

AGENDA



SAN FRANCISCO
PLANNING DEPARTMENT

SFMTA | Municipal Transportation Agency

<p style="text-align: center;">Director's Forum San Francisco's Response to the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)</p>

Date: 1:00pm-3:00pm., Wednesday, September 21, 2011

Location: 100 Van Ness Avenue, 26th Floor

1. **Welcome and Opening Remarks (20 minutes)**
 - David Campos, San Francisco Board of Supervisors and MTC representative
 - Scott Wiener, San Francisco Board of Supervisors and MTC representative
 - José Luis Moscovich, Director, San Francisco County Transportation Authority
 - John Rahaim, Director, San Francisco Planning Department
 - Ed Reiskin, Director, Municipal Transportation Agency

2. **Attendee Introductions (10 minutes)**

3. **Staff Presentation (20 minutes)**
 - Recap of July meeting
 - SCS Alternative Scenarios-Land Use and Housing
 - One Bay Area Block Grant and Transportation Investment Policy

4. **Discussion (60 minutes)**

5. **Next Steps (10 minutes)**

Overview of July 2011 Directors Forum

At the first San Francisco Directors Forum in July 2011, meeting participants discussed a wide range of topics that relate to the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). This document summarizes the key messages we heard, and ways to get involved depending on your interest. Many of the messages we heard relate to local processes, and in those cases we recommend the appropriate place to plug in locally. The September 2011 meeting will focus only on those issues that can be directly affected by the RTP/SCS process unfolding at the Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG) (numbers 3-7, below). Don't see your message here? Feel free to contact city staff to find the best way to plug in (contact Liz Brisson at liz@sfcta.org or 415.522.4838).

Local Issues

Message #1: San Francisco can do a better job improving its own transportation infrastructure to accommodate growth and to reduce greenhouse gas emissions (GHGs). Participate in the San Francisco Transportation Plan (SFTP), the City's 25-year plan to identify goals needs and investment priorities for our transportation system. A third round of outreach is happening now. Email movesmartsf@sfcta.org to get on our e-mail list, call us at 415.593.1670, or find out more at the SFTP's website www.movesmartsf.com.

Message #2: San Francisco can do a better job with its land use planning to reduce GHGs, preserve existing affordable housing and create more affordable housing. Participate in planning efforts underway at the San Francisco Planning Department, such as area plans. To find out more visit the San Francisco Planning Department webpage at www.sfplanning.org or contact Kate McGee at Kate.McGee@sfplanning.org or 415.558.6367.

Regional Issues

Message #3: The region needs to distribute the regional housing need (via the Regional Housing Needs Allocation (RHNA) process) equitably to increase income diversity throughout the Bay Area. Participate in regional discussions about the RTP/SCS Alternative Scenarios, Preferred Scenarios (upcoming), and the RHNA methodology.

Message #4: The region needs to distribute more transportation funding to San Francisco to reward the city's work to proactively plan to accommodate growth sustainably. Participate in discussions about the RTP/SCS Transportation Investment Policy, including the One Bay Area Block Grant.

Message #5: The region should require municipalities to adopt the same type of progressive policies that San Francisco already has. Get involved in the discussion about the One Bay Area Block Grant, which proposes conditioning transportation funding upon

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having an adopted Housing Element and supportive policies such as parking pricing, anti-displacement regulations, or complete streets policies.

Message #6: San Francisco needs to seek advocacy support from beyond just city stakeholders. Learn more about San Francisco's input on the RTP/SCS Alternative Scenarios and Transportation Investment Policy and share it with your colleagues, peers, and friends from other parts of the region. It will take a broad-based coalition to bring about change.

Message #7: The region needs to identify new sources of revenue for transportation and complete community infrastructure (e.g. social services, schools, affordable housing). We know available financial resources are woefully inadequate and call for a Vision element to the RTP/SCS that spells out what additional policies and funding sources are necessary to achieve our goals. We think this conversation should happen during the Transportation Investment Policy discussion which is expected to occur between October 2011 and April 2012.

San Francisco City/County Input to Date

The City and County of San Francisco's planning, transportation, housing, and public health agencies have been working together to help the region develop the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). In order to ensure that the SCS aligns with the City's established goals relating to growth, diversity, and complete communities, the City has established the following input to the regional agencies developing the RTP/SCS, the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG). This vision reflects input from local San Francisco stakeholders that we received at our first Directors Forum in July 2011.

