  - Timing
  - Lead
  - Cross asset sector applicability
  - Potential co-benefit(s)
- Strategy description and background
- Implementation considerations, as applicable
  - Timing
  - Challenges and solutions
  - Additional benefits
- Relevant precedents
- Resources and references

**Table 4: Climate Adaptation Strategies Summary**

CLIMATE VARIABLES					CLIMATE ADAPTATION STRATEGIES	
SEA LEVEL RISE	SEA LEVEL RISE + STORM SURGE	RIVERINE FLOODING	WILDFIRE	EXTREME HEAT		
<b>SHORELINE FLOOD PROTECTION (ALL ASSETS)</b>						
<i>Engineered Flood Protection Structures, Non-Engineered Berms and Wetlands</i>						
					<b>1. CONTINUE COORDINATION WITH SOUTH BAY SALT POND RESTORATION PROJECT</b>	
					<b>2. CONTINUE COORDINATION WITH SOUTH SAN FRANCISCO SHORELINE STUDY</b>	
					<b>3. CONDUCT AN OVERTOPPING ANALYSIS OF EXISTING SHORELINE PROTECTION ASSETS</b>	
					<b>4. USE THE UPDATED FEMA FIRMS TO IDENTIFY THE SOURCE OF FLOODING (E.G., RIVERINE VERSUS COASTAL) ASSOCIATED WITH 100-YEAR FLOOD EVENTS</b>	
					<b>5. INCREASE PUMP STATION CAPACITY AND PROVIDE PROTECTION FOR PUMP STATIONS</b>	
					<b>6. ENHANCE MONITORING AND/OR MAINTENANCE PROGRAMS FOR LEVEES AND FLOOD WALLS</b>	
					<b>7. INCREASE THE DESIGN CRITERIA FOR CURRENT AND FUTURE FLOOD PROTECTION PROJECTS FROM 100-YEAR FLOOD EVENTS TO HIGHER-IMPACT FLOOD EVENTS</b>	
					<b>8. MODEL PROJECTED CHANGE IN THE FREQUENCY AND MAGNITUDE OF RIVERINE FLOODING CAUSED BY PRECIPITATION IN THE COUNTY</b>	
<b>BUILDINGS + PROPERTIES</b>						
					<b>1. IDENTIFY A CORE STAKEHOLDER GROUP TO FACILITATE LAND USE PLANNING STRATEGY IMPLEMENTATION</b>	
					<b>2. IDENTIFY AND CONSIDER RELOCATION OPPORTUNITIES FOR CRITICAL FACILITIES</b>	

					<b>3. PROVIDE INCENTIVES TO DIVERT FUTURE DEVELOPMENT AWAY FROM HIGH-HAZARD AREAS</b>
					<b>4. PARTNER WITH CORPORATE CAMPUSES TO CREATE REGIONAL ADAPTATION STRATEGY FOR SILICON VALLEY TECH COMPANIES</b>
					<b>5. REVISE APPLICABLE BUILDING CODES TO REQUIRE FLOOD-RESISTANT DESIGN</b>
					<b>6. REVISE MINIMUM BUILDING ELEVATION STANDARDS AND MAXIMUM BUILDING HEIGHT LIMITS FOR NEW DEVELOPMENT</b>
<b>OTHER BUILDING STRATEGIES FOR CONSIDERATION</b>					
					7. Integrate natural stormwater systems within site and building design to expand on-site stormwater management capacity

## COMMUNICATIONS

*Fiber Optic Lines, Data Centers, and Communication Towers*

					<b>9. DEVELOP DETAILED VULNERABILITY ASSESSMENTS FOR COMMUNICATION INFRASTRUCTURE ASSETS.</b>
					<b>10. ASSESS ASSETS FOR CRITICALITY AND CONSIDER ADAPTATION OPTIONS BY WEIGHING THEIR RELATIVE COSTS AND BENEFITS.</b>
					<b>11. CONTINUE/MODIFY EXISTING EFFORTS TO PROTECT INFRASTRUCTURE FROM RIVERINE FLOODING AND WILDFIRE.</b>
<b>OTHER COMMUNICATION STRATEGIES FOR CONSIDERATION</b>					
					12. Prepare ahead of forecasted extreme events to minimize inundation impacts.
					13. Secure locations of assets in non-flood prone areas.

