



SFMTA



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Subject: Comments on the Alternative Scenarios, One Bay Area Block Grant Proposal, and
Transportation Investment Policy Discussion

Dear Doug and Ken:

Thank you for the opportunity to provide comments on the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) work elements currently under discussion. We appreciate the tremendous amount of work that has gone into RTP/SCS work elements to date, and the many forums that have been made available to provide input. As major stakeholders and contributors to the success of the RTP/SCS, the Big Cities and Large Transit Operators are very interested in providing thoughtful and timely input into this process. The three largest cities account for over 50% of the region's affordable housing and our transit systems, along with BART and Caltrain services operating within and among our three cities, carry the vast majority of the region's transit trips. We offer the following comments on the Alternative Scenarios Land Use elements, the One Bay Area Block Grant (OBAG) proposal, and the upcoming Transportation Investment Policy discussion. We hope this input is helpful as MTC and ABAG develop the Preferred Scenario.

Alternative Scenarios Land Use

- **It is unclear how the Focused Growth scenario responds to the direction of MTC/ABAG policy-makers to include PDA-like areas in addition to PDAs and GOAs in the areas targeted for growth.** While ABAG staff have indicated that the only "PDA-like" area identified as a result of this direction is Novato, we believe there are many other areas along the regional transit corridors that have potential for additional growth. In particular, we note there are many jurisdictions that have identified one small PDA, but may have additional areas appropriate for growth beyond the site identified. We hope a more thorough analysis of PDA-like areas can be done to inform development of the Preferred Scenario. Similarly, we understand there has been some movement to stop using the concept of Growth Opportunity Areas (GOAs) after the process to nominate new PDAs completes this winter. We urge the region to continue to use GOAs as a planning tool, along with rigorous analysis to ensure they represent appropriate areas for transit-oriented growth. We

suspect many GOAs that may not be ready to designate as PDAs may still be good areas to consider prioritizing for regional growth. Maintaining GOAs as a planning tool is particularly important from an equity perspective because they potentially provide the greatest opportunity to increase income diversity in the Bay Area.

- **We encourage placement of jobs along the regional core transit network connecting the Big 3 cities, especially in PDAs.** We note that the regional transit operators have the capacity to carry significantly more travelers to job centers outside of downtown San Francisco (currently the region's most productive transit market) at low marginal costs; this opportunity was not considered in the Alternative Scenarios. We see downtown Oakland and San Jose as being particularly important in this regard. We also support job growth in additional transit-served job centers which are sufficiently central within the Bay Area so that employment growth in them will not stimulate peripheral residential development. Steering job growth to make the most efficient use of our existing and planned transit network synergizes with the goals of MTC's Transit Sustainability Project to maximize the efficiency of our existing transit system. We recognize that the region currently has few tools at its disposal to guide job growth, but there also has been very limited discussion on this topic. We suggest that MTC/ABAG identify best practices and propose policy tools to achieve the job distribution in the Preferred Scenario.
- **The Preferred Scenario should not exacerbate the existing concentration of affordable housing in the Big 3 cities.** As noted above, collectively, the cities of Oakland, San Francisco, and San Jose have 50% of the region's current affordable housing, and we will continue to strive to produce as much affordable housing as possible, regardless of the RHNA allocations we may be assigned. We believe aggressive development and preservation of affordable housing is critical for the success of our Cities, just as it is critical for the success of our region. However, historically, the largest cities have been assigned unfeasibly large low-income housing allocations; as a result, other cities with good transit access that could produce additional affordable housing have received lower allocations, preventing them from providing additional capacity. While the 175% weighting formula that was introduced with the 2007-2014 RHNA was a positive step toward addressing the statutory mandate to adjust allocations to account for existing concentrations of lower income households, it did not go far enough. As we have seen, reducing the Big Cities' very low and low income proportions had unintended consequences when combined with increases in those cities' total allocation. The result was to give those cities an even larger number of affordable units than in previous rounds. We request that the formula be modified in a way that ensures a more equitable distribution of very low and low income units. We believe it is important for all communities, PDAs, and non-PDAs alike, to include housing for a mix of income levels.
- **We are looking forward to a productive process to develop the Preferred Land Use Scenario.** While we appreciate the detailed documentation prepared by ABAG on the Alternative Scenarios, the rationale that guided the growth distributions remains unclear. We encourage more accessible and user-friendly tools and formats to guide the development of the Preferred Scenario. We are excited by the potential for the UrbanSim and UrbanVision model/tool to serve this role.

