OBAG 2 Stakeholder Feedback Comment Log

May-October 2015

Policy Advisory Council		
5/13/2015		
Naomi Armenta	Representing the Disabled Community of Alameda County	Felt that it was unclear in the previous OBAG cycle that funds were eligible for mobility management projects. If such projects will be eligible under OBAG 2, recommended making that clear in the guidance.
Shireen Malekafzali	Representing the Low-Income Community of San Mateo County	Felt that the program was a successful incentive-based approach in terms of complete streets. Would like to see that incentive-based approach applied towards other goals, such as housing stability and affordability and ensuring that affordable housing can be incorporated into PDAs. Not sure how it might look, but would like to see an effort to address this challenging topic.
Alan Talansky	Economy Representative	Would like to see MTC making more of an effort to share the OBAG program and its link to Plan Bay Area to the public. People following Plan Bay Area and the PDAs would be interested to see what we are doing (like OBAG) to implement the plan.
Cathleen Baker	Environment Representative	Supported the continued incentive-based approach of the OBAG program. Would like to see this used to address the barriers and challenges to PDA implementation (referenced the presentation on PDA feasibility at May 8 MTC Planning-ABAG Administrative meeting).
		Appreciated upping the affordable housing element to 60%.
Bob Glover	Economy Representative	Reiterating Cathleen's comment, would like to see OBAG used to incentivize reducing the impediments and barriers to development of all types of housing and would also like to incentivize efforts that go above and beyond the levels of affordability required.
Richard Hedges	Representing the Senior Community of San Mateo	Noted that some of the impediments to developing affordable housing would need to be addressed in Sacramento. Cites example of 25% density bonus for providing below market housing, which overrides local land use for additional height and density.

Partnership Technical Advisory Committee		
5/18/2015		
Seana Gause	SCTA	Asked if the funding levels come in higher than projected, would MTC make the north bay counties whole (fund at OBAG 1 levels)?
		Asked about the new documentation requirements for outreach since some CMAs did extensive outreach for OBAG 1.

Brad Beck	CCTA	Suggested reaching out to CMA staff during the July-October outreach efforts to get insight and input on their experiences from the past cycle.
Bob Macaulay	STA	Regarding Attachment 1 - Noted that rolling the Local PDA program into the County program masked the big cuts to the County program, and that the increase in the Regional Planning Program didn't seem appropriate relative to the substantial cuts to the County program.

Active Transportation Working Group		
5/21/2015		
Marty Martinez	Safe Routes to School National Partnership	Concerned about how the SRTS program opt-out provisions and requested that safeguards be incorporated to ensure the continuation of SRTS programs.
Dan Dawson	Marin County	Agreed that the resolution approach for Complete Streets is a much more effective and workable strategy than General Plan policies.

CMA Executive Directors Meeting		
5/29/2015		
Bob Macaulay	STA	Concerned about the SRTS distribution formula being changed from student enrollment to the OBAG county distribution formula.
John Ristow	VTA	Discussion about PDAs and re-definitions of PDAs. Several areas are commercial/jobs-oriented and not residential, and should agencies should be able to consider these areas for focused investment.
		Commented that it makes sense to connect PDA Planning to the local level and delegate the program back to CMAs.
Art Dao	ACTC	Discussion about the name of the OBAG program. The word "One" was removed from the Plan Bay Area planning process but not the funding program. Concerned about dividing the inner vs. outer Bay Area.

Regional Advisory Working Group		
6/2/2015		
Bob Macaulay	STA	Cannot support the OBAG 2 program as proposed. The proposal amounts to additional responsibilities with less funding. Concerned about maintaining staffing levels.

Bob Macaulay	STA	Supported rewarding jurisdictions that are providing affordable housing, but not as currently presented. Would like to see all CMAs receive at least the same funding level as under OBAG 1. Additional funding could be used to reward those providing affordable housing.
Janet Spilman	SCTA	Reiterated the concern on the impacts of the proposed program on the North Bay counties.
		Concerned about the SRTS formula being changed from the original student enrollment formula.
Matt Vander Sluis	Greenbelt Alliance	Supported the revised county distribution formula. Would like to see that adjustment also occurring at the local level, since there is a great deal of variability within each county in terms of which jurisdictions are doing the most in terms of housing development.
		Supported the continued PCA grant program. Would like to see the program increased, and continue to focus on the areas with the most significant impact around the region.
Jeff Levin	East Bay Housing Authority	Supported the revised county distribution formula. Concerned about local level performance, and would like to see more emphasis on housing development efforts made at the local level rather than county level.
		Would like to see a requirement that jurisdictions submit their annual progress reports to the State and holding public hearings to ensure these housing plans are being assessed on a regular basis.
		Would like to see better oversight of the local planning grants to ensure they have adequate affordable housing and anti-displacement strategies.
		Requested better guidance be given to CMAs on how to assess housing components of PDA investments.
David Zisser	Public Advocates Inc., Attorney	Supported the additional weight for affordable housing production. Would like to encourage creating incentives for anti-displacement policies and programs.
Ellen Smith	BART	Concerned about cuts to the Transit Capital Program. Asked if additional funds become available, would the program be made whole or would it be directed to other programs?
Martin Engelmann	CCTA	Wanted clarification as to why the local PDA planning program was eliminated as a stand-alone program for the CMAs. Asked where the money was directed to in case we wanted to restore the program.
Clarrissa Cabansagan	TransForm	Appreciated the added emphasis on affordable housing production in the county distribution formula. Requested more regional leadership on the issue of displacement, and addressing displacement in the PDA process.

Brianne Riley	Bay Area Council	Felt that the program needed more teeth and more focus on performance outcomes. Ex.: Agencies that miss their RHNA production targets by a wide margin should repay funds received through the OBAG program.
Michelle Rodriguez	City of San Pablo	Wanted to ensure that the program focuses on improvements in key corridors - Regional PDA Program and SRTS Program.

Transit Finance Working Group		
6/3/2015		
Dierdre Heitman	BART	Did not support the TPI/TCP reduction in funds, especially relative to other programs that are either kept whole or increased.
		Felt that reductions should come from other programs rather than system preservation needs. Options include: (1) suspending the Climate Initiatives Program; and (2) cutting the regional PDA planning program, as there are fewer opportunities to use this funding and CMAs hands are already full with currently funded PDA Planning. Also, in Contra Costa it is hard to see PDA Planning impacts on funding decisions as the OBAG funding is at the outset split four ways among the sub-regions.
		Requested that if funding levels increase (i.e. through the reauthorization), the funds to be used to augment transit system preservation as the top program priority.

Email Correspondence		
6/4/2015		
Todd Morgan	BART	Recommended that the reduction to the Transit Priorities Program of $19M ($201M to $182M) be taken entirely from the $27M of TPI-Investment Round 3. The remaining $8M can then be added to TPI-Incentive to be distributed by the formula in place.

Planning Directors Meeting		
6/5/2015		
Bob Macauley	STA	Did not support reducing regional rideshare funding.
		Would like to keep PDA Planning at County level rather than Regional level.
Tess Lengyel	ACTC	Concerned more is being funded through OBAG as the revenues for OBAG are decreasing
		Commented regarding the 70% and employer outreach. Ross explained that projects like planning and outreach are split 30%-70% in OBAG

Tess Lengyel	ACTC	Asked about the timeline for the call for projects, and asked if it could be aligned with their own call. It was noted that the funds are federal and must comply with federal requirements and timelines. Asked if calls they had made for other programs could count for the call for OBAG as long as they have met all the requirements. Ross informed her that we would need appropriate documentation.
Martin Engelmann	CCTA	Commented regarding a dashboard and PDA evaluation. We do not have a PDA evaluation with regard to housing and investments yet, where is the resurgence in housing going? Is it going into PDAs?
Bob Macaulay	STA	Appreciated that the OBAG2 discussions started at the Executive Directors meeting.

Email Correspondence		
6/25/2015		
Marty Martinez	Safe Routes to School National Partnership	Regarding the distribution of funds for SRTS, sees the benefits of using either enrollment or the County distribution formula. Pleased with the recommendation to continue the full SRTS funding amount at $5 million.

Email Correspondence		
10/5/15		
Chema Hernandez Gil	San Francisco Bicycle Coalition	Requests that all or a significant fraction of the savings from the OBAG 1 Bikeshare project remain dedicated to bikeshare promotion or activation in OBAG 2.

Regional Advisory Working Group		
10/6/15		
Duane Dewitt	Sonoma County Resident	Concerned with the CMA outreach efforts (mentioned difficulty of attending workday daytime meetings)
Cynthia Armour	Bike East Bay	Would like to see OBAG 2 continue efforts related to complete streets, namely, requiring annual complete streets compliance reviews of local jurisdictions and updating and expanding the complete streets checklist
Carl Anthony	Breakthrough Communities	Would like to see increasing outreach, particularly in communities and cities most affected by displacement.

Ken MacNab	City of Napa	Thanked MTC and ABAG for the OBAG program
Jeff Levin	East Bay Housing Organizations	Appreciates the additional weight being given to housing production and affordability, but would like to see these factors being applied at the local level.
		Concerned that the language "applicable jurisdictions" in the housing reporting requirements excludes charter cities; would like all cities to be required to do annual reporting.
Derek McGill	Transportation Authority of Marin	Appreciates the increase in the PCA program, but overall feels the requirements on the local jurisdictions are too burdensome for the amount of funding they receive.
Alberto Esqueda	NCTPA	Seconded the previous commenter and raised concerns about the 50% minimum guarantee to CMAs; MTC staff pointed out that the minimum guarantee will be included in future OBAG 2 documents.
David Zisser	Public Advocates	Concerned that the linkage between the formula and the distribution is too vague; references letter from Six Wins that includes recommendations for how OBAG 2 can reward jurisdictions with the strongest anti-displacement policies.
Janet Spillman	Sonoma County Transportation Authority	Emphasized that OBAG projects are important to the local jurisdictions and neighborhoods where they are constructed, and that an important purpose of the program is to improve mobility.
Louise Auerhahn	Working Partnerships USA	Recommended adding more structure to the PDA Investment and Growth Strategies and using them as a place to address issues that are hard to include in the OBAG program directly (such as living wage jobs, requirements for improved outreach efforts)
Peter Cohen	Six Wins	Emphasized that the RTP/SCS acknowledges that housing, land use, transportation, etc. are all connected; OBAG should also address all of these elements

Bay Area Partnership Board		
10/9/15		
Daryl Halls	Solano Transportation Authority	Concerned that SRTS is no longer a regional program.
Sandy Wong	City/County Associate of Governments of San Mateo County	Asked why the county distribution formula is proposed to change with OBAG 2. Concerned with the affordability factor.
Craig Tackabery	Marin County & PTAC Chair	Shared concern from the PTAC meeting that the county programs had taken a bigger hit in the OBAG 2 proposal; staff

		responded that both the regional and county programs were both reduced by roughly 4%.
Suzanne Smith	Sonoma County Transportation Authority	Asked to see a pie chart showing how all of the funds from OBAG 1 were distributed, not just the county programs.
Daryl Halls	Solano Transportation Authority	Concern about including housing in the county distribution formula, since housing in their county is already affordable. Frustrated that the formula doesn't reflect what their county is doing for housing, since there have been so many foreclosures. Asked how MLIP and freight are included in OBAG. Thinks the PDA process is working well at the county level. Concerned that the PDA program in OBAG 2 is only a regional program.
Art Dao	Alameda County Transportation Commission	Discussed the tension between PDA investments and anti-displacement. MTC wants to encourage investment in PDAs, but an unintended consequence of that could be the increased the risk of displacement in PDAs. Urges MTC to be consistent in our message to local jurisdictions to continue focusing investment in PDAs; cautions adding additional parameters such as those related to anti-displacement. Pointed out the inconsistency in messaging from the state, which is more focused on the backlog of maintenance.
Derek McGill	Transportation Authority of Marin	Concerned about adding additional restrictions on how OBAG funds can be spent, since the amount of annual funding in Marin County is relatively nominal.
Tilly Chang	San Francisco County Transportation Authority	Issues in San Francisco are regional and will require a regional approach. Pointed out that regional operations program is becoming more multi-modal and state of good repair focused.
Suzanne Smith	Sonoma County Transportation Authority	Commented on how federal transportation funding has become increasingly the source of funds for all of the region's woes. Would like to see the State distribute Cap and Trade funds to the regions to manage, rather than making us rely solely on STP/CMAQ to address all of our regional issues.
Daryl Halls	Solano Transportation Authority	Reiterated Suzanne's comments.

Partnership Technical Advisory Committee		
10/19/2015		
Amber Crabbe	San Francisco County Transportation Authority	Would like to have more information on how the regional programs (transit and operations) will be put together and administered. Also asked how the needs assessments from Plan Bay Area will inform project selection in OBAG.
Bob Macaulay	STA	Would like to see the housing production in the county distribution formula give equal weight to previous production (1999-2006) and recent production (2007-2014), rather than additional weight to recent production.
		Does not agree with the revised complete streets requirements.
Amber Crabbe	San Francisco County Transportation Authority	Requested that MTC give additional time for compliance with the new complete streets requirements.
Marcella Rensi	VTA	Appreciated that the proposal does not include additional requirements to tie funding to the local level.

Letters Received
July – October 2015
Letters received following the July PAC Meeting, attached

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Bay Area Open Space Council
East Bay Regional Parks District
Friends of Stevens Creek Trail
Greenbelt Alliance
Housing Leadership Council of San Mateo County
League of Women Voters of the Bay Area
Midpeninsula Regional Open Space District
The Nature Conservancy
Public Advocates
TransForm
Trust for Public Land
Urban Habitat

Supervisor Scott Wiener
Chair, Programming and Allocation Committee
Metropolitan Transportation Commission
Scott.Wiener@sfgov.org

June 30, 2015

Dear Supervisor Wiener,

On behalf of the undersigned organizations, we write to express our strong support for the renewal of the One Bay Area grant program for Priority Conservation Areas ("PCA"). We also provide some recommendations on how to further refine and improve the program.

The PCA program is a critical tool for helping our region conserve the lands that provide clean air and water, locally produced food, wildlife habitat, and outdoor recreation. The PCA grant program has already helped communities throughout the Bay Area to protect and restore important lands for conservation, and allows all Bay Area residents, whether they reside in urban, suburban, or rural areas to benefit from the program.

It is also an important fairness component of Plan Bay Area: as MTC works to reward jurisdictions that accommodate growth within our existing urban areas, it should concurrently reward rural areas for their land conservation activities.

As you look to renew this program, we also see new opportunities to evaluate what worked and what can be improved:

1. Increase the budget for the PCA grant program to $20 million
The 2013 plan contained $10 million for the PCA grant program, making up just over 1% of the entire One Bay Area grant program. Yet, this is the only portion of the overall grant program that specifically assists rural communities in their land conservation efforts. Valuable projects and willing participants exist. The California State Coastal Conservancy, which managed this program for five of the counties, received three times as many requests as available funding.

Using transportation funding to support land conservation makes sense. Far-flung development – usually on open space and farmland – means more spending on transportation infrastructure and more greenhouse gas emissions from driving. This in turn will only hurt MTC's efforts to comply with state law. Development will continue to occur here unless effective land conservation measures are in place.