## ECOSYSTEMS

*Freshwater Wetlands, Riparian and Riverine, Grassland, Hardwood Forest, Oak Woodland, and Urban Environments*

					<b>1. CLIMATE SMART PLANTING PALETTES DEVELOPMENT AND EDUCATION CAMPAIGN.</b>
					<b>2. MAXIMIZE RETENTION OF LOCAL WATER THROUGH CLIMATE-SMART RANGE MANAGEMENT PRACTICES.</b>

					<b>3. PROTECT BIODIVERSITY THROUGH MULTI-COUNTY CONSERVATION OF CLIMATE SMART WILDLIFE CORRIDORS.</b>
<b>OTHER ECOSYSTEM STRATEGIES FOR CONSIDERATION</b>					
<i>Grassland, Hardwood Forest, Oak Woodland, Conifer Forest, and Redwood Forest</i>					
					4. Reduce Wildfire risk reduction in natural landscapes by investigating opportunities within zoning, home construction, and fire safe building and landscape codes for the urban-wildland interface.
<i>Grassland, Hardwood Forest, Oak Woodland, Conifer Forest, Redwood Forest, Chaparral and Scrubland, Riparian and Riverine, Coastal Wetland, and Freshwater Wetland</i>					
					5. Implement a fine scale ecosystem assessment utilizing climate water deficit data.
<i>Aquatic and Riparian Habitat</i>					
					6. Prioritize coldwater habitat conservation and restoration through amendments to habitat conservation plans and in-creek projects,
<i>All Upland and freshwater Natural Habitats</i>					
					7. Develop best practice standards for water retention design for habitat restoration and creation projects on natural lands.
<i>All Upland and freshwater Natural Habitats, Water Supply</i>					
					8. Increase climate messages in ongoing water conservation public awareness campaign.
<i>All Upland and Aquatic Natural Habitats, Sensitive Species, water infrastructure, Agriculture</i>					
					9. Understand vector-based impacts of climate and address invasive species through pursuit of stronger state laws and programs.
<b>ENERGY</b>					
<i>Energy Generation Facilities, Substations, and Transmission Lines</i>					
					<b>1. DEVELOP DETAILED VULNERABILITY ASSESSMENTS OF ENERGY INFRASTRUCTURE ASSETS.</b>
<i>Power Generation Facilities and Substations</i>					
					<b>2. ASSESS ASSETS FOR CRITICALITY AND CONSIDER ADAPTATION OPTIONS BY WEIGHING THEIR RELATIVE COSTS AND BENEFITS.</b>
<i>Energy Generation Facilities, Substations, and Transmission Lines</i>					

					<b>3. CONTINUE/MODIFY EXISTING EFFORTS TO PROTECT INFRASTRUCTURE FROM RIVERINE FLOODING, SEA LEVEL RISE, AND STORM SURGE.</b>
<i>Substations and Transmission Lines</i>					
					<b>4. CONTINUE/MODIFY EXISTING EFFORTS TO PROTECT INFRASTRUCTURE FROM WILDFIRES.</b>
<i>Energy Generation Facilities, Substations, and Transmission Lines</i>					
					<b>5. SUPPORT THE STUDY AND DEVELOPMENT OF MICROGRID INFRASTRUCTURE SYSTEMS.</b>
			<b>OTHER ENERGY STRATEGIES FOR CONSIDERATION</b>		
<i>Energy Generation Facilities, Substations, and Transmission Lines</i>					
					6. Prepare ahead of forecasted extreme events to minimize impacts.
					7. Secure locations of assets in non-hazard prone areas.
<i>Power Generation Facilities and Substations</i>					
					8. Review existing backup power supply plans and processes to ensure availability of backup supplies during flooding related disruptions.
<i>Substations and Transmission Lines</i>					
					9. Plan for additional long-run transmission capacity to offset some of the risks posed by fires to infrastructure.
<b>PUBLIC HEALTH</b>					
<i>General &amp; Vulnerable Populations</i>					
					<b>1. CONTINUE TO IDENTIFY POPULATIONS VULNERABLE TO CLIMATE CHANGE AND DEVELOP ADAPTATION STRATEGIES AND PRIORITIZE RESOURCES IN THE MOST HIGHLY-IMPACTED AREAS.</b>
					<b>2. COMPILE, MONITOR, AND COMMUNICATE SPECIFIC HEALTH IMPACTS FROM CLIMATE CHANGE.</b>
					<b>3. INCREASE PUBLIC AWARENESS AND UNDERSTANDING OF CLIMATE CHANGE IMPACTS ON HEALTH AND THE NEED TO PREPARE FOR THESE CHANGES.</b>
<i>Health Care System &amp; Professionals</i>					