- 1) **Amount of Growth:** San Francisco needs a greater share of regional discretionary funding just to accommodate the growth we have been planning for in our Priority Development Areas (PDAs).
- 2) **Distribution of Growth:** The SCS/RHNA should distribute housing allocations to increase income diversity throughout the Bay Area.
- 3) **We Need to Grow the Funding Pie:** The region should advance funding strategies and advocate for new revenue opportunities and legislative reform to support the implementation of the RTP/SCS, both for transportation infrastructure and to support complete communities.

1. Amount of Growth: San Francisco needs a greater share of regional discretionary transportation funding just to accommodate the growth we have been planning for in our PDAs.

Our ability to accommodate more growth depends heavily on the support that the region provides. In particular, the City needs significantly more resources just to accommodate the growth being planned in our PDAs, before we can consider additional growth. To incentive jurisdictions like San Francisco's efforts to accommodate growth sustainably, regional funding should be distributed based on its nexus with:

- a) **Transit system demand:** In San Francisco and other core urban areas where demand is high, significant investments in transit capital and operations are needed, both to maintain the infrastructure in a state of good repair and to accommodate additional demand. Maintaining and improving the Bay Area's core transit network is absolutely essential for a successful SCS.
- b) **Scale and quality of PDAs:** The overall amount of growth being planned in PDAs, how much of that growth is affordable housing, the level of transportation development, and the amount of local contribution from local and private matching investment should all be considered in distributing funding.

- c) **The preservation and production of affordable housing stock:** The RTP/SCS should consider a jurisdiction's track record for affordable housing development and preservation, and/or the number of lower income housing units that is planned. It could also consider the policies the jurisdiction has put in place that indicate a higher likelihood of meeting affordable housing goals, such as inclusionary zoning.
- d) **Performance and cost-effectiveness:** Transportation projects' performance in terms of contributing to achievement of the 10 RTP/SCS performance targets, as well as their cost effectiveness should be incorporated into the expectations set for local agencies, and include clear regional expectations regarding local programming decisions as well as a robust monitoring and evaluation plan.

2. Distribution of Growth: The SCS/RHNA should distribute housing allocations to increase income diversity throughout the Bay Area.

The SCS Preferred Scenario and the RHNA should result in a distribution of housing across the region such that very low, low, and moderate income households have increased access to safe and healthy neighborhoods with opportunities for jobs and education. There is a perceived tension between land use distributions that arrange future development to minimize greenhouse gas emissions, and those that comply with fair share principles of requiring all communities to provide housing to serve all income levels. However, we believe refinements from current regional plans can improve on both outcomes. Equity and environmental outcomes can be improved by: 1) prioritizing a housing distribution that results in increased income diversity throughout the Bay Area, in particular along the transit corridors connecting the 3 big cities of San Francisco, Oakland, and San Jose; and 2) linking housing distributions, particularly affordable housing distributions, to complete communities; i.e., those places with amenities such as high quality transit and other transportation options, high quality schools, low crime, and accessible neighborhood services.

3. Grow the Funding Pie: San Francisco needs to work with the region to advance funding strategies and advocate for new revenue opportunities and legislative reform to support RTP/SCS implementation.

In order for the Bay Area to achieve the vision established for the RTP/SCS, greater revenues than what are currently available are inherent. San Francisco has much greater funding needs than there will be revenue available in the RTP/SCS. The cost just to bring our existing transportation infrastructure in San Francisco to a state of good repair is over \$50 billion, more than current funding levels can support.

Beyond that, there are many non-transportation funding needs, including the need for affordable housing, improved public infrastructure and amenities, such as parks, childcare centers, and libraries for new residents and employees within PDAs. These community improvements are essential to fulfilling PDA plans' visions for complete neighborhoods that meet the needs of all existing and future residents and workers. In addition, there is widespread recognition that without new sources

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of public subsidy or financing mechanisms for affordable housing the region will be unable to house the region's entire population by income level.

As a part of the RTP/SCS, the region must consider new revenue and legislative reform to support its implementation. Of particular interest to San Francisco are:

- a) **New transportation revenue sources** to address chronic transit operating and infrastructure transit and local streets and roads state of good repair shortfalls;
- b) **New stable non-transportation revenue sources** to assist in affordable housing production and preservation, creation of complete communities, and stabilization of communities which are faced with growth;
- c) **Innovative funding strategies** that have other benefits in addition to revenue-generating potential such as enabling projects to be delivered sooner, safeguard against cost overruns and/or influence travel behavior. Examples include road user fees and public private partnerships.
- d) **Legislative changes that will facilitate implementation of the RTP/SCS**, such as preserving and reforming local jurisdiction redevelopment infrastructure financing tools, advocating for infrastructure-financing district legislation, and harmonizing regional initiatives such as the Bay Area Air Quality Management District's CEQA thresholds, and the Bay Conservation and Development Commission's adaptation planning efforts, with the RTP/SCS.