We believe an increased level of funding will show MTC's commitment to fairly serve the rural communities in the Bay Area and support the goals of Plan Bay Area. Additionally, our organizations are committed to working with MTC to identify and secure other funds for the PCA program in order to effectively leverage the program.

2. Standardize minimum requirements and metrics for PCA grants
The initial PCA grant program led to the development of multiple sets of guidelines to select and evaluate projects. The California State Coastal Conservancy ("SCC") developed guidelines for managing the PCA grant program for the counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. Each of the four northern counties developed different guidelines that vary widely.

We know that the overall impact of the PCA grant program has been significant, and your vision to use conservation to reach your transportation and land-use goals is critical for ultimate success. Yet, the varying guidelines throughout the Bay Area have made it challenging to evaluate and compare the individual projects through a regional lens. There are no consistent set of conservation outcomes or metrics, and in some counties, there is not even a requirement that the grant funds be spent inside a designated PCA.

This variation, in turn, thwarts a key goal of MTC and Plan Bay Area to plan comprehensively for the entire region. As the Plan Bay Area final report states, "Plan Bay Area sets the stage for the integration of land use, open space and transportation planning by focusing growth and investment in Priority Development Areas, and by seeking to protect habitat, recreational and agricultural land in Priority Conservation Areas."[1] Without a minimum standard throughout the entire Bay Area, we will lose the opportunity to use local efforts for a regional benefit.

[1] 2013 Plan Bay Area Final Report, p. 128

In order to standardize the PCA grants, we recommend that one set of guidelines be adopted as a baseline. In order to meet the specific needs of a community, local governments in the four northern counties can add further guidelines and metrics. We believe that the guidelines developed by the SCC could serve as the baseline standards for the entire region. These guidelines are reasonable and reflect the varying needs and opportunities of PCAs in the region.

By adopting the guidelines as a minimum with the option to add community-specific goals and standards, the northern counties would continue to manage a portion of the program, while ensuring MTC is better equipped to measure the impact of the program from a regional perspective. Importantly, the guidelines will ensure that the funds are spent to further the goals of the PCA program.

3. Adjust the matching ratio requirement
Currently, all PCA grant applications to the SCC require a 3:1 minimum match requirement (every $1 of federal PCA program funds requires a $3 match of other funds). There has proven to be a major barrier for a number of potential applicants. We believe that an adjusted matching ratio of 2:1 would significantly improve the quality and quantity of applications, and ultimately lead to the regional project better accomplishing its identified goals.

4. Ease the barrier of requiring applicants to have a Caltrans master agreement
Currently, a number of potential applicants do not have the requisite master agreement, and the process to secure this agreement is complicated and time consuming. We encourage MTC to investigate innovative ways to provide assistance and collaboration among potential grantees and other partners. We would also be interested in helping develop solutions.

Thank you for this opportunity to provide some feedback on the program, and to unequivocally endorse its renewal. We also greatly appreciate the MTC's staff efforts to seek ways to continue to improve this program.

Sincerely,

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July 2, 2015

Programming and Allocation Committee
Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
Lawrence D. Dahms Auditorium
101 Eighth Street, Oakland

Subject: OneBayArea Grant program – Round Two Framework

Dear Chair Wiener and Commissioners:

Thank you for the opportunity to comment on the proposed framework for the second round of the OneBayArea grant program. We applaud MTC's leadership in establishing the OneBayArea grant program to provide funding to jurisdictions that are planning for more homes and jobs near transit in Priority Development Areas and to rural areas that are taking steps to preserve natural and agricultural lands.

The Bay Area is expected to grow significantly over the next two decades. The biggest question is how that growth will impact the region's ability to create and sustain good jobs. Employers consistently report that the two biggest barriers to creating more jobs in the Bay Area are traffic and a lack of affordable housing[1]. These two problems could become much worse if each county is not deliberate about how it grows.

The region's current housing affordability crisis has intensified this challenge. Between 2010 and 2014, average monthly rent in the Bay Area increased by 38 percent; in Santa Clara County the average rent increased 44 percent[2]. Without greater action to increase housing options near transit, high housing costs could stall the ability to attract and retain the workforce that drives our economy. This will also increase the pressure for sprawl, siphoning transportation resources away from existing communities and paving over groundwater recharge lands with water-intensive development in the middle of a multi-year drought.

Because every county is affected by the choices we make in response to these challenges, we have a responsibility to work together to ensure that the region remains a great place to live and work. While every community has a role to play in preserving and growing our region's economic advantages, in some places the stakes are much higher. The region is depending on the Priority Development Areas to accommodate more than two-thirds of all growth in the next two decades. If those places can grow smartly, they will provide a bulwark against more traffic and help sustain their county's overall job market. And if they fail, everyone will suffer.

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[1] See Silicon Valley Leadership Group's *2015 CEO Business Climate Survey*

[2] See The Association of Bay Area Government's *State of the Region 2015*

The best way to grow good jobs without creating gridlock is to make smart investments in places that have the biggest role to play in managing the impacts of future growth. By directing additional resources to key places and helping them to grow responsibly, every county will benefit from easier commutes and a stronger job market.

The adoption of the OneBayArea grant (OBAG) program in 2012 was an important step toward achieving these goals. For example, it guided millions of transportation dollars to support PDAs and incentivized jurisdictions around the region to update their local Housing Elements.

Both advocates and MTC commissioners also recognized at that time the program was adopted, that it would need to be refined in subsequent rounds to ensure it was best positioned to advance the goals of Plan Bay Area. For example, the commissioners called for future rounds of funding to include "a menu of neighborhood stabilization and anti-displacement policies" and to "link OBAG funding to jurisdiction-level approval of affordable housing planning, production, acquisition and rehabilitation."[3] They also called for adjustments to the county funding distribution formula:

> "The Commission, working with ABAG, will revisit the funding distribution formula for the next cycle (post FY2015-16) to further evaluate how to best incentivize housing production across all income levels and other Plan Bay Area performance objectives." (Resolution 4035, Attachment A, Page 3)

In reviewing the OBAG 2 framework, we are pleased to see that several minor improvements are proposed and that the best features of the OBAG 1 program are retained.

We are **glad to see** that the OBAG 2 framework:

1. Adjusts the county funding distribution formula slightly to more strongly reward those parts of the region with a track record of producing homes for residents at a range of incomes.
2. Increases funding for the PCA grant program, which incentivizes rural areas to protect natural and agricultural lands.
3. Maintains MTC's nationally-recognized PDA planning and implementation grant program, which catalyzes sustainable, equitable development near transit.

To ensure that the OBAG program is best positioned for success, we recommend that the **OBAG 2 framework be improved** as follows:

1. Refine the guidelines for the County CMA program to cultivate stronger performance-based ties between local land use decisions and transportation investments.
2. Increase funding for the PCA grant program to $20 million and refine the grant rules to ensure all grants achieve regionally-significant conservation outcomes in support of the PCAs.
3. Retain MTC's role in administering the regional PDA Planning and Implementation program.

Below, we provide more detailed recommendations on these proposed improvements.

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[3] Plan Bay Area 2013, Page 122.

County CMA grant program

This program has provided considerable benefit by making efficient use of limited transportation funding to link land use and transportation decisions. The staff recommendation to adjust the county funding distribution formula in OBAG 2 to more strongly reward counties with a track record of housing development is a step toward refining the program and *more should be done to adjust this formula* to reward infill housing production. Yet today most decisions about growth occur at the local level, and the program could do substantially more to reward those local jurisdictions with a track record of planning for and producing sustainable, equitable development in support of Plan Bay Area. In addition, the County Congestion Management Agencies (CMAs) would benefit from additional support and guidance from MTC and ABAG to better integrate smart land use planning into their decisionmaking.

To maximize its effectiveness, the County CMA grant program should be improved in four ways:

1. *Strengthen ties between local production of infill homes for a range of incomes and OBAG grant funds.*

   In OBAG Cycle 1, housing production was a factor in the distribution of funds to each county, but in most counties there was no link between OBAG funding decisions and local housing production. In OBAG 2, grant funds should be directed to the particular PDAs that are taking on the most growth, and should reward those jurisdictions that have the strongest record of providing infill housing, particularly affordable housing. Strengthening this link is vital for the OBAG program to be an effective incentive for local action.

2. *Ensure that all local jurisdictions that receive funding have affordable housing and anti-displacement policies in place; prioritize funding to the best performing jurisdictions.*

   As part of the performance-based focus of the OBAG program, jurisdictions should be rewarded with funding if they have established policies to help ensure housing is available to meet the needs of residents across the income spectrum. Because the appropriate policies will vary between jurisdictions, MTC should provide a menu of policy options and establish a minimum threshold of policies from that menu. This helps carry out the commitment made in Plan Bay Area to include local affordable housing and anti-displacement policies in future OBAG funding decisions[4].

3. *Require annual Housing Element progress report hearings.*

   All OBAG recipient jurisdictions should be required to hold an annual public informational hearing at the time they file their Housing Element Annual Progress Report (APR) with the California Department of Housing and Community Development (HCD). This will help ensure consistent Housing Element implementation and highlight opportunities for additional support from MTC and ABAG to address common implementation challenges.

[4] Plan Bay Area 2013, Page 122.

4. *Enhance the effectiveness of the PDA Investment & Growth Strategies*

   The PDA Investment & Growth Strategies would benefit substantially from additional guidance from MTC on key content areas such as assessment of affordable housing production, displacement risk, and jobs. Additional guidance should also be provided on how to integrate the PDA Investment & Growth Strategies into CMA project selection and countywide transportation plan updates. MTC and ABAG should also provide technical support to help these documents be as effective as possible.

Land Conservation Grants

We strongly support the renewal of Priority Conservation Area (PCA) grant program to support strategic land conservation activities. Using transportation funding to support land conservation makes sense. Far-flung development -- usually on open space and farmland -- means more spending on transportation infrastructure and more greenhouse gas emissions from driving. Development will continue to occur in these areas unless effective land conservation measures are in place. Therefore it's essential that the region invest in land conservation programs in order to meet our transportation funding and GHG goals.

To maximize effectiveness, the PCA program should be improved in four ways:

1. *Increase the budget for the PCA grant program to $20 million.*

   The inaugural PCA grant program contained $10 million, making up just over 1% of the entire OBAG program. Yet, this is the only portion of the overall OBAG program that specifically assists rural communities in their land conservation efforts. The program was a strong success with marquee projects such as the protection of the Suscol Creek Headwaters Preserve in Napa County. An increased level of funding in the second round will show MTC's commitment to fairly serve the rural communities in the Bay Area and support the goals of Plan Bay Area. We are committed to working with MTC to identify and secure other funds for the PCA program in order to effectively leverage these grant dollars.

2. *Standardize minimum requirements and metrics for PCA grants.*

   The initial PCA grant program led to the development of multiple sets of guidelines to select and evaluate projects. The California State Coastal Conservancy developed guidelines for managing the PCA grant program for the counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. Each of the four northern counties developed different guidelines that vary widely. In order to ensure that all future funds are spent to further the goals of the PCA program and achieve regionally significant conservation outcomes, we recommend that one set of guidelines be adopted as a baseline. In order to meet the specific needs of a community, local governments in the four northern counties can add further guidelines and metrics.

3. *Adjust the matching ratio requirement.*

   Achieving the original funding match ratio of 3:1 has proven to be a challenge for many potential projects. Adjusting the ratio to 2:1, as proposed by MTC staff, would significantly improve the quality and quantity of applications, and ultimately lead to this regional program better accomplishing its goals.

4. *Ease the barrier of requiring applicants to have a Caltrans master agreement.*

   Currently, a number of potential applicants lack the requisite master agreement. The process to secure this agreement is quite complicated. We encourage MTC to investigate ways to provide assistance and foster collaboration with applicants and other partners. We look forward to helping in this effort.

PDA planning and implementation grant program

MTC's PDA planning and implementation grant program leverages best practices from across the country to catalyze sustainable, equitable development near transit across the Bay Area. The program has a strong record of success and deserves to be maintained or increased in funding.

MTC and ABAG are best positioned to help administer this nationally-recognized program. They bring a deep understanding of regional goals and policies, coupled with the local experience gained from supporting and fostering multi-year PDA planning efforts in all nine counties. This background provides many benefits. For example, MTC has been able to tailor its PDA planning grant guidelines to ensure local planning processes better address housing affordability. They have also established a bench of consultants that are well suited to support cities in tackling the most common PDA planning and implementation challenges. MTC's program should be retained and continually refined so that it remains the region's best resource to help achieve the Plan Bay Area vision of development near transit that benefits residents across the income spectrum.

Thank you for your consideration of these comments. We look forward to working with MTC commissioners, regional agency staff, and other stakeholders in the months ahead to finalize the OBAG 2 framework.

Sincerely,

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July 2, 2015

MTC Programming and Allocations Committee
101 Eighth Street
Oakland, CA 94607

Re: One Bay Area Grant Program Cycle 2 Proposal

Dear Chair Wiener and Members of the Programming and Allocations Committee:

The One Bay Area Grant (OBAG) Program is one of the most important and innovative elements of Plan Bay Area, creating vital links between the regional plan and local implementation. According to Plan Bay Area, the OBAG program was created "to support jurisdictions that focus housing growth in Priority Development Areas through their planning and zoning policies, and the production of housing units"[1] and to link funding to "performance and accountability policies" so that all OBAG recipients have key land use and housing policies in place.[2] The One Bay Area Grant program has been praised and emulated statewide for aligning funding in ways that strengthen the Bay Area's environmental outcomes, promote social equity, and improve our economic outlook.

OBAG Cycle 1 in the first Plan Bay Area was a strong step forward in many ways – and now, **key improvements are needed in OBAG Cycle 2 to build on this success and better meet the Program's objectives and strengthen the link between Plan Bay Area and local housing and land use policies.** The MTC Commission explicitly committed to make such improvements when it adopted Plan Bay Area in 2013, including additional language in the Plan that future rounds of funding would include "a menu of neighborhood stabilization and anti-displacement policies" and "link OBAG funding to jurisdiction-level approval of affordable housing planning, production, acquisition and rehabilitation."[3] Building on the success of OBAG Cycle 1, this update for Cycle 2 is the opportunity to advance those program elements.

We are pleased that MTC staff has already recommended some improvements to strengthen the Cycle 2, and **we recommend changes in five areas to improve the Program's effectiveness**. Specifically, we support staff's May 2015 proposal to give meaningful extra weight to housing production and affordable housing in the OBAG funding allocation formula. This modification appropriately harnesses this unique pool of funding to better support infrastructure in areas that are shouldering the heaviest load of meeting our regional housing needs. In addition, we recommend that MTC:

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[1] Plan Bay Area 2013, Page 73.
[2] Plan Bay Area 2013, Page 78.
[3] Plan Bay Area 2013, Page 122.

