

OBAG 2 Stakeholder Feedback Comment Log

May-July 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.
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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

		Did not support the TPI/TCP reduction in funds, especially relative to other programs that are either kept whole or increased.
Dierdre Heitman	BART	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 CMAAs 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.
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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.
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Letter Correspondence

6/30/2015

Various Stakeholders	Various Stakeholders	Suggested changes to the Priority Conservation Area (PCA) program including: increased funding; standardized minimum requirements; reduced matching ratio requirement and elimination of the Master agreement.
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Programming and Allocations Committee

7/8/15

Adrienne Tissier	Found the letters received from groups working on OBAG prior to meeting informative and would like to see if some of the ideas could be incorporated. These groups are trying to find the right fit between the jobs and housing, having some of the different income ranges being included, and giving incentives for housing. Also gleaned from letters that they are looking for accountability.
Scott Haggerty	In relation to the Greenbelt Alliance letter asking for increase to \$20 million for the PCAs, asked for confirmation that OBAG 2 is giving an additional \$6 million to PCAs. Steve confirmed that it does, and is one of the few increases included OBAG 2. Steve said MTC is trying to bring the PCA and PDA approach into a

better balance. Haggerty wondered whether it would work to have a small percentage of PDA money that would be available to the local jurisdictions to spend on PCAs as they wish. Steve said that flexibility already exists as the PDA requirement in large counties is 70% be spent in PDAs and 30% can be sent somewhere else.

In regards to PDA planning, Haggerty thought last time there was \$4 million, this time none. Steve said there was a \$40 million regional program that the Commission later reduced to \$20 million. OBAG 2 permits the CMAs to spend as much of their block grant on planning as they'd like. In the current proposal is a provision that MTC will provide enough base planning funding so that no county has to spend more than 50% of their block grant on planning. Steve thinks the question at a policy level in terms of PDA planning is where is the best place for that to take place; our view is that it should be at both the county and the regional level. One reason regional level is important is that Plan Bay Area forecasted growth, and where that growth will be, shows that nearly 2/3 of it is in 15 cities. That doesn't work well with a give-all-the-money-to-the county model.

Libby Schaaf

An issue important to her is attention to anti-displacement policies and stabilization of neighborhoods, that it remain a priority along with production of affordable housing as well as improvement of transit access; thinks this presentation shows that it has been heard.

Tom Bates

Accountability of the CMAs is going to be important—we're asking for affordable housing and for housing production, and it's not clear that they're going to make that happen. He would like to follow that as we move along.

Scott Wiener

Housing production, including affordable housing, is incredibly important. In regards to 30% housing production, and 20% housing RHNA, do we have a sense of how jurisdictions are doing in meeting their RHNA goals? Steve said the RHNA factor is just the promise the jurisdiction is making; the production factor is whether they deliver.

Wiener asked if consideration was given to making that entire 50% housing production. Steve responded that with this proposal we're moving in the housing production direction; whether we're moving far enough is going to be one of the major policy decisions the Commission makes. Wiener asked if it would be possible to have the percentage shift over the five year period of OBAG 2 so that it starts out 30% production, 20% RHNA and then over time that shifts so that by years 3 and 4, the

cities that are really producing should be rewarded. Wiener asked that between now and October we model a few different formula options.

Mark Luce

He supports housing production and looking at ways to make that easier. But he doesn't want to overemphasize housing production per se in this formula. What we're not talking about is jobs/housing ratios. There are some communities with a desperate need for housing because of the high percentage of jobs to housing, and other communities, essentially bedroom communities to the rest of the Bay Area, why should we penalize them for already producing the housing the Bay Area uses. Need to look at proximity-based housing, not depend on transit to deliver people. There's more dimensions to this than housing production in that formula.

Jason Baker

Supports movement toward more housing production, with more emphasis on incentivizing and helping dealing with the effects on folks who are doing the actual building—dealing with the traffic and congestion and the other things that come along with building a little bit of density.

Jake Mackenzie

Rohnert Park's citizens had approved a growth management ordinance approving an average of about 230 housing units a year for the 20 years of the General Plan, which was just updated in 2015; not one has been built. Based on comments today, Rohnert Park should be penalized. Mackenzie flipped the question: what have the developers been doing while Rohnert Park annexed the lands, approving over 4,000 housing units, and also forward-funded a sewer pump line and a water supply line. Said city should get a good actors reward because city has met its side of the bargain, the developers have not. Suggested people look at the cities' annual report of their general plan to find out what cities are doing with producing houses and implementing their general plan.

Jim Spering

Supports rewarding communities building housing, but also need to look at other issues such as congestion. Can't paint CMAs with same brush as cities that refuse to build housing. North Bay and Contra Costa CMAs are doing good work to reduce congestion, but it's not recognized in these plans. Maybe additional revenues that goes to counties that are performing, But we have to set a baseline so we don't choke the good work that many of the counties are doing.

Thinks the proposal is balanced and leaning in the right direction. Agrees that we have to put incentives and rewards in for communities that are doing it, but not at the expense of counties that are dealing with congestion issues in a much different way than just housing.

Tom Bates

In Berkeley there are 13 apartment buildings currently under construction, but there is a backlash to that and people are now saying we have way too much. Those that produce should be rewarded, but OBAG should be such that people see the benefits of production. That means parks, open space, opportunities for people to gather. How do we streamline it without undercutting our ability to make sure we plan properly, and make sure that those who do produce do see some benefits?

Regarding the accountability issue, he would like to see the CMAs, when they push down to the cities, be held more responsible and accountable for better production of housing.

Alicia Aguirre

Redwood City is building 2500 units downtown. We need incentives, but don't think OBAG plan should be an a la cart plan, either. Cities need to be responsible for what they *can* do, or be helping their neighboring cities that *are* building with transportation or other incentives; thinks we shouldn't put down the stick, but should have the carrot. Cities that are building PDAs along transit-oriented areas should be rewarded because the community does backlash.

Letters Received

June – July 2015

Attached

J:\PROJECT\Funding\T4-MAP21\MAP21 - STP-CMAQ\MAP21 Cycle Programming\MAP21 Cycle 3\OBAG 2 Development\Outreach - Internal and External\OBAG 2 Stakeholder Feedback 9-21-15.docx



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. 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.



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

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John A. Coleman
Chief Executive Officer

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

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

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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
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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 housing¹. 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 percent². 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.

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.

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 decisions⁴.

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,



Matt Vander Sluis
Program Director
Greenbelt Alliance
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415-543-6771(x322)



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 2.0. 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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Cynthia Parker
BRIDGE Housing

Dan Wu
Charities Housing

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 emissions¹. We are pleased that the revised OBAG distribution 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-making 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
Deputy Policy Director
415.989.8160 x 35
pilar@nonprofithousing.org

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July 8, 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 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. **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, 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. **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

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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.

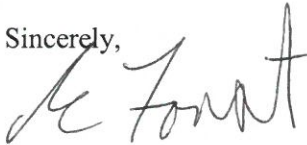
3. Place more weight on directing funds to cities and counties that actually produce more new housing.

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



SAN FRANCISCO PLANNING DEPARTMENT

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,

A handwritten signature in black ink, appearing to read "John Rahaim".

John Rahaim
Director of Planning

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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:

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.

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_RAWG1_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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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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