

MTC Planning Committee
ABAG Administrative Committee
375 Beale Street
San Francisco, CA 94105

May 5, 2017

Re: **Plan Bay Area Action Plan**

Dear MTC Commissioners and ABAG Board Members:

The 6 Wins for Social Equity Network, Non-Profit Housing Association of Northern California (NPH), and Greenbelt Alliance write this letter in the spirit of urgency and collaboration. We are pleased to have the opportunity to work with MTC and ABAG to develop a Plan Bay Area Action Plan with strategies that will help effectively tackle the housing affordability and displacement crisis. Below, we offer **recommended principles to ensure that the Action Plan serves its intended purpose, as well as specific actions that must be included in the Action Plan** to advance tangible affordable housing and anti-displacement outcomes.

As regional leaders, you have used your policy authority, investment decisions, and power of persuasion to shift the regional dialogue and catalyze change at the local, regional, state, and national scale. Now, as the scope of the region's crisis continues to grow, we urge you to take action once again to help restore housing security for the Bay Area's most vulnerable residents.

The Growing Problem

The first chapter of the draft Plan Bay Area includes a number of significant conclusions about the scale of the housing affordability and displacement crisis. For example, “the vast majority of households with annual incomes below \$50,000 experience an excessive housing cost burden” and the “lack of adequate tenant protections—or availability of subsidized or ‘naturally affordable’ market-rate units in neighborhoods with quality transit service and other amenities—has accelerated the displacement of lower-income residents.” Moreover, “more than half of low-income households live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.”

Without effective interventions, hundreds of thousands more Bay Area residents will struggle to pay rent and risk losing their homes. Under the draft Plan, however, the risk of displacement for low- and moderate-income households will increase by 5 percent, and the share of lower-income households' income consumed by housing and transportation will increase by 13 percent.

Principles for an Effective Action Plan

For this reason, you approved the addition of an Action Plan that would “identify concrete ... action items ... to make meaningful progress on ... housing affordability [and] displacement

risk."¹ While we appreciate the inclusion of an Action Plan and the direction it is headed, we have strong concerns that it is not sufficiently ambitious or specific, lacking both clarity about the measurable outcomes that will be achieved and the time period under which these actions will be initiated, conducted, and concluded.

The following principles are essential for ensuring that MTC and ABAG do what they can to tackle the urgent challenges of housing affordability and displacement:

Principle 1: The actions in the Action Plan must be clear and specific, with measurable outcomes, responsible parties, and clear timeframes (month and year) for implementation so that MTC, ABAG, and the public know exactly what is expected, when it will be accomplished, and who is responsible for implementation.

Principle 2: The actions in the Action Plan must be sufficiently aggressive to address the scale and urgency of the housing crisis.

Principle 3: The Action Plan must robustly address displacement and include strategies that help protect tenants and other low-income residents from involuntary displacement from their homes, their neighborhoods, and the region.

Principle 4: The Action Plan must emphasize actions that MTC and ABAG themselves can implement, rather than strategies that rely on state or local action.

Recommended Actions

To ensure that the Action Plan lives up to these principles, we ask that you direct staff to make the following changes to the Action Plan:

Add NEW Actions:

1. **Generate affordable housing revenue:** MTC and ABAG must commit to identifying and adopting new regional funding sources for affordable housing production and preservation (e.g., through RM 3, HOV tolls, a regional bond measure, a regional impact fee, and private sector contributions) sufficiently scaled to meet needs as projected in Plan Bay Area, and a specific timeframe by which to expect the revenue plan (e.g., November 2017).
2. **Expand housing conditions in existing programs:** Wherever possible, the provision of discretionary funding should be conditioned on strong local jurisdiction performance on affordable housing and prevention of displacement. The Action Plan must not limit itself to including housing provisions or conditions only in *new* funding sources, but should also expand the *existing* funding programs that include housing provisions or conditions. MTC should commit to reviewing all federal, state, and regional funding sources it currently manages by the end of 2017 and report to the Joint MTC Planning and ABAG Administrative Committee with recommendations on how housing conditions

¹ Memorandum from ABAG Deputy Executive Director and MTC Executive Director, Bay Area 2040 Final Preferred Scenario and Investment Strategy (Nov. 10, 2016), available at <http://bit.ly/2oWkQ8M>.

could be integrated into the provision of those funds. Moreover, MTC must tie funding sources to both affordable housing production *and* anti-displacement protections.