(1) Strengthen the ties between *local* affordable housing production and OBAG funds. In OBAG Cycle 1, affordable housing production was a factor in determining how much money went to each county, but in most counties there was no link between funding decisions and local housing production. Tightening this link is absolutely vital if the OBAG Program is to serve as an effective incentive for strong local housing policies. Both Plan Bay Area itself and the current staff recommendations for Cycle 2 already call for stronger linkages between OBAG funds and jurisdiction-level housing production, but more specifics are needed to ensure that this objective is met.[4]

(2) Ensure that all local jurisdictions that receive funding have a locally appropriate set of anti-displacement and affordable housing policies in place, and prioritize funding to those jurisdictions that have particularly strong policies. This again tracks the commitment made in Plan Bay Area to include local anti-displacement policies in future funding decisions as well as the unified recommendation made by San Jose, San Francisco, Oakland, BART, AC Transit, and SF Muni during the OBAG Cycle 1 process.[5]

(3) Require OBAG recipient jurisdictions to file their Housing Element Annual Progress Reports (APR) with HCD and to hold an annual public informational hearing at the time of filing. This will build on the strong success of Cycle 1 in encouraging all local jurisdictions to adopt legally compliant Housing Elements by ensuring that these Housing Elements are faithfully implemented and facilitate an informed public dialogue about local housing needs.

(4) Track and report on the number and wage levels of jobs directly created by OBAG expenditures, including construction, operations, and other jobs funded by either planning or project grants. Where feasible, also report on employment of local and/or disadvantaged community residents in those jobs.

(5) Improve guidance to CMAs and technical support from MTC and ABAG in the preparation of PDA Investment & Growth Strategies. Staff has already recommended that these Strategies "should play a stronger role in guiding the County CMA project selection and be aligned with the countywide plan update cycle," and they must be made more robust in order to serve that purpose.[6] Specific areas in which PDA Investment & Growth Strategies need strengthening include assessing and monitoring of local displacement risks and patterns, affordable housing production and preservation, workforce housing needs, and impacts on economic growth and inclusion. Additional guidance should also be provided on how to integrate the PDA Investment & Growth Strategies into CMA project selection and countywide transportation plan updates.

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[4] Plan Bay Area 2013, Page 122; May 26, 2015 Staff Report, Page 3, recommending that Cycle 2 "Cultivate Linkages with Local Land-Use Planning." *available at* http://apps.mtc.ca.gov/meeting_packet_documents/agenda_2420/02_OBAG2_Initial_Proposal_RAWGl_Memo_June_with_attachments.pdf.

[5] Letter from cities and transit operators is available at http://www.publicadvocates.org/sites/default/files/library/obag_6_wins_comment_letter_2-24-12_with_attachments.pdf.

[6] May 26, 2015 Staff Report, Page 2.

Within the coming weeks, we will provide more specific technical suggestions for implementing these improvements, and we look forward to working with both MTC and ABAG staff to develop these recommendations into concrete revisions to the OBAG Program Guidelines before they come back to the full Commission for consideration later this year.

Sincerely,

Vivian Huang, Campaign & Organizing Director
Asian Pacific Environmental Network

Dawn Phillips, Program Co-Director
Causa Justa::Just Cause

Tim Frank, Director
Center for Sustainable Neighborhoods

Peter Cohen, Co-director
Council of Community Housing Organizations

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Malcolm Yeung
Chinatown Community
Development Center

Transmitted via email

July 7, 2015

Programming and Allocation Committee
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Subject: July 8, 2015 Agenda Item 5a: One Bay Area Grant Program Cycle 2 Proposal

Dear Chair Weiner, Vice-Chair Glover, Commissioners, and Staff,

Thank you for the opportunity to provide feedback on the proposed changes to the OBAG guiding principles for Cycle 2 of the program. We are excited to see staff recommendations that give extra weight to housing as part of the OBAG funding allocation formula.

To keep our region competitive, healthy, and sustainable it is important that all jurisdictions across the region accommodate their fair share of affordable housing. Between 2007 and 2014, the period associated with RHNA Cycle 4, the 9-County Bay Area issued building permits amounting to 28 percent of the region's very-low, low, and moderate-income household needs. In contrast, the entire region issued permits to accommodate 84 percent of the need for above-moderate income households that earn more than 120 percent of the area median income ranging from $84,360 (Napa County) to $122,280 (Santa Clara County).

We offer the following recommendations to strengthen the likelihood that OBAG can successfully incentivize affordable housing production to implement the goals of Plan Bay Area. We hope you consider the following as part of future revisions to the OBAG guiding principles.

1. **Distribution factors carried through to CMA level.** Evidence demonstrates the beneficial connections between affordable housing, public transit use, and reduced

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greenhouse gas emissions[1]. We are pleased that the revised OBAG distirbution factors include additional weighting for housing affordability and overall production. To adequately reward the jurisdictions within a County that provide housing, **we strongly suggest that housing production AND affordability be explicitly included in the decision-makng process for dispersing county funds from Congestion Management Agencies (CMAs) to local jurisdictions.**

2. Housing production timeline. Staff proposes to utilize a longer timeline for housing production, between 1999 and 2014. Doing so encapsulates multiple housing and economic cycles that do not reflect the reality we currently face. Until 2011, many local jurisdictions could rely consistently on a source of funding for affordable housing production through local Redevelopment Agencies. Since the dissolution of RDA's, the 9-county Bay Area has suffered through a loss of funding amounting to $60 million annually, in addition to the deep and sustained cuts to Federal funding for affordable housing. **We strongly recommend that OBAG be guided by the most recently completed housing cycle. In the case of OBAG 2 this would be RHNA Cycle 4 period which between 2007 and 2014.**

3. Local implementing policies. We are pleased that consideration for OBAG funding is conditioned on housing element certification. However, as past performance has indicated, the mere presence of a certified housing element is not enough of an indicator of how much affordable housing a jurisdiction will eventually produce. The disparity between affordable housing and market rate housing production reflects that inherent additional challenges around building affordable housing, especially around cost and availability of land and the lack of funding for affordable housing. **We strongly recommend that in order to be eligible for OBAG funding, jurisdictions have housing impact and commercial linkage fees in place as well as a public land ordinance that effectively prioritizes affordable housing and complies with Section 54220 the Government Code.**

4. Require annual Housing Element progress report. All jurisdictions receiving OBAG funding should be required to comply with Section 65400 of the Government Code which requires an Annual Progress Report (APR) accompanied by a public hearing.

---

[1] TransForm, California Housing Partnership Corporation. *"Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy."* May 2014. http://bit.ly/1NLCT39

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5. Sustain the Regional Planning Program. The program is a key tool for implementing Plan Bay Area and has successfully allowed jurisdictions to link local visions and priorities to the collective regional goals.

Thank you, again, for the opportunity to provide feedback. As always, we look to each of you to continue the tradition of excellence and creative problem solving that our region is renowned for.

I apologize for not being able to deliver these comments in person but am available for any questions should they arise.

Best,

Pilar Lorenzana-Campo
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July 7, 2015

Sent via: U.S. mail and e-mail
sheminger@mtc.ca.gov

Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 8th Street
Oakland, CA 94607-4700
Attn: Steve Heminger, Executive Director

Subject: Support for the Priority Development Area (PDA) Planning Program - Item 5a - Programming and Allocations Committee meeting

Dear Mr. Heminger:

I am writing to express the City of Concord's strong support for the PDA Planning Program and the renewal of grant funding associated with the program. Our planning staff was disheartened to recently understand that $20 million dollars in PDA planning and implementation funds included within the OBAG 2 item (Item 5a) under consideration at the upcoming MTC Programming and Allocations Committee meeting on July 8, 2015, may be at risk of elimination. We were further saddened and a bit mystified to learn the PDA Planning program itself may not be supported into the future.

The City of Concord has benefitted greatly from the PDA planning and implementation funding granted to it over the last few years including most recently, the funding for the preparation and adoption of the City's Downtown Specific Plan as well as funding for the planning of the Concord Reuse Project PDA. Our staff worked closely with MTC and ABAG staff throughout the 18-month period during which extensive community outreach and preparation and adoption of the City's Downtown Specific Plan occurred. Our City was anticipating the next round of PDA funding in 2016 as this funding source is a critical tool to assist our City with further implementation of the Concord Downtown Specific Plan. We are now concerned that without ABAG/MTC administering these funds, delays in implementation of projects within our PDAs will be almost certain.

The One Bay Area Grant Program funding approach that integrates the region's federal transportation program with California's climate law (SB 375) and the Sustainable Communities Strategy requires integrated land use and transportation planning with funding to support local

jurisdictions to achieve successful outcomes. Funding distribution considers progress toward achieving local land use and housing policies and includes coordinating and supporting transportation investments in the PDAs.

It is our belief that MTC/ABAG are most appropriately suited to provide the leadership necessary to continue to fund these grants and administer the program. The two agencies share the broad experience necessary to efficiently work on a regional basis and effectuate transit-oriented planning across counties by coordinating the funding necessary to support local and regional projects. In addition, the PDA Planning Grants have encouraged and supported those cities that are on track with the updates of their Housing Elements, Climate Action Plans and complete streets and transit-oriented development policies by providing needed funding for implementation of those policies and programs.

Please share our strong support for the PDA Planning Program and the renewal of grant funding associated with the program with the Programming and Allocations Committee and forward our letter and concerns onto the Committee for their meeting on July 8.

Sincerely,

Victoria Walker
Director of Community and Economic Development
City of Concord

cc: Valerie Barone, City Manager
Laura Simpson, Planning Manager
Ezra Rapport, ABAG Executive Director; ezrar@abag.ca.gov
Ken Kirkey, MTC Director of Planning; kkirkey@mtc.ca.gov
Anne Richman, MTC Director of Programming & Allocations; arichman@mtc.ca.gov
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070715Ltr to MTC PDA Funding

Bay Planning Coalition

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July 7, 2015

Mr. Scott Wiener, Chair
Metropolitan Transportation Commission
Programming and Allocations Committee
101 Eighth Street
Oakland, CA 94607

Dear Chair Wiener and Committee Members,

The Bay Planning Coalition appreciates the opportunity to comment on the action items that will be considered at the MTC Programming and Allocations Committee Meeting on July 8, 2015. Specifically, BPC would like to comment on the One Bay Area Grant (OBAG) Program proposal in regards to the principles and policy revisions for Plan Bay Area 2.0 that will be considered by MTC's Programming and Allocation Committee. In regards to the OBAG program, the Bay Planning Coalition encourages that the MTC Programming and Allocations Committee consider the following recommendations for OBAG program principles and policy revisions:

1. **Make OBAG Program funds more efficient and more beneficial to our region by encouraging the elimination of regulatory constraints to job, housing, and infrastructure development in Priority Development Areas (PDAs).**

The OBAG Program is an important source of funding for growth and development in our region to help build more sustainable communities. Therefore, the OBAG Program should focus on significantly reducing the barriers to job, housing, and infrastructure development in PDAs, and preventing the adoption of new regulatory barriers and costs in our already heavily regulated region.

To that end, we suggest that: (i) OBAG 2.0 should expressly include as a Planning Objective an analysis of the progress of local jurisdictions in identifying and eliminating or reducing local regulatory constraints on the private sector's production of the housing, jobs, and infrastructure envisioned in PDAs; and (ii) OBAG 2.0 should expressly provide that OBAG funding criteria should not directly or indirectly require or induce local governments to adopt policies that increase the cost or regulatory burden on the private sector's provision of housing, jobs, and infrastructure in PDAs.

2. **Increase the focus and accountability of OBAG planning grants.**

Whether PDA planning grants and technical assistance are distributed/provided by MTC or the Congestion Management Agencies (CMAs), it is important that these scarce resources go toward efforts that result in a final action—such as adoption of

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a specific plan with CEQA compliance—that actually approves development in or near PDAs. Limited regional funds should not go toward activities that, while they may be of interest and some benefit to an individual grant recipient (such as a marketing study or impact fee study), are not directed toward developing and adopting plans that directly entitle the land use and development envisioned by a specific PDA. This will help ensure that these regional funds will lead to vitally needed new jobs, housing, and improved infrastructure in our region. Similarly, there should be a requirement that planning grant applicants demonstrate an appropriate level of private sector expression of market interest and feasibility in the type and location of the projected PDA development in the PDA envisions private sector developers to implement some or all of the PDA.

We also believe that MTC should consider changes to the planning grant programs to increase oversight and accountability. In some prior instances, grantees have been awarded and spent hundreds of thousands of dollars in OBAG regional transportation funds for planning purposes, only to disavow the final plan based on community opposition to increased density near transit. The OBAG program should include not only increased oversight of planning activities undertaken with regional transportation funds, but also some sort of "clawback" obligation on the part of grantees that do not adopt final plans that actually entitle the development set forth in their PDA.

3. **Place more weight on directing funds to cities and counties that actually produce more new housing.**

Given that the creation of new housing is a vital aspect of building more sustainable communities for our region, the OBAG Program should put more weight on whether a particular city or county actually produces more new housing, rather than just plans for it in the abstract, in determining grant fund allocations. We therefore support the direction the staff proposal is heading on this issue, but would like to see overall housing production play a larger role in funding allocations both at the overall county level and in individual funding decisions made by the CMAs.

As the Committee's efforts to develop the principles, funding levels, and policy revisions for the OBAG Program moves into its next phase, we appreciate your consideration of our recommendations. We hope that our suggestions are helpful in creating a strategy which advances the goals of our region.

Sincerely,

John A. Coleman
Chief Executive Officer

BIA BAY AREA
BUILDING INDUSTRY ASSOCIATION

Via Email July 7, 2015

Mr. Scott Wiener, Chair
Metropolitan Transportation Commission
Programming and Allocations Committee
101 Eighth Street
Oakland, CA 94607

Re: **July 8, 2015 Meeting: Agenda Item 5—OBAG Program**

Dear Chairman Wiener and Committee Members,

The Building Industry Association of the Bay Area (BIA) respectfully submits the following comments regarding revisions to the One Bay Area Grant (OBAG) Program:

1. Make OBAG Program funds more efficient and more beneficial to our region by encouraging the elimination of regulatory constraints to job, housing, and infrastructure development in Priority Development Areas (PDAs).

The OBAG Program distributes scarce federal transportation funding with the aim of facilitating smart growth and development in our region to help build more sustainable communities. Therefore, BIA believes the OBAG Program should focus on significantly reducing barriers to job, housing, and infrastructure development in PDAs, and preventing the adoption of new regulatory barriers and costs in our already heavily regulated region.

To that end, we suggest that: (i) OBAG 2.0 should expressly include as a Planning Objective an analysis of the progress of local jurisdictions in identifying and eliminating or reducing local regulatory constraints on the private sector (for-profit and nonprofit)'s production of the housing, jobs, and infrastructure envisioned in PDAs; and (ii) OBAG 2.0 should expressly provide that OBAG funding criteria should not directly or indirectly require or induce local governments to adopt policies that increase the cost or regulatory burden on the provision of housing, jobs, and infrastructure.

2. Increase the focus and accountability of OBAG planning grants.

Whether PDA planning grants and technical assistance are distributed/provided by MTC or the Congestion Management Agencies (CMAs), it is important that these scarce resources go toward efforts that result in a final action—such as adoption of a specific plan with CEQA compliance—that actually approves development in or near PDAs. Limited regional funds should not go toward activities that, while they may be of interest and some benefit to an individual grant

recipient (such as a local marketing study or impact fee study), are not directed toward developing and adopting plans that directly entitle the land use and development envisioned by a specific PDA. This will help maximize the ability of these limited regional funds to lead to vitally needed new jobs, housing, and improved infrastructure in our region. Similarly, there should be a requirement that planning grant applicants demonstrate an appropriate level of private sector expression of market interest and feasibility in the type and location of the projected PDA development.