One Bay Area Block Grant

- **We strongly support this effort to considerably link land use with transportation investment in a deliberate manner.** We are hopeful that the OBAG framework could result in positive regional changes by incentivizing jurisdictions throughout the region to adopt sustainable growth policies. We also recognize that there will be an opportunity to revisit and revise program policies in future cycles to improve on what we might not get 100% right during the first round of funding.
- **Production of affordable housing (very low and low income) should receive greater weight within the 25% of the formula tied to historical housing production.** Market rate housing production is primarily a function of market forces, rather than public sector intervention. Additionally, while we understand the need to administer grant funds at the county-level, we recommend including a mechanism to ensure that grant funding reaches the specific cities that have performed well in meeting their affordable housing share, while recognizing potential constraints due to programming needs like project-readiness.
- **The policy condition related to preventing displacement and promoting affordable housing should be mandatory.** This is particularly important given one of the two statutory goals under Senate Bill 375 is that the region should strive to house 100% of the region's housing need, and given the adopted SCS performance target that calls for accommodating such growth "without displacing current low-income residents." As described in the July 2010 proposal, the definition of this policy condition is not sufficient. The recently released draft Equity performance analysis also points to the need to take decisive action to stem troubling trends in affordability. We have developed a preliminary set of policies that could be used to meet this criterion (see Attachment 1) and would like to work with other jurisdictions, housing advocates, and MTC/ABAG to come up with a good standard, while creating a condition that is realistic and attainable for a sufficiently large number of jurisdictions.
- **We support expanding the requirement that 70% of funding must be spent in PDAs to include projects not just within a PDA, but projects supportive of a PDA.** This provides additional flexibility, while allowing counties with small or limited PDAs to deliver projects that accommodate transit-oriented growth (e.g. funding a bike lane connecting to a PDA).

Transportation Investment Policy

- **Linkages between land use and transportation investment such as those introduced in the OBAG proposal should be carried forward into the rest of the transportation investment policy.** This is particularly important given that OBAG represents only about 3% of the regional discretionary funds. Transportation investment is the only "carrot" controlled by the regional agencies to guide good land use policy and we must use it wisely. That said, we look forward to working on identifying and helping to support new revenue sources, particularly for transit, to help meet the region's SCS/RTP goals.
- **We would like to partner with the regional agencies and key CMAs to develop a Transit Performance Initiative which can identify strategic investments that provide**

operational efficiency savings and passenger travel time and reliability benefits. These range from lower-cost measures to larger spot or segment infrastructure projects and are intended to reduce bottlenecks and conflicts, while increasing operational flexibility (e.g. passing tracks, grade-separations, turn-backs, bus rapid transit projects). We propose to partner with the region (MTC, key CMAs, and transit operators) to explore these ideas, in conjunction with MTC's Transit Sustainability Project initiative, as a means to generate operating cost savings that can be re-invested in the transit system. We note that several TPI-like projects (BART Metro, Caltrain frequency improvements, the SFMTA Transit Effectiveness Project) performed quite well in the project-level performance assessment results. We also look forward to shaping the MTC's Freeway Performance Initiative to support these transit performance goals.

- **We request additional information on the process by which investment policy decisions will be made.** We have seen very little information about this process or policies that may be considered. We are concerned that this discussion—the heart of the RTP—will not receive enough time within the larger process.

Thank you for considering our comments and requests. We look forward to discussing these items at future Regional Advisory Working Group meetings, and other forums.

Sincerely,

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Jose Campos, Chief of Citywide Planning
City and County of San Francisco

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cc: Big 3 Cities ABAG and MTC Representatives
SCS/RTP Regional Advisory Working Group

Attachment 1: Detailed Suggestions on Anti-Displacement and Preservation Measures for One Bay Area Block Grant

We agree that criteria that link affordable housing opportunities to transit are critical for success of the PDA strategy. This includes 1) policies to ensure that existing residents are not displaced from the community through development pressures and 2) policies that foster new affordable housing opportunities. We suggest that anti-displacement policies and policies that further access to future housing opportunities especially in transit-rich/areas of opportunity are a mandatory requirement for grant receipt.

Every neighborhood is different, so OBAG affordable housing policy requirements should build in flexibility for varied circumstances. For instance, very low-income communities that are unlikely to experience displacement pressures may not need enhanced tenant protections, but may especially benefit from rehabilitation activities to improve the quality and longevity of existing housing.

While maintaining flexibility, the OBAG affordable housing policy requirements must be specific and measurable. Toward this end, we have provided a list of policies we believe are some of the most effective at preventing displacement and encouraging affordable housing development.

Only jurisdictions that adopt multiple policies like those below (perhaps at least 3 of the 8 suggested) should be rewarded with OBAG funds. However, merely adopting a weak policy is not sufficient. Every policy must be based on the industry standard or best practices and the jurisdiction must be able to demonstrate results or a good faith effort to receive any credit for an adopted policy.

Anti-Displacement and Preservation Measures

1. Just Cause Eviction policies that support stability and prevent displacement of very low and low-income households.
2. Condo conversion ordinances that support stability and prevent displacement of very low and low-income households. (policies including “right of first refusal” should receive additional credit)
3. Policies or investments that preserve existing deed-restricted or “naturally” affordable housing through acquisition and rehabilitation activities.

Affordable Housing Development Strategies:

4. Strong Citywide Inclusionary Housing requirements.
5. Substantial local housing funding resources that are not required by state or federal law and are not the result of formula-driven allocations from State or Federal programs. Evidence that these resources have been used for predevelopment or gap financing of affordable housing development or preservation. (In-lieu fees associated with Inclusionary Housing Requirements shall not qualify, as they earn points under the Inclusionary Housing policy option.)
6. 15% minimum affordable housing requirement within all PDAs and GOAs. May be achieved with a number of strategies including inclusionary requirements, setting aside sites, and devoting public funding to affordable.
7. Legislation enabling developer agreements or other value capture mechanisms that create resources for affordable housing.
8. Land banking/acquisition strategies for affordable housing production.