					4. PREPARE HEALTH CARE FACILITIES AND PROFESSIONALS FOR CLIMATE CHANGE.
<i>General &amp; Vulnerable Populations</i>					
					5. IMPROVE ACCESS TO COOLING LOCATIONS DURING EXTREME HEAT EVENTS.
<i>General &amp; Vulnerable Populations, &amp; Workers</i>					
					6. COMMUNICATE THE NECESSARY MEASURES TO PROTECT RESIDENTS AND WORKERS AT RISK TO EXTREME HEAT.
<i>General &amp; Vulnerable Populations</i>					
					7. DEVELOP A HEAT ISLAND EVALUATION PROGRAM.
<i>Homeless Residents</i>					
					8. EXPAND HOMELESS SUPPORT SERVICES DURING ALL EXTREME WEATHER EVENTS.
<i>General &amp; Vulnerable Populations</i>					
					9. COORDINATE WITH PARTNER ORGANIZATIONS TO COMMUNICATE MEASURES TO PROTECT RESIDENTS AND WORKERS DURING HIGH OZONE AND HIGH PARTICULATE MATTER DAYS.
					10. COORDINATE WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT IN REDUCING EMISSIONS IN COMMUNITY AIR RISK EVALUATION COMMUNITIES.
					11. IDENTIFY LOCATIONS IN THE COUNTY WHERE OZONE CONCENTRATIONS EXCEED ALLOWABLE STANDARDS.
					12. CONTINUE COORDINATION TO MANAGE VECTOR POPULATIONS DURING CLIMATE CHANGE.
					13. MONITOR DISEASES TO BETTER UNDERSTAND EMERGING PUBLIC HEALTH THREATS AND USE THE INFORMATION TO PLAN AND RESPOND TO DISEASE OUTBREAKS.
<b>SOLID + HAZARDOUS WASTE</b>					
<i>Solid Waste Facilities and Hazardous Waste Sites</i>					
					1. REVISE CURRENT PERMITTING AND MONITORING STANDARDS FOR ALL SOLID WASTE FACILITIES AND HAZARDOUS WASTE SITES TO INCLUDE ASSESSMENTS FOR CLIMATE CHANGE VARIABLES.
<i>Solid Waste Facilities</i>					

					<b>2. WORK WITH OPERATORS TO CONDUCT DETAILED SITES ASSESSMENTS AT ACTIVE, VULNERABLE SITES AND IDENTIFY ALTERNATIVE LOCATIONS IN THE COUNTY ZONED TO HOST NEEDED FUNCTIONS AND CAPACITIES.</b>
					<b>3. SUPPORT THE DEVELOPMENT AND APPROVAL OF WILDFIRE MITIGATION PLANS FOR THE EIGHT THREATENED SOLID WASTE FACILITIES (ACTIVE AND CLOSED), PRIORITIZED BASED ON COMBUSTION HAZARDS AND REMAINING / NEEDED CAPACITIES AT THE FOUR ACTIVE SITES.</b>
<b>Contaminated Land</b>					
					<b>4. ASSESS AND PRIORITIZE THE ~130 CONTAMINATED SITES MOST VULNERABLE TO CLIMATE CHANGE VARIABLES AND WORK WITH PROPERTY OWNERS TO DEVELOP AND IMPLEMENT ADAPTATION PLANS.</b>
<b>Hazardous Waste Sites</b>					
					<b>5. ASSESS AND PRIORITIZE THE ~16 HAZARDOUS WASTE SITES MOST VULNERABLE TO CLIMATE CHANGE VARIABLES AND WORK WITH PROPERTY OWNERS TO DEVELOP AND IMPLEMENT ADAPTATION PLANS OR RELOCATE HAZARDOUS WASTE TO LESS VULNERABLE AREAS.</b>
<b>OTHER SOLID WASTE STRATEGIES FOR CONSIDERATION</b>					
<b>Landfills</b>					
					6. Increase solid waste diversion rates throughout the county to reduce demand and need for landfills
<b>TRANSPORTATION</b>					
<i>Roads (Highways and Local), Bridges, Pedestrian Ways, Bike Ways, Rail Tracks (Heavy and Light), and Airports.</i>					
					<b>1. MAINSTREAM CLIMATE CHANGE CONSIDERATIONS IN ALL TRANSPORTATION AGENCY PLANNING AND DECISION-MAKING PROCESSES.</b>
					<b>2. COLLABORATE WITH RELEVANT TRANSPORTATION AGENCIES TO CONDUCT A DETAILED VULNERABILITY ASSESSMENT OF TRANSPORTATION ASSETS AND SERVICES.</b>
<b>Airports</b>					
					<b>3. REVIEW MASTER PLANNING PROCESSES TO UNDERSTAND THE OPPORTUNITIES AND RISKS CLIMATE CHANGE MAY PRESENT TO</b>