We also believe that MTC should consider changes to the planning grant programs to increase oversight and accountability. In some prior instances, grantees have been awarded and spent hundreds of thousands of dollars in regional funds for planning purposes, only to disavow the final plan based on community opposition to increased density near transit. The OBAG program should include not only increased oversight of planning activities undertaken with regional transportation funds, but also some sort of "claw back" obligation on the part of grantees that do not adopt final plans that actually entitle the development set forth in their PDA.

3. <u>Place more weight on directing funds to cities and counties that actually produce more new housing.</u>

Given that the creation of new housing is a vital aspect of building more sustainable communities for our region, the OBAG Program should put more weight on whether a particular city or county actually produces more new housing in determining grant fund allocations. We therefore support the direction the staff proposal is heading on this issue, but would like to see overall housing production play a larger role in funding allocations both at the overall county level and in individual funding decisions made by the CMAs.

As the Committee's and Commission's efforts to develop the principles, funding levels, and policy revisions for the OBAG Program moves into its next phase, we appreciate your consideration of our recommendations. We hope that our suggestions are helpful in creating a strategy which advances the goals of our region.

Thank you for the opportunity to comment.

Paul Campos
Sr. Vice-President & General Counsel
BIA Bay Area

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July 7, 2015

Scott Wiener
Chair
Programming and Allocations Committee
Metropolitan Transportation Committee

Dear Mr Wiener:

On behalf of the San Francisco Planning Department, I strongly support the recommendation of MTC staff to maintain funding for PDA planning grant programs at current levels in the upcoming OBAG2 funding cycle. These dedicated funds support critical planning work that links the regional growth described in Plan Bay Area and the changes that need to happen on the ground in each jurisdiction.

San Francisco has been fortunate to receive $3.68 million in PDA planning funds in recent years, through both the regional grant program and the local allocation. This funding is invaluable to our city's planning work in the PDAs. It is supporting the complex Environmental Impact Report (EIR) of the central SoMa Area Plan, the analysis of land use alternatives around the Caltrain railyard and how to accommodate high speed rail in San Francisco, as well as six other projects that will lead to better complete streets and regional transportation connections in areas seeing unprecedented growth. These are all locally and regionally significant projects that integrate transportation and land use planning.

PDA planning grant funds are essential to moving projects towards implementation. They are also one of the only sources of funding for environmental review, an often costly and time consuming process. Having MTC involved in the determination of at least some of the planning funds ensures that regional movement towards a thoughtful reflection of the future is considered. I hope that MTC will continue to support this important planning work.

Sincerely,

John Rahaim
Director of Planning

Jobs and Housing Coalition

July 7, 2015

Via Email
Hon. Jim Spering, Chair
MTC Planning Committee
Hon. Julie Pierce, Chair
ABAG Administrative Committee

Re: The Plan Bay Area 2.0 Adequate Housing Target

Dear Committee Members:

The Jobs and Housing Coalition writes to whole-heartedly support the Building Industry Association of the Bay Area's (BIA) position on the Adequate Housing Performance Target for Plan Bay Area 2.O. Jobs and Housing Coalition (JHC) agrees that MTC's proposal represents good-faith implementation of SB 375's requirement for our region's Sustainable Communities Strategy to plan for adequate housing within the region.

The key points/recommendations are:

- OBAG funds should create incentives for cities and counties to reduce regulatory barriers to the development of jobs, housing, and infrastructure in PDAs
- OBAG funds should not directly or indirectly require cities and counties to impose new costs and regulatory burdens on development of jobs, housing, and infrastructure
- Increase the focus and accountability of OBAG planning grants
- Increase the weight given to actual housing production in allocating OBAG funds.

Again, JHC respectfully urges, both committees to support MTC staff's proposal.

Thank you,

Greg McConnell
President and CEO
Jobs and Housing Coalition

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Cathy Widener
San Francisco International Airport

Kenneth Young
Equity Office Properties

T. Jack Foster, Jr.
Foster Enterprises
Emeritus Advisor to the Chairman

Paul Shepherd
Cargill
Emeritus Advisor to the Chairman

July 8, 2015

Mr. Scott Wiener, Chair
Metropolitan Transportation Commission
Programming and Allocations Committee
101 Eighth Street
Oakland, CA 94607

Re: <u>July 8, 2015 Meeting: Agenda Item 5—OBAG Program</u>

Dear Chairman Wiener and Committee Members,

The San Mateo County Economic Development Association (SAMCEDA) represents a contingent of leading Bay Area businesses, institutions, organizations and entrepreneurs. We are recognized for our experienced, impact-driven approach as a business advocacy organization. In our continued efforts in supporting economic growth and development, we submit the following comments regarding revisions to the One Bay Area Grant (OBAG) Program:

1. <u>Make OBAG Program funds more efficient and more beneficial to our region by encouraging the elimination of regulatory constraints to job, housing, and infrastructure development in Priority Development Areas (PDAs).</u>

The OBAG Program distributes scarce federal transportation funding with the aim of facilitating smart growth and development in our region to help build more sustainable communities. Therefore, SAMCEDA believes the OBAG Program should focus on significantly reducing barriers to job, housing, and infrastructure development in PDAs, and preventing the adoption of new regulatory barriers and costs in our already heavily regulated region.

To that end, we suggest that: (i) OBAG 2.0 should expressly include as a Planning Objective an analysis of the progress of local jurisdictions in identifying and eliminating or reducing local regulatory constraints on the private sector (for-profit and nonprofit)'s production of the housing, jobs, and infrastructure envisioned in PDAs; and (ii) OBAG 2.0 should expressly provide that OBAG funding criteria should not directly or indirectly require or induce local governments to adopt policies that increase the cost or regulatory burden on the provision of housing, jobs, and infrastructure.

2. <u>Increase the focus and accountability of OBAG planning grants.</u>

Whether PDA planning grants and technical assistance are distributed/provided by MTC or the Congestion Management Agencies (CMAs), it is important that these scarce resources go toward efforts that result in a final action—such as adoption of a specific plan with CEQA compliance—that actually approves development in or near PDAs. Limited regional funds should not go toward activities that, while they may be of interest and some benefit to an individual grant recipient (such as a local marketing study or impact fee study), are not directed

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toward developing and adopting plans that directly entitle the land use and development envisioned by a specific PDA. This will help maximize the ability of these limited regional funds to lead to vitally needed new jobs, housing, and improved infrastructure in our region. Similarly, there should be a requirement that planning grant applicants demonstrate an appropriate level of private sector expression of market interest and feasibility in the type and location of the projected PDA development.

We also believe that MTC should consider changes to the planning grant programs to increase oversight and accountability. In some prior instances, grantees have been awarded and spent hundreds of thousands of dollars in regional funds for planning purposes, only to disavow the final plan based on community opposition to increased density near transit. The OBAG program should include not only increased oversight of planning activities undertaken with regional transportation funds, but also some sort of "claw back" obligation on the part of grantees that do not adopt final plans that actually entitle the development set forth in their PDA.

3. **Place more weight on directing funds to cities and counties that actually produce more new housing.**

Given that the creation of new housing is a vital aspect of building more sustainable communities for our region, the OBAG Program should put more weight on whether a particular city or county actually produces more new housing in determining grant fund allocations. We therefore support the direction the staff proposal is heading on this issue, but would like to see overall housing production play a larger role in funding allocations both at the overall county level and in individual funding decisions made by the CMAs.

As the Committee's and Commission's efforts to develop the principles, funding levels, and policy revisions for the OBAG Program moves into its next phase, we appreciate your consideration of our recommendations. We hope that our suggestions are helpful in creating a strategy which advances the goals of our region.

Thank you for the opportunity to comment.

Sincerely,

Rosanne Foust
President & CEO

To: Ken Kirkey; Anne Richman
Cc: David Zisser; Miriam Chion (MiriamC@abag.ca.gov)
Subject: OBAG Recommendations

Hi Ken and Anne,

Following up on the letter submitted by the 6 Wins and allies in July and the discussion we had with you in August, we have attached some more detailed recommendations about how some of our suggested improvements to the One Bay Area Grant program could be implemented. They relate specifically to local affordable housing production, local anti-displacement and housing policies, and jobs data. For your reference, our original letter is also attached.

We understand that the OBAG program will be coming before the RAWG next week. We would also welcome another opportunity to sit down with you this month to discuss our suggestions in more detail.

Thanks for your attention,
Sam

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Recommended Modifications to the One Bay Area Grant Program to Advance Investment without Displacement, Affordable Housing, and Economic Opportunity:

September 30, 2015

This memo offers specific suggestions for operationalizing several of the improvements to the One Bay Area Grant (OBAG) Program recommended in our letter of July 2, 2015. As explained in that letter, the OBAG Program is one of the most important and innovative elements of Plan Bay Area, creating vital links between the regional plan and local implementation. When the OBAG program was first conceived, it was described as a mechanism to use transportation funding as an incentive to encourage local jurisdictions to do more to preserve and expand affordable housing, particularly since Plan Bay Area allocates substantial amounts of transportation funds but not affordable housing funds. The need for these incentives is all the more urgent given the loss of redevelopment funding and deep cuts in federal housing funds. Moreover, in adopting Plan Bay Area in 2013, MTC and ABAG committed to strengthening the ties between OBAG funding and "jurisdiction-level affordable housing planning, production, acquisition and rehabilitation" and "neighborhood stabilization and anti-displacement policies." [1] Now is the time to implement those changes and to ensure that critical data about jobs and wages is collected for this major expenditure of public dollars.

(1) <u>Strengthen the ties between *local* affordable housing production and OBAG funds.</u> We recommend adopting both of the following approaches to realizing OBAG's promise as an incentive and support to local jurisdictions that are embracing their role in meeting the regional need for affordable housing:

- Provide data about what percentage of each county's OBAG funding pool is attributable to every jurisdiction within that county, and direct CMAs to take this into account in evaluating project proposals. Currently, MTC and ABAG evaluate a variety of factors, including past and planned affordable and overall housing production, to determine each county's share of OBAG funding, but CMAs aren't required to take into account local policies and performance in determining local allocations of OBAG funds. The county-level allocation formula should be run for each local jurisdiction so that it is clear which cities accounted for the greatest weight in securing the county's share of OBAG funding. CMAs should then be given clear direction to prioritize projects in jurisdictions that have performed more strongly against these criteria.

- Direct CMAs to prioritize projects in jurisdictions that have produced a relatively greater percentage of lower-income (very low and low income) housing compared their target percentage over the last two RHNA cycles. That is, if lower-income housing constituted 50% of a jurisdiction's RHNA over this period, that jurisdiction would be performing well if substantially more than 50% of the housing actually produced was lower-income, and poorly if substantially less than 50% of the housing produced was lower-income. Jurisdictions should be evaluated based on how close they come to meeting, or how far they exceed, against this metric relative to other jurisdictions in that county. We specifically recommend measuring the low- and very-low income share of total production rather than absolute numbers for this metric in order to account for the difference in size of different jurisdictions. This metric would allow smaller jurisdictions with strong affordable-housing track records to compete against larger jurisdictions and also avoid "penalizing" jurisdictions with weaker markets where total production may have lagged.

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[1] Plan Bay Area 2013, page 122.

(2) Ensure that all local jurisdictions that receive funding have a locally appropriate set of anti-displacement and affordable housing policies in place, and prioritize funding to those jurisdictions that have particularly strong policies. In order to accomplish this goal, we recommend that a jurisdiction must have adopted and implemented a minimum number of key anti-displacement and affordable housing policies, and that a bonus be given to jurisdictions that exceed this minimum. This recommendation is similar to what we have proposed for the project performance evaluation process, as we believe that both processes should be mutually reinforcing.

ABAG maintains an inventory that lists every Bay Area jurisdiction and which of 30 policies or programs they have, as well as definitions of each policy or program.[2] Based on our experience, 8 of these policies or programs are generally the most effective at preventing displacement and creating affordable housing opportunities and should be used to assess project support: (1) condominium conversion ordinance, (2) just cause eviction, (3) rent stabilization, (4) mobile home preservation, (5) SRO preservation, (6) housing development impact fee or in-lieu fee, (7) commercial linkage fee, and (8) inclusionary/below market rate housing policy. We suggest adding a 9th policy to this list: local minimum wage above the state's minimum wage, because it addresses the other side of affordability – income. A summary of the number and percentage of jurisdictions that have these 9 policies and programs is attached as Appendix A, and a detailed list of the jurisdictions that have each policy or program is attached as Appendix B.[3]

- **Require that jurisdictions have at least 2 policies in order to qualify for project funding. Using these criteria, 87 local jurisdictions would qualify for funding.** The remaining jurisdictions should be given sufficient time to adopt policies from this list to qualify for funding. As with the Housing Element requirement for the first round of OBAG funding, the goal would be to encourage all jurisdictions to qualify for funding rather than preventing any jurisdiction from accessing funds.
- In addition, **jurisdictions with more policies from this list should be given funding priority.** Jurisdictions should be rewarded for strong performance. While having minimum standards for OBAG eligibility is important, it is also critical to reward jurisdictions that are going above that minimum to promote the regional imperative to stem the tide of displacement and create affordable housing.
- Lastly, bonus points should be given for jurisdictions that have rent stabilization and just cause policies, as these are particularly effective anti-displacement policies.

(3) Track and report on the number and wage levels of jobs directly created by OBAG expenditures, including construction, operations, and other jobs funded by either planning or project grants.

- Implement a pilot program to track and report on the jobs directly created by OBAG expenditures, including construction, operations, and other jobs funded by either planning or project grants. Reporting should include number, duration and wage range of direct jobs, as well as available data on employment of local and/or disadvantaged residents in those jobs. The pilot might focus on gathering data for a few representative projects of different types in order to help inform future rounds of OBAG and other investment activities.