3. **Prioritize public land for affordable housing:** The Action Plan must build on MTC's existing efforts to inventory public land and to require compliance with the state Surplus Land Act to be eligible for OBAG funding by including an action to incentivize the use of public land for affordable housing development.
4. **Report on performance:** To promote transparency and accountability, MTC and ABAG must commit in the Action Plan to providing periodic (e.g., quarterly) progress reports on the Action Plan at Joint Planning and Administrative Committee meetings.

Add SPECIFICITY to Current Proposals:

5. **Expand and refine housing initiatives:** The Action Plan must not limit itself to simply *implementing* existing initiatives (such as OBAG, NOAH, JumpStart, and transportation funding conditioned on housing performance) but should also include a commitment to *refine and expand* these initiatives. The Action Plan should also commit MTC to creating a regional infill Infrastructure Bank that could subsidize infrastructure improvements on sites dedicated to the development of affordable housing.
6. **Specify the new funding sources that will be subject to housing conditions:** The Action Plan must provide examples (beyond planning grants) of "upcoming new funding sources" where housing provisions or conditions – including affordable housing production and anti-displacement protections – will be added, such as OBAG, RM3, SB1, etc.
7. **Pursue funding and legislative solutions now:** Rather than wait to "implement the recommendations of CASA," the Action Plan must include an action to pursue funding and legislative solutions right away, including a permanent source of affordable housing funding, protecting tenants from displacement, strengthening housing element law, supporting fair housing, and eliminating the *Palmer* decision's limitation on inclusionary zoning. Moreover, the CASA process is outside of Plan Bay Area and should not be treated as a substitute for centering the Action Plan within the Plan Bay Area public process.
8. **Address job quality:** The Action Plan must explicitly recognize the wage/income side of the housing affordability equation; improving the jobs mix is an essential part of addressing the housing affordability crisis. Specifically, economic development actions in the Action Plan, including the Economic Development District, the Goods Movement strategy, and the Priority Production Areas, should incentivize (1) the creation and retention of middle-wage jobs and (2) strategies to lift up low-wage jobs to help close the gap between wages and housing costs. In addition, worker-level data on wages and earnings from work must be measured and tracked in order to assess whether strategies intended to target middle-wage jobs are working.

MTC and ABAG have a significant opportunity to take strong leadership in developing and implementing real solutions to the region's pressing housing and displacement crisis. We urge you to make the Action Plan a concrete, measurable and effective roadmap for ensuring that the Bay Area's most vulnerable residents can afford to stay here.

Sincerely,

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6 Wins for Social Equity Network²

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² The 6 Wins for Social Equity Network is made up of the following social justice, faith, public health, and environmental organizations: Alliance of Californians for Community Empowerment (ACCE), Asian Pacific Environmental Network (APEN), Breakthrough Communities, California Walks, Causa Justa :: Just Cause, SF Council of Community Housing Organizations (CCHO), Community Legal Services in East Palo Alto (CLSEPA), Center for Sustainable Neighborhoods, East Bay Alliance for a Sustainable Economy (EBASE), East Bay Housing Organizations (EBHO), Faith in Action Bay Area, Genesis, Housing Leadership Council of San Mateo County (HLC), North Bay Organizing Project (NBOP), Public Advocates, Regional Asthma Management and Prevention (RAMP), Rose Foundation for Communities and the Environment, Sunflower Alliance, Union Community Alliance of San Mateo County, Urban Habitat, and Working Partnerships USA (WPUSA).