					<b>THE PALO ALTO AIRPORT.</b>
<b>Rail Tracks (Heavy)</b>					
					<b>4. INCORPORATE HEAT-RELATED IMPACTS ON RAIL TRACKS INTO EXISTING OPERATIONS AND COMMUNICATION PROCEDURES.</b>
					<b>OTHER TRANSPORTATION STRATEGIES FOR CONSIDERATION</b>
<b>Roads (Highways and Local)</b>					
					5. Review materials specifications for road materials.
					6. Protect electrical components from temporary inundation.
<b>Rail Tracks (Heavy and Light)</b>					
					7. Incorporate heat-resistant or heat-reflective materials in the construction of new rail tracks
<b>Airports</b>					
					8. Update preparedness and contingency planning to address more frequent temporary inundation of airport runways.
					9. Incorporate future climate change impacts into master planning processes.
<b>WATER / WASTEWATER</b>					
<i>Wastewater Treatment Plants, Drinking Water Treatment Plants, Stormwater Management Systems</i>					
					<b>1. SHARE GEOSPATIAL DATA FROM THE SV 2.0 TOOL WITH WATER AND WASTEWATER ASSET OWNERS.</b>
<i>Water and Wastewater Treatment Plants</i>					
					<b>2. DEVELOP A DETAILED VULNERABILITY ASSESSMENT OF WATER AND WASTEWATER ASSETS TO INFORM SITE-SPECIFIC ADAPTATION OPTIONS.</b>
<i>Reservoirs</i>					
					<b>3. INTEGRATE PROJECTED INCREASES IN WILDFIRE FREQUENCY AND INTENSITY INTO STATE, COUNTY AND CITY PLANS AND PRACTICES.</b>
					<b>OTHER WASTEWATER STRATEGIES FOR CONSIDERATION</b>
<i>Wastewater Treatment Plants</i>					
					4. Prepare ahead of forecasted flooding events to minimize impacts.

## **What to Do Now?**

### **GUIDEBOOK INTENT + NEXT STEPS**

Santa Clara County anticipates playing an important co-ordination and convening role in this effort, as well as spearheading a number of strategies that require multi-jurisdiction collaboration. It is hoped that jurisdictions and agencies will use the Guidebook and accompanying online Tool to help prioritize vulnerable assets and identify the most appropriate strategies to help protect them. Jurisdictions and agencies are encouraged to:

- Review the Guidebook and use the SV 2.0 Climate Preparedness Decision Support Tool (User Guide available on the County Website)
- Understand the exposure and sensitivity of assets to different climate variables
- Identify the biggest economic impacts to asset sectors
- Review the gap analysis for existing asset-specific initiatives and identify opportunities for building on current successes
- Identify the most applicable strategies for a specific city or combination of cities and develop plans and programs for implementation with key partners

### **GUIDEBOOK STRUCTURE**

The Guidebook has been organized for ease of use, providing information on climate change science, the unique situation for Silicon Valley, findings from a robust research and analysis effort, and key climate adaptation strategies organized by nine asset sectors.

- **Chapter 1:** SV 2.0 Project genesis and goals, existing planning and policy context, project process (stakeholder engagement, etc.), and how to use this Guidebook.
- **Chapter 2:** Project methodology, including expected climate changes and historic weather event impacts, definitions for asset sectors [shoreline protection, buildings and properties, communications, ecosystems, energy, public health, solid and hazardous waste, transportation, and water and wastewater] and primary and secondary climate variables [sea level rise, storm surge, riverine flooding, wildfire, extreme heat], economic analysis, and the Tool.
- **Chapter 3:** Set of instructions on how to best navigate and use the adaptation strategy recommendations, the results of the climate change vulnerability and economic consequence analysis, regional adaptation strategies and initiatives, implementation and coordination recommendations, and precedents organized by asset sector and climate variable.
- **Appendix:** Additional information about current climate science, sensitivity analysis findings summary, gap analysis memos (by asset sector), detailed economic consequences analysis methodology, and other relevant studies that support the findings and recommendations presented in the body of the Guidebook.

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: February 26, 2015

To: ABAG Administrative Committee

From: Brad Paul  
Deputy Executive Director

Subject: **Barbary Coast Presentation**

Barbary Coast Consulting will join us to provide an update and request feedback on communications work they are undertaking in preparation for Plan Bay Area 2017. They will offer an overview of the communications project scope thus far, talk through the proposed communication strategy for Plan Bay Area 2017, and engage Administrative Committee members in a conversation about how we talk about Plan Bay Area 2017 and what “toolkit” items would be most helpful.

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