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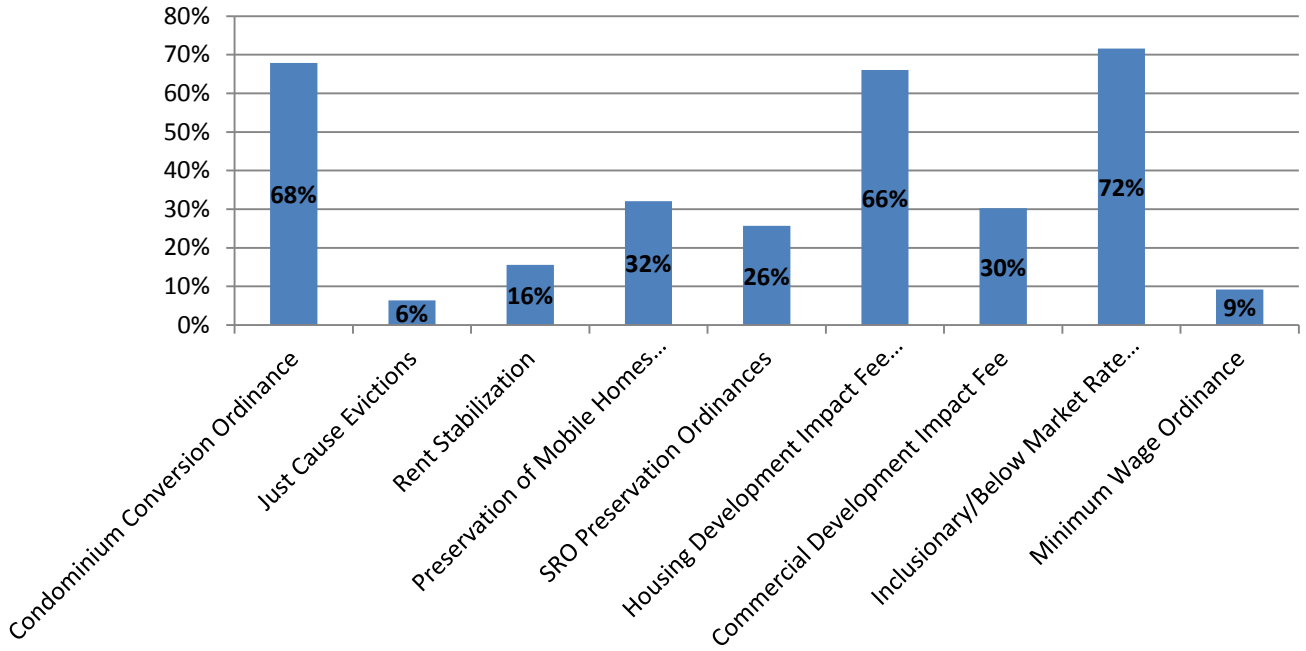
[2] See ABAG, Housing Research: Bay Area Housing Policy Database v.1.0 (January 2015), available at http://www.abag.ca.gov/planning/housing/research.html.

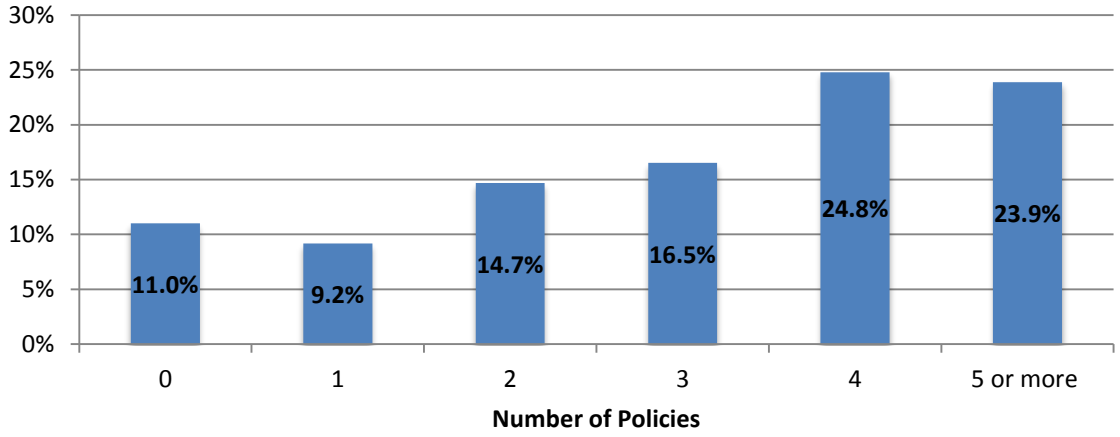
[3] Data on the minimum wage ordinances come from Working Partnerships USA. Data on the other 8 policies come from ABAG.

Appendix A:
Summary of Anti-Displacement and Affordable Housing Policies in the Bay Area

T1. Percentage of Jurisdictions in the Bay Area with Specific Key Policies



T2. Percentage of Jurisdictions with Key Policies Already in Place by Number of Policies



Number of policies	0	1	2	3	4	5 or more
Number of jurisdictions	12	10	16	18	27	26
Percentage of jurisdictions	11.0%	9.2%	14.7%	16.5%	24.8%	23.9%

Appendix B:
Anti-Displacement and Affordable Housing Policies by Jurisdiction

Alameda County																TOTAL YES (15)
Affordable Housing Policies and Programs	**Alameda**	**Albany**	**Berkeley**	**Dublin**	**Emeryville**	**Fremont**	**Hayward**	**Livermore**	**Newark**	**Oakland**	**Piedmont**	**Pleasanton**	**San Leandro**	**Union City**	**Unincorporated Alameda County**	
Condominium Conversion Ordinance	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	13
Just Cause Evictions	N	N	Y	N	N	N	Y	N	N	Y	N	N	Y	N	N	4
Rent Stabilization	N	N	Y	N	N	N	Y	N	N	Y	N	N	N	N	N	3
Preservation of Mobile Homes (Rent Stabilization ordinances)	N	N	N	N	N	Y	Y	N	N	Y	N	N	Y	Y	Y	6
SRO Preservation Ordinances	N	Y	N	N	N	N	N	N	N	Y	N	N	N	N	N	2
Housing Development Impact Fee and/or In Lieu Fees	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	14
Commercial Development Impact Fee	Y	Y	Y	Y	Y	N	N	Y	Y	Y	N	N	N	N	N	8
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	Y	Y	N	11
	N	N	Y	N	Y	N	N	N	N	Y	N	N	N	N	N	3
Total Yes	**4**	**5**	**7**	**4**	**5**	**4**	**6**	**4**	**2**	**8**	**1**	**3**	**5**	**4**	**1**	

Contra Costa County																					TOTAL YES (20)
Affordable Housing Policies and Programs	**Antioch**	**Brentwood**	**Clayton**	**Concord**	**Danville***	**El Cerrito***	**Hercules***	**Lafayette**	**Martinez**	**Moraga**	**Oakley**	**Orinda***	**Pinole***	**Pittsburg**	**Pleasant Hill***	**Richmond**	**San Pablo**	**San Ramon**	**Walnut Creek**	**Unincorporated Contra Costa County**	
Condominium Conversion Ordinance	Y	Y	Y	Y	Y	Y	N	N	Y	Y	N	N	N	Y	Y	Y	N	Y	Y	Y	14
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	N	N	1
Rent Stabilization	N	N	N	Y	Y	N	Y	N	N	N	N	N	N	N	N	Y	N	N	N	N	4
Preservation of Mobile Homes (Rent Stabilization	N	N	N	Y	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	2
SRO Preservation Ordinances	Y	N	Y	Y	Y	N	Y	N	N	Y	Y	N	N	N	Y	Y	Y	Y	N	Y	12
Housing Development Impact Fee and/or In Lieu Fees	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	N	15
Commercial Development Impact Fee	Y	Y	N	N	N	N	N	N	Y	N	N	N	Y	N	N	Y	N	Y	Y	N	7
Inclusionary/Below Market Rate Housing Policy	N	Y	N	Y	Y	Y	Y	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	15
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	N	N	1
Total Yes	**4**	**4**	**3**	**6**	**4**	**3**	**4**	**0**	**4**	**2**	**4**	**0**	**3**	**3**	**4**	**8**	**3**	**5**	**4**	**3**	

Marin County													TOTAL YES (12)
Affordable Housing Policies and Programs	Belvedere	Corte Madera*	Fairfax	Larkspur*	Marin County	Mill Valley*	Novato*	Ross	San Anselmo*	San Rafael	Sausalito*	Tiburon	
Condominium Conversion Ordinance	Y	Y	N	N	Y	Y	Y	N	Y	Y	Y	Y	9
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	N	N	0
Rent Stabilization	N	N	N	N	N	N	N	N	N	N	N	N	0
Preservation of Mobile Homes (Rent Stabilization ordinances)	N	N	N	N	N	N	Y	N	N	Y	N	N	2
SRO Preservation Ordinances	N	N	N	N	N	N	N	N	N	Y	N	N	1
Housing Development Impact Fee and/or In Lieu Fees	N	N	Y	N	Y	Y	Y	N	Y	Y	N	UC	6
Commercial Development Impact Fee	N	Y	N	UC	Y	N	N	N	N	N	N	UC	2
Inclusionary/Below Market Rate Housing Policy	N	N	N	Y	Y	Y	Y	N	Y	Y	Y	Y	8
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	N	N	0
Total Yes	1	2	1	1	4	3	4	0	3	5	2	2	

Napa County							TOTAL YES (6)
Affordable Housing Policies and Programs	American Canyon	Calistoga	Napa	St. Helena*	Yountville	Unincorporated Napa County*	
Condominium Conversion Ordinance	Y	N	Y	Y	Y	N	4
Just Cause Evictions	N	N	N	N	N	N	0
Rent Stabilization	Y	N	N	N	N	N	1
Preservation of Mobile Homes (Rent	Y	Y	N	N	Y	Y	4
SRO Preservation Ordinances	N	N	Y	N	N	Y	2
Housing Development Impact Fee and/or In	N	Y	Y	Y	Y	Y	5
Commercial Development Impact Fee	N	Y	Y	N	Y	Y	4
Inclusionary/Below Market Rate Housing	Y	Y	Y	Y	Y	N	5
Minimum Wage Ordinance	N	N	N	N	N	N	0
Total Yes	4	4	5	3	5	4	

San Francisco County		TOTAL YES (1)
Affordable Housing Policies and Programs	**San Francisco**	
Condominium Conversion Ordinance	Y	1
Just Cause Evictions	Y	1
Rent Stabilization	Y	1
Preservation of Mobile Homes (Rent Stabilization	N	0
SRO Preservation Ordinances	Y	1
Housing Development Impact Fee and/or In Lieu Fees	Y	1
Commercial Development Impact Fee	Y	1
Inclusionary/Below Market Rate Housing Policy	Y	1
Minimum Wage Ordinance	Y	1
Total Yes	8	

San Mateo County																						TOTAL YES (21)
Affordable Housing Policies and Programs	**Atherton***	**Belmont***	**Brisbane**	**Burlingame**	**Colma**	**Daly City**	**East Palo Alto**	**Foster City**	**Half Moon Bay**	**Hillsborough**	**Menlo Park**	**Millbrae***	**Pacifica**	**Portola Valley***	**Redwood City**	**San Bruno***	**San Carlos**	**San Mateo**	**South San Francisco***	**Woodside**	**Unincorporated San Mateo County**	
Condominium Conversion Ordinance	N	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	N	N	N	N	N	Y	N	Y	12
Just Cause Evictions	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	1
Rent Stabilization	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	1
Preservation of Mobile Homes (Rent Stabilization	N	N	Y	N	N	N	Y	N	N	N	N	N	Y	N	N	N	N	N	N	N	Y	4
SRO Preservation Ordinances	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	Y	N	N	3
Housing Development Impact Fee and/or In Lieu Fees	N	N	Y	UC	N	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	11
Commercial Development Impact Fee	N	N	N	UC	N	N	N/A*	N	N	N	Y	N	N	N	Y	N	N	N	UC	N	N	2
Inclusionary/Below Market Rate Housing Policy	N	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N	Y	15
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	0
Total Yes	**0**	**1**	**5**	**2**	**1**	**3**	**6**	**2**	**2**	**0**	**4**	**3**	**4**	**2**	**3**	**2**	**2**	**0**	**3**	**0**	**4**	

Santa Clara County

Affordable Housing Policies and Programs	Campbell*	Cupertino	Gilroy	Los Altos	Los Altos Hills	Los Gatos	Milpitas	Monte Sereno	Morgan Hill	Mountain View	Palo Alto	San Jose	Santa Clara	Saratoga*	Sunnyvale	Unincorporated Santa Clara County*	TOTAL YES (16)
Condominium Conversion Ordinance	N	Y	Y	Y	N	N	Y	N	Y	Y	Y	N	Y	N	Y	N	9
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	0
Rent Stabilization	Y	N	Y	N	N	Y	N	N	N	N	N	Y	N	N	N	N	4
Preservation of Mobile Homes (Rent Stabilization ordinances)	N	N	Y	N	N	Y	Y	N	Y	Y	Y	Y	N	N	Y	N	8
SRO Preservation Ordinances	Y	Y	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	3
Housing Development Impact Fee and/or In Lieu Fees	N	Y	Y	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	N	10
Commercial Development Impact Fee	N	Y	Y	N	N	N	N	N	N	Y	Y	N	N	N	Y	N	5
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	Y	N	Y	N	N	Y	Y	Y	Y	Y	N	Y	N	11
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y	N	Y	N	5
Total Yes	**3**	**5**	**6**	**2**	**0**	**4**	**2**	**0**	**4**	**6**	**6**	**5**	**4**	**2**	**6**	**0**	

Solano County

Affordable Housing Policies and Programs	Benicia	Dixon	Fairfield	Rio Vista*	Suisun City*	Vacaville*	Vallejo*	Unincorporated Solano County*	TOTAL YES (8)
Condominium Conversion Ordinance	Y	N	Y	N	N	Y	Y	N	4
Just Cause Evictions	N	N	N	N	N	N	N	N	0
Rent Stabilization	N	N	N	N	N	N	N	N	0
Preservation of Mobile Homes (Rent Stabilization	Y	N	N	N	N	N	N	N	1
SRO Preservation Ordinances	N	N	Y	N	N	N	UC	Y	2
Housing Development Impact Fee and/or In Lieu Fees	Y	N	N	N	N	N	N	N	1
Commercial Development Impact Fee	N	N	N	N	N	N	N	N	0
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	N	N	N	UC	N	3
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	0
Total Yes	**4**	**1**	**3**	**0**	**0**	**1**	**1**	**1**	

Sonoma County											TOTALYES (10)
Affordable Housing Policies and Programs	**Cloverdale**	**Cotati**	**Healdsburg***	**Petaluma**	**Rohnert Park**	**Santa Rosa**	**Sebastopol**	Sonoma	**Windsor**	**Unincorporated Sonoma County***	
Condominium Conversion Ordinance	Y	Y	Y	Y	Y	Y	Y	Y	N	N	8
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	0
Rent Stabilization	N	Y	Y	Y	N	N	N	N	N	N	3
Preservation of Mobile Homes (Rent Stabilization	N	Y	Y	Y	Y	Y	Y	Y	N	Y	8
SRO Preservation Ordinances	Y	N	N	N	N	N	N	N	N	Y	2
Housing Development Impact Fee and/or In Lieu Fees	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	9
Commercial Development Impact Fee	Y	Y	N	Y	N	N	Y	N	N	N	4
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	9
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	0
Total Yes	**5**	**6**	**5**	**6**	**4**	**4**	**5**	**3**	**2**	**3**	

October 7, 2015

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Re: Metropolitan Transportation Commission's (MTC) Support for a Bay Area Preservation Fund for Affordable Housing and Community Stabilization

Dear Mr. Heminger:

While housing costs soar across the region, long-time residents are increasingly at-risk of being displaced from their neighborhood or the region. Plan Bay Area 2040 will begin to address these issues with targets that include housing and transportation affordability and displacement. Building upon MTC's historic investments in the Transit-Oriented Affordable Housing Fund (TOAH), we are requesting that MTC set aside $10 million of One Bay Area Grant (OBAG) funding for two years to explore the creation of a Bay Area Preservation Fund that would target the preservation of affordable homes throughout the region's Priority Development Areas (PDAs).

Communities throughout the region are undergoing significant and rapid change. We recognize that change is inevitable especially in a region that is expected to grow by 2 million people by 2040. However, in many of these communities, the drivers of change include speculation, cash-only buyers, and surge of evictions coupled with strong market and demographic trends of living in urban neighborhoods well-serviced by transit. According to the Urban Displacement Project, 53% of Bay Area neighborhoods are at risk or already have experienced displacement. The Bay Area region has lost 50% of its homes affordable to low-income households while the number of low-income households has increased by 10% between 2000-2013.[1] Nobody feels this pinch more than Bay Area working families who pay astronomical rents, work several jobs to pay their bills—of which rent and transportation accounts for 59% of their income — and worry about their stability with rampant evictions.[2]

Cities and regions across the country are realizing that building affordable homes is not sufficient to address displacement: they also need to preserve existing affordable homes to achieve community stabilization. *Preservation generally costs half as much and takes half the time to build compared to new construction* and serves a wider range of incomes, from very low- to low-income households. Furthermore, preservation retains affordability in communities with limited sites available for new affordable construction.

MTC was forward-thinking in 2008 when creating TOAH which has been instrumental in securing the scarce and well-sought after sites near transit for affordable homes in our communities. Affordable housing has proven to be one of the best uses of this precious land because it both creates a permanent affordability and ensures ridership—lower-income households drive 25-30% fewer miles when living within a half-mile of transit than those living in non-transit-oriented development (TOD) areas.[3] With new state resources through the Greenhouse Gas Reduction Fund, specifically the Affordable Housing and Sustainable Communities program, TOAH will see an uptick in utilization helping to ensure the long-term affordability of a community.

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[1] Urban Displacement Project, http://www.urbandisplacement.org/
[2] Urban Land Institute, Bay Area Burden, 2009.
[3] California Housing Partnership and TransForm, Why Creating and Preserving Affordable Homes Near Transit Is A Highly Effective Climate Protection Strategy, 2014.

With TOAH focusing on new construction, the next wave of MTC's investment should focus on preservation of existing affordable homes. There are generally two types of homes that fall into this category, which include homes that are currently affordable because of deed restrictions and naturally-occurring affordable homes in the market. Through the Bay Area Prosperity Plan, the California Housing Partnership Corporation identified 5,495 units that are at risk of converting to market-rate because their deed restrictions are set to expire as determined by financing terms.

There is no estimate of the number of naturally-occurring affordable homes in the region, but Enterprise Community Partners and the Low-Income Investment Fund, who have been instrumental in the conceptualization of TOAH, have embarked on an in-depth preservation study of market-rate affordable housing. The case studies of three Bay Area neighborhoods of West San Carlos in San Jose, Monument Corridor in Concord, and Hegenberger Road in Oakland have yielded some interesting preliminary findings. The majority of naturally-occurring affordable units are in multi-family properties with 5 or less units. However, there are key properties next to transit that are 20 to 100 units that are appropriate for preservation since they are financially feasible to acquire and manage by non-profit housing developers. *There is a finite supply of these ideal properties for preservation, and now is the time to act before speculators and cash-only buyers prevail.*

Across the country we are seeing nascent preservation funds emerge in Los Angeles as the metro system expands, in Washington DC as the *Stake Your Claim* campaign is gaining cross-sector interest, and even in smaller cities like Austin, TX. Closer to home, the East Bay Asian Local Development Corporation (EBALDC) is piloting a preservation fund through a partnership with NeighborWorks where a line of credit has allowed EBALDC to compete with the same advantages as for-profit buyers.

We have learned from these cities and regions that in order for a preservation fund to be effective, there are two attributes that are paramount:

1. Nimble and quick—access to credit that allows non-profit housing developers to make all-cash offers with short escrow periods. In other words, level the playing field with for-profit buyers who have deep pockets.
2. Low-cost and patient—more favorable financing compared to conventional lenders such as low interest with a 10-year term. This allows for calculated risks, innovation, and flexibility as non-profit housing developers undertake preservation.

Leverage is the true power of a fund. We have seen this firsthand with an initial $10 million in seed investment by MTC in TOAH which is now capitalized at $87 million. As such, we propose that at the end of two years, cities and funders have a business plan and additional funding to operationalize the Bay Area Preservation Fund. Should no such proposal prove forthcoming, these funds can be returned to the OBAG program for distribution to deserving projects.

We recognize a Bay Area Preservation Fund alone will not stop displacement and gentrification, but we strongly believe that it is a critical next step MTC needs to embark on as inequality grows in the region. We look forward to MTC's leadership on this issue.

Sincerely,

Mayor Libby Schaaf
City of Oakland

Mayor Tom Butt
City of Richmond

Mayor John McAlister
City of Mountain View

Council Member David J. Canepa
City of Daly City

Kate Hartley
Deputy Director—Housing, Mayor's Office of Housing and Community Development
City and County of San Francisco

Jacky Morales-Ferrand
Interim Director—Department of Housing
City of San José

Kara Douglas
Affordable Housing Program Manager
Contra Costa County

Margot Ernst
Housing Program Manager
City of Walnut Creek

Kelly Wallace
Acting Director—Health, Housing & Community Services Department
City of Berkeley

Fred Diaz
City Manger
City of Fremont

Ross McKeown

From: Robert Macaulay <rmacaulay@sta.ca.gov>
Sent: Friday, October 23, 2015 3:30 PM
To: Ross McKeown
Subject: City of Dixon OBAG 2 Eligibility
Attachments: City of Dixon Housing Element Letter Oct 23 2015.pdf

On behalf of the City of Dixon, the STA is requesting that the City be deemed eligible to apply for and receive OBAG Cycle 2 funds with regards to the requirement to have a certified Housing Element. Please forward this letter to the appropriate staff and Committees at MTC.

Attached is a letter from the City of Dixon regarding the status of their Housing Element. The City received a letter from HCD on August 6, 2015, conditionally approving their Housing Element.

The OBAG guidelines set deadlines for cities to have approved Housing Elements in order to be eligible for OBAG 2 funds, and Dixon has had difficulties meeting these deadlines. I believe that the City's letter clearly spells out the challenges they have faced, including staffing issues, and the actions they have been taking to construct affordable housing in their community.

The City's letter also spells out a timeline for making the final change specified in the August 6 letter, and that timeline exceeds the January 31, 2016 deadline set by MTC. The City's timeline anticipates completion of the specific plan and zoning changes in the second quarter of 2016. Given the statutory and practical needs for notices, public input, and both Planning Commission and City Council action, I believe this is a realistic timeframe. The presence of numerous holidays between now and the end of January 2016, with the resultant reduction in the number of Planning Commission and City Council meetings, makes achievement of the specific plan and zoning changes in the next 90 days all but impossible.

Please feel free to call me or Dixon's Public Work Director Joe Leach at 707-678-7031 x 305 if we can provide you with any additional information.

Robert Macaulay
Director of Planning
rmacaulay@sta.ca.gov
(o) 707 399-3204
(c) 707 580-0458

MAYOR JACK BATCHELOR, JR.
VICE MAYOR JERRY CASTAÑON, SR.
COUNCILMEMBER STEVEN BIRD

COUNCILMEMBER SCOTT PEDERSON
COUNCILMEMBER TED HICKMAN
CITY TREASURER DANE BESNEATTE

October 23, 2015

Robert Macauley
Director of Planning
Solano Transportation Authority
One Harbor Center, Suite 130
Suisun City, CA 94585
rmacaulay@sta.ca.gov

RE: Dixon's 5th Cycle (2015-2023) Adopted Housing Element Implementation Schedule

Mr. Macauley,

Per our discussion over the last week, we understand that the Metropolitan Transportation Commission (MTC) staff has expressed to STA staff their concern that the City's Housing Element has been "conditionally" approved by the Department of Housing and Community Development (HCD) per the attached August 6, 2015 letter (Attachment 1) from Mr. Glen A. Campora, Assistant Deputy Director. MTC desires to gain information regarding how the City intends to completely fulfill the Housing Element requirements by the noted deadline of January 31, 2016.

In order to answer the questions of schedule, I believe it imperative that MTC understand the efforts the City has undertaken to achieve 234 planned/constructed units of the 250-unit Regional Housing Need Allocation (RHNA) requirement (Attachment 2, Table IV-2 on page IV-3).

1. Heritage Commons
    a. Phase 1 (***60 units***) – Construction completed in 2013
    b. Phase 2 (***54 units***) – under construction; scheduled to be completed in 2016
    c. Phase 3 (***6 units***) – planned
2. Valley Glen Apartments
    a. ***59 units*** – Construction completed in 2013
3. Various existing sites
    a. Zoned PMU-2-PD with allowable densities between 14.53 and 21.78 units/acre.
    b. Map ID No's. 1 through 7 – ***55 units*** (Attachment 2)

As detailed in the House Element Update (Attachment 2, Table IV-5, pps. V-19, V-20 & V-45), the balance of the 16 units would need to come from the Southwest Dixon Specific Plan Area (SWDSPA). Currently the SWDSPA reflects a Zoning Designation for the two parcels totaling 10.7 acres as RM-2 as a result of a rezone action in 2005 (see Attachment 3). These two

City of Dixon
600 East A Street • Dixon, California • 95620-3697
(707) 678-7030 • FAX (707) 678-7039 • TTY (707) 678-1489

parcels would need to be rezoned to RM-4 to yield total 231 units, 16 of which would be applied to the RHNA Cycle 4 shortfall.

It should be noted that as the site plans and infrastructure plans for SWDSPA were being developed in the mid-2000s, it was anticipated that the area in question would be rezoned to a higher density, as evidenced by the Conceptual Site Plan dated October 2006 (Attachment 4 denotes the clouded area yielding 231 units).

Additionally, and of extreme significance, the City has accomplished the above with temporary and/or part-time staff working aggressively with consultants. Amidst ongoing recruitment efforts, the City has been without a full time Community Development Director (CDD) since Fall 2012. The Department has been challenged by staff turnover: the departure of a part-time Associate Planner and a contract, part-time CDD (8+ years of local institutional knowledge); the addition of a CDD consultant (since August 2015) and full time Associate Planner (since September 2015). As it is not difficult to image, the result of these transitions has been the delay in processing projects. The recruitment effort for the position of CDD has been increased with the retaining of a professional placement consultant with the expectation of filling the position during the first quarter of 2016.

In an effort to continue to demonstrate the City's commitment to adhere the HCD requirements, we are proposing the Process/Schedule below:

Proposed Process/Tentative Schedule

1Q 2016 Complete Environmental Analysis for rezone of two parcels totaling 10.7 acres within the SWDSPA and impacts to Specific Plan Amendment and General Plan Amendment

1Q 2016 Noticing of Planning Commission Public Hearing

2Q 2016 Planning Commission Public Hearing of Rezone, SP/GP Amendments; City Council Adoption of Rezone/Amendments

It is acknowledged that the above schedule does not conform to the schedule noted in the HCD approval letter. It is the City's hope and expectation that MTC staff would consider both the level of effort demonstrated to date and the extenuating circumstances this municipality has weathered during the last several years.

Please contact me at 707-678-7031 x 305 or jleach@ci.dixon.ca.us if you have any questions or require any additional information.

Sincerely,

Joe Leach, PE
City Engineer/Public Works Director

Attachments

1 – HCD's approval letter of Dixon's Adopted Housing Element August 6, 2015
2 – City of Dixon Housing Element Update 2015-2023 (select pages)
3 – Ordinance No. 05-011 rezone of Southwest Dixon Specific Plan Area
4 – Conceptual Site Plan dated October 2006

CC: Jim Lindley, City Manager
Joan Michaels Aguilar, Deputy City Manager/Administrative Services
Douglas L. White, Churchwell White LLP, Legal Counsel
George Osner, Interim Community Development Director
Scott Greeley, Associate Planner
Jennifer Gastelum, PMC

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY EDMUND G. BROWN JR., Governor
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

August 6, 2015

Mr. Jim Lindley, City Manger
City of Dixon
600 East A Street
Dixon, CA 95620

Dear Mr. Lindley:

RE: City of Dixon's 5th Cycle (2015-2023) Adopted Housing Element

Thank you for submitting the City of Dixon's housing element adopted May 26, 2015 which was received for review on May 29, 2015. Pursuant to Government Code (GC) Section 65585(h), the Department is reporting the results of its review.

The adopted element conditionally meets the statutory requirements of State housing element law (GC, Article 10.6). The Department's review found the adopted element to be substantially the same as the revised draft element the Department's April 8, 2015 review determined met statutory requirements. The finding of compliance is conditioned on the City zoning adequate sites to address the unaccommodated housing need from the prior planning period.

Please be aware, for the housing element to continue to demonstrate adequate sites after January 31, 2016, the City must complete Program 5.3.1 actions. This program commits to rezone sites to accommodate the 16 unit carryover of housing need not met in the 4th cycle by January 31, 2016. Pursuant to GC Section 65584.09, a jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing need must zone or rezone adequate sites to accommodate all of the previous cycle's unmet housing need within the first year of the next housing element cycle. The City must monitor and report on the results of this and other programs through the annual progress report, required pursuant to GC Section 65400.

Please note the City of Dixon now meets specific requirements for State funding programs designed to reward local governments for compliance with State housing element law. For example, the Department's Housing Related Parks Program includes housing element compliance as a threshold requirement. Please see the Department's website for specific information about this and other State funding programs at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011708.pdf.

Attachment 1

The Department appreciates the work provided by Mss. Jennifer Gastelum and Amy Sinshimer, the City's consultants, throughout the course of the housing element review. The Department wishes the City of Dixon success in implementing its housing element. If the Department can provide assistance in implementing the housing element, please contact Melinda Coy, of our staff, at (916) 263-7425.

Sincerely,

Glen A. Campora
Assistant Deputy Director

City of Dixon Housing Element Update 2015–2023

Draft

February 2015

Prepared by:

PMC®

2729 Prospect Park Drive, Suite 220
Rancho Cordova, CA 95670

Attachment 2

2. Options for Complying with the Adequate Site Requirement

State law requires jurisdictions to demonstrate that "adequate sites" will be made available over the planning period (2015–2023 for the ABAG region) to facilitate and encourage a sufficient level of new housing production. Jurisdictions must also demonstrate that appropriate zoning and development standards, as well as services and facilities, will be in place to facilitate and encourage housing. The Housing Element must inventory land suitable for residential development, including vacant and underutilized sites, and analyzes the relationship of zoning and public facilities and services to these sites.

In complying with the adequate site requirement, jurisdictions can take credit for the number of new units built during the RHNA cycle of 2014–2022 toward the RHNA. This includes new housing units either built or approved since January 1, 2014.

State law also allows jurisdictions to fulfill a portion of the RHNA with existing housing units. Under Assembly Bill (AB) 438, jurisdictions can fulfill up to 25 percent of the RHNA for lower-income households through the acquisition/rehabilitation of qualified substandard units that would otherwise be demolished. Given the stringent criteria of AB 438, few communities in the state have been able to take advantage of this provision.

AB 438 also authorizes jurisdictions to fulfill a portion of the RHNA through the preservation of affordable units that would otherwise revert to market rents (at-risk units) but are preserved through committed assistance from the jurisdiction. However, the high cost of preserving the at-risk units is beyond the current financial resources of the City.

The following discussion identifies how the City may provide for a sufficient number of sites to facilitate housing production commensurate with the 2014–2022 RHNA. In evaluating the adequacy of sites to fulfill the RHNA by income level, HCD assesses a jurisdiction's development potential by zoning district and corresponding density level.

3. Progress Toward Meeting Housing Needs

An important component of the Housing Element is the identification of sites for future housing development and evaluation of the adequacy of these sites in fulfilling Dixon's share of the Regional Housing Needs Allocation, as determined by ABAG.

In the 4th cycle Housing Element update, the City included Program 5.3.1, stating that the City would accommodate its remaining lower-income RHNA by rezoning enough sites to RM-4 to address a shortfall of 250 units. The City has since rezoned property and approved projects to accommodate all but 16 units of the 250. **Table IV-2** details the projects/sites that have addressed the requirements of Program 5.3.1.

TABLE IV-2
PROGRESS TOWARD ADDRESSING THE 4TH CYCLE RHNA SHORTFALL

APN	Project Description	Acreage	Units	Income-Category
116-030-150	Heritage Commons Affordable Senior Apartments	5.07	120	Extremely Low and Very Low
114-030-033	Valley Glen Rental Apartment Complex (farmworker housing)	5.00	59	Extremely Low and Very Low
Multiple	Upzoning of seven parcels to PMU-2	7.12	55	Extremely Low, Very Low and Low based on default density
Remaining RHNA			16	

In addition to the two approved projects in the table above, the City provided Redevelopment funds to two homes (on the same lot) that that care for up to 12 homeless veterans. The facility opened in 2009. This facility is considered transitional housing which is temporary by definition therefore the 12 beds don't count towards the 4th cycle RHNA.

In order to accommodate the 16 remaining units, rezoning of the Southwest Affordable Housing site is proposed. The two parcels that make up the site total 10.7 acres and are currently zoned RM-2. An affordable housing project for 131 units has been approved on a portion of the site. Per the Development Agreement, the units will be affordable to low-income households or lower depending on the final plans for development. In order to accommodate the densities allowed under the project, the site will need to be rezoned to RM-4, which allows densities between 22 and 29 units per acre, densities feasible to facilitate development of housing affordable to lower-income households in Dixon. Although a project has been approved on the site, building permits have not been approved and the project is not currently moving forward. Program 5.3.1 proposes to rezone the entire 10.7 acres; the City estimates that the site has a realistic capacity of 231 units (131 of these units have already been approved as part of the approved project as described above). The RM-4 zoning will have a minimum allowed density of 22 units per acre with a maximum of 29 units per acre. This program will be implemented within one year of the beginning of the 5th cycle planning period or January 31, 2016, and the remaining 215 units that can realistically be accommodated on the site will be available as part of the 5th cycle land inventory.

As part of the 2015–2023 Housing Element update, an analysis of the residential development potential in Dixon was conducted. City staff performed a parcel-specific vacant and underutilized sites analysis. The results of this analysis are summarized in **Table IV-3** and compared to the City's share of the RHNA.

TABLE IV-5
CITY OF DIXON LAND INVENTORY

Map ID	APN	Zone	Proposed Zone	Area	Allowable Density	General Plan Designation	Acres	Realistic Unit Capacity 75 percent	Existing Use	Infrastructure Capacity	Constraints	Exempt from Measure B
	HIGH DENSITY SITES											
1	115-060-120	PMU-2-PD	n/a	North First & East F Street	14.53- 21.78	Planned Mixed Use	0.15	11	Vacant	Yes	None	Yes
2	115-060-140			North First & East F Street		Planned Mixed Use	1.30		Vacant	Yes	None	Yes
3	115-070-160	PMU-2-PD	n/a	North First/Second Street	14.53- 21.78	Planned Mixed Use	1.67	17	Single family house	Yes	None	Yes
4	115-070-170						0.25		Vacant	Yes	None	Yes
5	115-070-180	PMU-2-PD	n/a				0.25		Vacant	Yes	None	Yes Yes
6	113-066-130	PMU-2-PD	n/a	Jefferson & West D Street	14.53- 21.78	Planned Mixed Use	2.56	20	Vacant	Yes	Drainage	Yes
7	113-066-020	PMU-2-PD	n/a	Jefferson & West D Street	14.53- 21.78	Planned Mixed Use	0.94	7	Grain silos	Yes	Drainage	Yes
							7.12	**55**				
	APPROVED BUT NOT APPROPRIATELY ZONED HIGH DENSITY SITES											
8	114-011-010	RM-2	RM-4	Southwest Dixon Specific Plan	21.78-29.04	MDH	10.70	115	Vacant	Yes	None	Yes, through 2020
9	114-011-040	RM-2	RM-4	Southwest Dixon Specific Plan	21.78-29.04	LD		100	Vacant	Yes	None	Yes, through 2020
	Total High Density						**17.80**	**215[1]**				
	SPECIFIC PLANS/PLANNED DEVELOPMENTS											
10	116-030-140	PMR	n/a	Brookfield Subdivision	5.46	MDL	3.48	19	Vacant	Yes	None	No
11	116-030-160	PMR	n/a	Brookfield Subdivision	8.33	MDL	12.12	101	Vacant	Yes	None	No
12	116-030-170	PMR	n/a	Brookfield Subdivision	8.46	MDL	9.81	83	Vacant	Yes	None	No
13	116-030-180	PMR	n/a	Brookfield Subdivision	5.06	MDL	15.20	77	Vacant	Yes	None	No
	Total Medium Density						**40.61**	**280**				
14	116-030-190	PMR	n/a	Brookfield Subdivision	3.46	LD	2.89	10	Vacant	Yes	None	No
15	116-030-200	PMR	n/a	Brookfield Subdivision	4.18	LD	11.70	49	Vacant	Yes	None	No
16	116-030-210	PMR	n/a	Brookfield Subdivision	3.80	LD	16.31	62	Vacant	Yes	None	No
17	114-030-230, 240 and 250	PMR-PD,R1-PD	n/a	Valley Glen Planned Development	3.53	VLD,LD,MDL,G	89.28	316	Vacant	Yes	None	No
	Total Low Density						**120.18**	**437**				

Source: City of Dixon, 2014
Note 1: The Development agreement for this project is for 231 units. 16 of those units are not shown in this table as they have been counted towards the 4th cycle RHNA.

Housing Program	Five-Year Objective	Progress	Continue/ Modify/Delete
development of affordable housing. ***Responsible Agency:*** Community Development Department ***Time Frame:*** Annually ***Funding:*** General Fund	unused allotment to be used in the following five-year period would apply in addition to the 15 percent already allowed.	development. Therefore, communication with developers interested in affordable housing regarding the availability of unused Measure B allotments has not been appropriate. The Council has not passed a resolution stating that unused allotments used in the following five-year period would apply in addition to the 15 percent already allowed. **Appropriate:** Modify to clarify language in objective and continue.	
5.3.1 **Program to Rezone Sites:** The City's residential sites inventory currently provides vacant land for 2,338 units within the planning period of this Housing Element. To meet the adequate sites requirement for the Regional Housing Need Allocation (RHNA), the sites inventory falls short of the lower-income housing production requirement by 250 units, as shown in Table IV-3 of the Resources section of the Housing Element. The City has identified approximately 30.13 acres of land to rezone to RM-4 (High Density Multi-family Residential, allowing 22-29 units per acre) that can potentially facilitate the development of approximately 489 units affordable to lower-income households.	The City will amend the Zoning Ordinance by June 2010 to include both a RM-3 and RM-4 district. The City plans to rezone 30.13 acres of land to the RM-4 district to facilitate the development of affordable housing. The City also plans to rezone the High Density Senior site (Simpson Senior Housing) to the new RM-4 district.	**Effectiveness:** This program was substantially effective. **Progress:** In 2009, the Core Area Mixed Use land use allowable density was changed from a maximum of 8.7 units per acre to a range of 6.23 to 21.78 units per acre. The City has rezoned property and approved projects to accommodate all but 16 units of the 250. The projects/sites that have addressed the program requirements include: • Rezone of seven parcels, totaling 7.12 acres from PMU-1 to the newly created PMU-2 (allowing up to 21.78 units per acre)	Modify

Housing Program	Five-Year Objective	Progress	Continue/ Modify/Delete
The City has in the past rezoned property to address the need for housing, particularly for housing that would serve lower-income and special needs groups. Both the sites for the La Esperanza project and the Dixon Second Street Senior Apartments were rezoned from nonresidential uses to permit housing development. The City will monitor compliance with the City's share of the regional housing need. Within one year of adoption of the Housing Element, the City will undertake steps to ensure that adequate sites are available to meet the City's share of the regional housing need through rezoning of land for multi-family development and/or increasing the density of sites. All rezoned sites permit owner-occupied and rental multi-family developments by right and do not require a conditional use permit, planned development permit or any other discretionary review. All sites to be rezoned to meet the City's shortfall will have a capacity of at least 16 units per site. ***Responsible Agency:*** Community Development Department ***Time Frame:*** June 2010		• Rezone of 5.07 acres to RM-4 and approving the 120-unit very low-income Heritage Commons senior apartment project. Phase I (60 units) has been constructed. • Approval of a farmworker affordable housing project on 5 acres for 59 units. **Appropriateness:** This program will be modified and continued to address the 16 remaining RHNA units from the 4th cycle.	

Policy 5.3: **Ensure that adequate sites are available for affordable housing development throughout the city.**

Program 5.3.1 **Program to Rezone Sites:** Program to Rezone Sites: The City made substantial progress toward rezoning sites and approving projects to address the 250-unit Regional Housing Need Allocation (RHNA) shortfall from the 4th cycle Housing Element as shown in Table IV 2 of the Resources section of the Housing Element. After taking these efforts into account, a shortfall of 16 units affordable to lower-income households remains for the 4th cycle. In order to accommodate the 16 remaining units, redesignation and rezoning of the Southwest Affordable Housing site is proposed. The two parcels that make up the site total 10.7 acres and are currently designated MDH and zoned RM-2. An affordable housing project for 131 units has been approved on a portion of the site. In order to accommodate the densities allowed under the project, the site will need to be rezoned to RM-4, which allows densities between 22 and 29 units per acre, densities feasible to facilitate development of housing affordable to lower-income households in Dixon. A General Plan Amendment will also be required for the site to redesignate it to HD allowing 21.78 to 29.04 units per acre. Although a project has been approved on the site, building permits have not been approved and the project is not currently moving forward. This program proposes to redesignate/rezone the entire 10.7 acres; the City estimates that the site has a realistic capacity of 231 units (131 of these units have already been approved as part of the approved project as described above). The HD designation/RM-4 zoning will have a minimum allowed density of 21.78 units per acre with a maximum of 29.04 units per acre and allows residential uses only. This program will be implemented within one year of the beginning of the 5th cycle planning period or January 31, 2016.

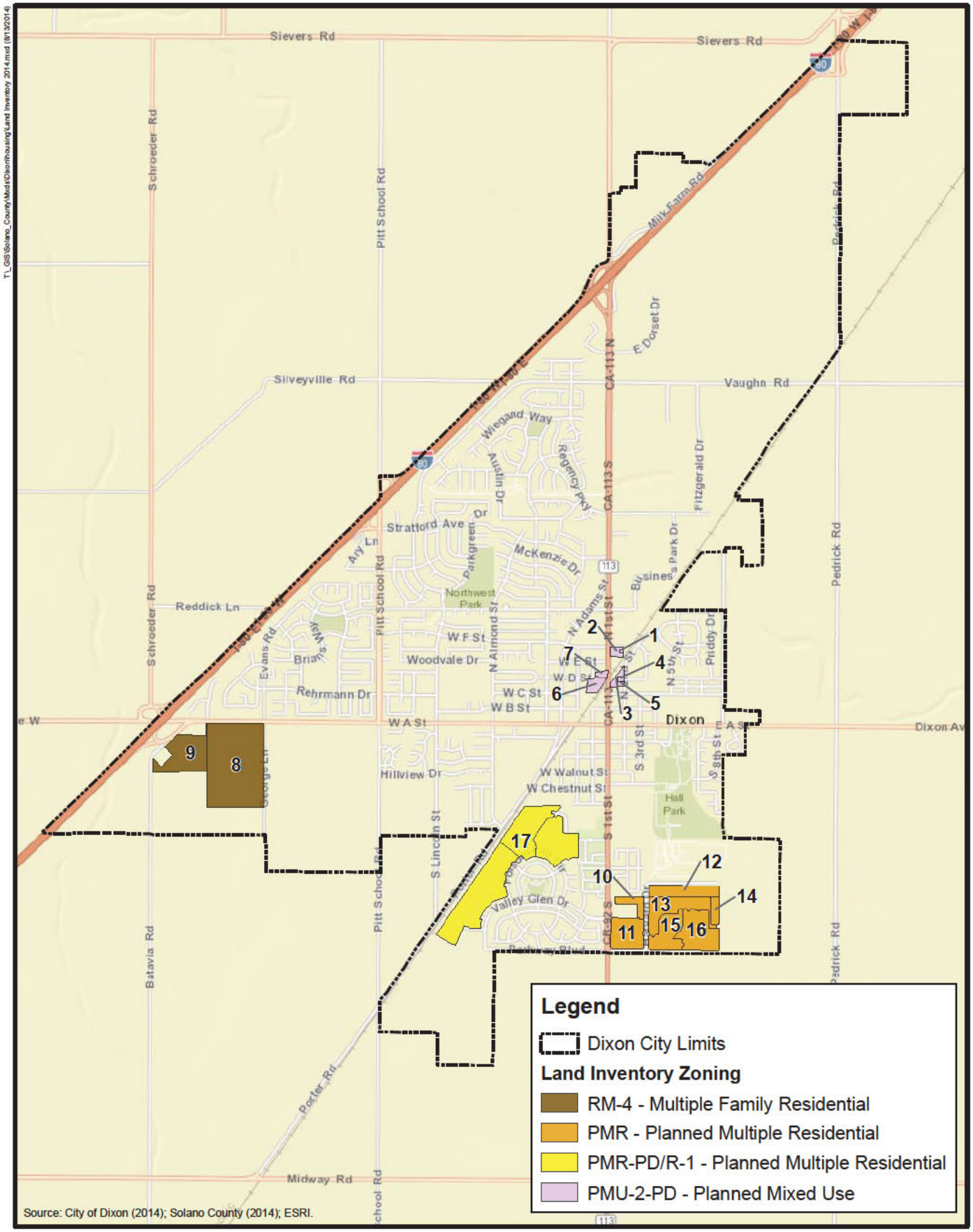
The City will monitor compliance with Dixon's share of the regional housing need. Within one year of adoption of the Housing Element, the City will undertake steps to ensure that adequate sites are available to meet the City's share of the regional housing need by rezoning of land for multi-family development and/or increasing the density of sites. The site proposed for rezoning permits owner-occupied and rental multi-family developments by right and does not require a conditional use permit, planned development permit, or any other discretionary review.

Eight-Year Objective: The City will rezone the 10.7-acre Southwest Affordable Housing site within one year of the beginning of the 5th cycle Housing Element planning period, by January 31, 2016. The City will also prepare a General Plan Amendment to redesignate the land use category to High Density (HD) for consistency with the RM-4 zoning.

Responsible Agency: Community Development Department

Time Frame: January 31, 2016

Funding: General Fund



Appendix A
Land Inventory Map

PMC

Attachment 2

ORDINANCE NO. 05-011

AN ORDINANCE REZONING APPROXIMATELY 477 ACRES IN THE SOUTHWEST DIXON SPECIFIC PLAN AREA (ASSESSOR'S PARCEL NO.'s: 114-011-010, 030, & 040; 114-012-020; 114-011-020; 114-011-080; 114-141-240; 114-040-020 & 030; 114-011-050; 114-141-230; 114-011-130; 114-011-040 & 060; 109-030-090 & 100; 114-141-250; 114-012-030; 114-020-010; 114-011-120; AND 114-012-040) AND DIRECTING THAT THE OFFICIAL ZONING MAP OF THE CITY BE AMENDED ACCORDINGLY

THE CITY COUNCIL OF THE CITY OF DIXON ORDAINS AS FOLLOWS:

Section 1. The City Council finds and determines as follows:

(a) An application was made to the City for the rezoning of several properties located in the Southwest Dixon Specific Plan Area (the "Southwest Properties" consisting of Assessor's Parcel No.'s 114-011-010, 030, & 040; 114-012-020; 114-011-020; 114-011-080; 114-141-240; 114-040-020 & 030; 114-011-050; 114-141-230; 114-011-130; 114-011-040 & 060; 109-030-090 & 100; 114-141-250; 114-012-030; 114-020-010; 114-011-120; and 114-012-040). The proposed rezoning of the Southwest Properties is depicted in Exhibit "A" attached hereto and made a part hereof.

(b) The acting Community Development Director made an investigation of the proposed rezoning pursuant to Section 12.30.06 of the City of Dixon Zoning Ordinance ("Zoning Ordinance") and submitted a report thereon to the Planning Commission.

(c) The Planning Commission held a properly noticed public hearing on the proposed rezoning on September 12, 2005, and after considering all of the evidence, made specific findings that the proposed rezoning is necessary to achieve the objectives of the Zoning Ordinance as prescribed in Section 12.01.01 and the proposed rezoning is consistent with the City of Dixon's General Plan, as amended, and the revised Southwest Dixon Specific Plan and recommended approval of the proposed rezoning.

(d) The City Council held a properly noticed public hearing on the proposed rezoning on October 11, 2005, and considered the Planning Commission recommendations, the report of the acting Community Development Director, any public comments and all documents or testimony received.

Section 2. The City Council specifically finds and determines as follows:

(a) The proposed rezoning is necessary to achieve the objectives of the Zoning Ordinance as prescribed in Section 12.01.01.

(b) The proposed rezoning is consistent with the City of Dixon's General Plan, as amended, and the revised Southwest Dixon Specific Plan.

(c) The City Council certified the Southwest Dixon Specific Plan Environmental Impact Report which covers the proposed rezoning on September 28, 2004 and no additional environmental review of this rezoning is required by law, ordinance, or regulation.

Section 3. Pursuant to the provisions of Section 12.30 of the Zoning Ordinance and Government Code Section 65853, the Southwest Properties are hereby rezoned as depicted on the attached Exhibit "A".

Section 4. Pursuant to Section 12.30.09, the City Clerk is hereby directed to cause the Official Zoning Map of the City of Dixon to be revised to reflect the rezoning approved by this ordinance.

Section 5. This Ordinance shall become effective thirty (30) days after its adoption.

Section 6. The City Clerk shall cause this Ordinance to be published in the Dixon Tribune, a newspaper of general circulation in the City of Dixon, within fifteen (15) days of its enactment; shall certify to the enactment and publication of this Ordinance, and shall cause this Ordinance and its certifications to be entered in the Book of Ordinances of the City.

***

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Dixon duly held on the 11th day of October, 2005 and was approved and enacted at a duly held regular meeting or adjourned regular meeting of the City Council held on the 8th day of November, 2005 by the following roll call vote:

AYES: Alexander, Ferrero, Smith, Vega, Courville

NOES: None

ABSTAIN: None

ABSENT: None

ATTEST:

Janice M. Beaman
City Clerk

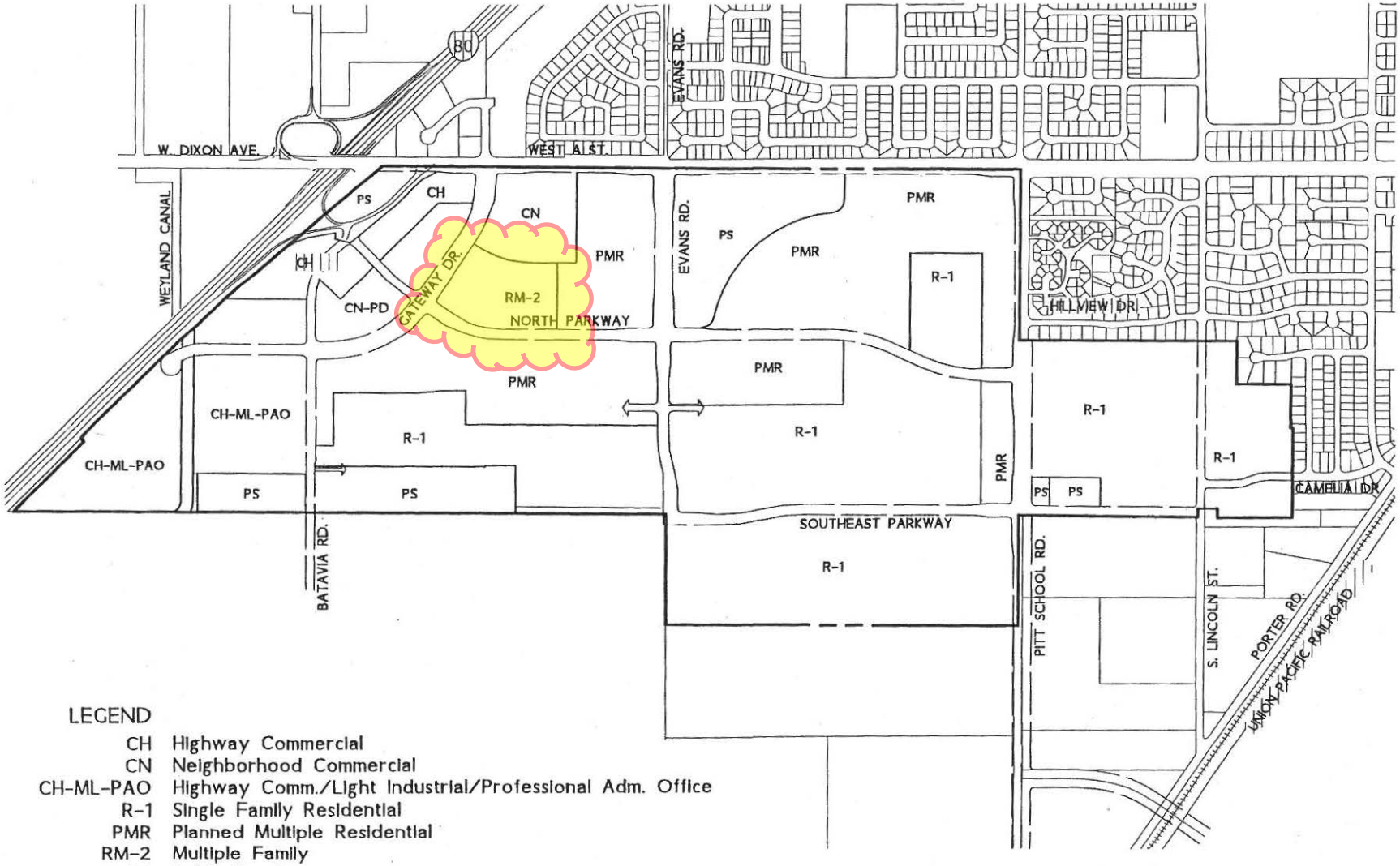
Mary Ann Courville
Mayor

N:\City Clerk\Ordinances\Southwest Rezone 10.11.05.doc

Attachment 3

ORDINANCE NO.: 05-011

DATE: NOV 08 2005



LEGEND

CH	Highway Commercial
CN	Neighborhood Commercial
CH-ML-PAO	Highway Comm./Light Industrial/Professional Adm. Office
R-1	Single Family Residential
PMR	Planned Multiple Residential
RM-2	Multiple Family
PS	Public Service
———	Southwest Dixon Plan Area

EXHIBIT A - ZONING

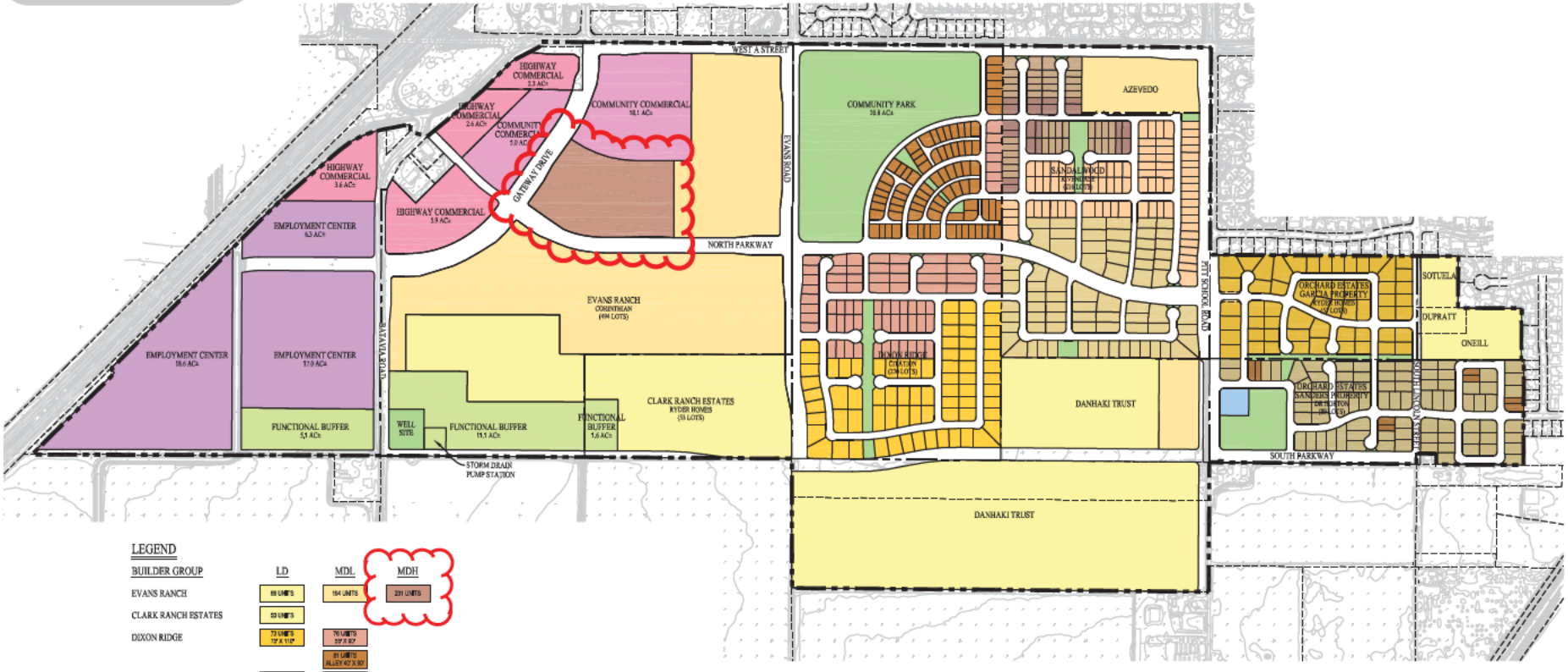
SOURCE: NOLTE ASSOC., INC.

Attachment 3

ORDINANCE NO.: 05-011

DATE: NOV 08 2005

DRAFT



LEGEND

BUILDER GROUP	LD	MDL	MDH
EVANS RANCH	68 UNITS	194 UNITS	231 UNITS
CLARK RANCH ESTATES	53 UNITS		
DIXON RIDGE	73 UNITS 73' X 110'	76 UNITS 55' X 90'	
		81 UNITS ALLEY 40' X 90'	
SANDALWOOD	73 UNITS 60' X 110'	81 UNITS 50' X 100'	
		42 UNITS Z LOT 40' X 100'	
		70 UNITS DUETS 40' X 100'	
ORCHARD ESTATES (GARCIA)	57 UNITS 60' X 100'		
ORCHARD ESTATES (SANDERS)	61 UNITS 60' X 110'	4 UNITS DUETS 40' X 100'	
TOTAL	498	592	231 = 1139

FUTURE DEVELOPMENT

LD

MDL

CONCEPTUAL SITE PLAN

SOUTHWEST DIXON SPECIFIC PLAN

CITY OF DIXON SOLANO COUNTY CALIFORNIA

0' 300' 900' 1200'

SCALE: 1" = 300' DATE: OCTOBER 2006

Carlson, Barbee & Gibson, Inc.

Attachment 4

CITY OF HALF MOON BAY

City Hall • 501 Main Street • Half Moon Bay • 94019

October 20, 2015

Ms. Anne Richman
Programming and Allocations Committee
Metropolitan Transportation Commission
101 8th Street, Oakland, CA 94607

Subject: One Bay Area Grant Program (OBAG 2) Funding

Dear Ms. Richman,

On behalf of the City of Half Moon Bay I am respectfully requesting that the Metropolitan Transportation Commission (MTC) consider either an exception, waiver or an extension to the May 31, 2015 Housing Element certification deadline. Half Moon Bay has made steady and diligent progress in completing the Department of Housing and Community Development (HCD) Housing Element certification process as noted below:

- March 3, 2015 City Adoption of the Housing Element
- April 14, 2015 HCD Conditional Approval of the Housing Element
- September 15, 2015 City Adoption of Housing Ordinance Amendments
- October 5, 2015 HCD Certification of Housing Element

As you can see from the above timeline, the City was well on our way towards completing the HCD certification process in advance of the May 31, 2015 MTC deadline as demonstrated by the City's adoption in March, 2015, and the conditional HCD approval in April, 2015.

As you may know, the City of Half Moon Bay has experienced significant financial constraints and hardships, and we have just recently been able to rebuild our revenues and catch up on badly needed infrastructure maintenance and capital improvement projects. These OBAG 2 grant funded projects represent opportunities for serious improvements in the lives of residents, businesses and visitors to this community and the coastside in general. I urge you to favorably consider allowing us to continue to be eligible for this cycle of OBAG 2 funding.

Sincerely,

Magda Gonzalez, For
City Manager

cc: Mayor and City Council
John Doughty, Interim Community Development Director
Mo Sharma, City Engineer
Bruce Ambo, Planning Manager
Ross McKeown, MTC
Eliza Yu, MTC