Alternative Scenarios

What is it? The Alternative Scenarios are the second major phase of the RTP/SCS. They represent different ways we could distribute 25 years worth of growth in population and jobs among the 9 counties and 100+ jurisdictions in the Bay Area. In August, ABAG released 3 land use scenarios: 1) Core Concentration, 2) Focused Growth, and 3) Outer Bay Area Growth. These scenarios all assume **770,000 more housing units and 1 million more jobs in the 9-county area by 2040**. Table 1, below, shows how San Francisco’s growth varies between the 3 scenarios. You can find out more in the Alternative Land Use Scenarios report at: http://www.onebayarea.org/plan_bay_area/land_use.htm. Each land use scenario will be matched with a set of transportation projects and policies to determine how well it meets the 10 performance targets MTC/ABAG adopted last year.

The transportation networks are comprised of projects submitted by Congestion Management Agencies, transit operators, and regional agencies in response to the Spring 2011 Call for Projects. For example, in San Francisco, projects such as Van Ness and Geary Bus Rapid Transit (BRT) are currently proposed to be included in the transportation network for all scenarios, and the Better Market Street project, Congestion Pricing pilot, Geneva-Harney BRT and the Transit Effectiveness Project are proposed to be included in the transportation network for the Core Concentration scenario.

Table 1: Alternative Scenarios – San Francisco 30-year Housing and Job Growth 2010-2040

	Core Concentration	Focused Growth	Outer Bay Area Growth
Housing	111,000	90,000	76,000
Jobs	207,000	179,000	127,000

What Does San Francisco Think About The Alternative Scenarios? The following represent initial staff messages in response to the Alternative Scenarios.

1. **San Francisco cannot support the level of growth envisioned in the Core Concentration scenario.** Starting from the premise that we cannot argue about the total amount of growth projected into the region, we do agree that it is better to focus more of the growth in the Inner Bay Area as envisioned in the Core Concentration and Focused Growth scenarios. Although San Francisco, in a perfect storm of right conditions, could conceivably take on the level of growth envisioned in the Core Concentration scenario, we do not find this realistic given funding realities.
2. We think **MTC/ABAG have underestimated the level of transport investment needed to support the level of growth envisioned in the Core Concentration and Focused Growth scenarios.** For instance, the Core Concentration network is needed to support the Focused Growth land use assumptions

3. **We think the region could better focus growth along the BART and Caltrain corridors connecting the three big cities of San Francisco, Oakland, and San Jose, than as defined in the three Alternative Scenarios.** In all three alternative scenarios, opportunities exist for increased growth in two types of transit-accessible places: 1) places that did not designated as a PDA or Growth Opportunity Area (GOA) 2) places where PDAs or GOAs could be larger or accommodate more density than a jurisdiction indicated.
4. Finally, we think the region is missing a big opportunity unless it explores the **impact roadway pricing policy strategies could have in reducing greenhouse gas emissions.** We appreciate inclusion of San Francisco pricing policies under consideration locally such as the downtown congestion pricing pilot and congestion pricing for residents of the new Treasure Island development, but such projects need to be expanded beyond San Francisco.

What's the Timing? ABAG has indicated that local jurisdiction input should focus on what they wish to see in the Preferred Scenario rather than trying to change the Alternative Scenarios. In particular, ABAG will be bringing an update to its Executive Board in November, and hopes to have received substantial local jurisdiction input prior this meeting. By November, MTC will have completed a project-level assessment of the benefits and costs of all the big transportation projects submitted by the CMAs, transit operators and regional agencies. These results will inform the final transportation networks that accompany the Land Use Scenarios, to be defined in December. A final Preferred Scenario will be selected in Spring 2012.

One Bay Area Block Grant

What is it? In July, MTC released a draft proposal to change how some regional discretionary funding is distributed to make a stronger linkage between the region's housing and transportation goals. Dubbed the One Bay Area Block Grant (OBAG), the proposal would use a new formula to distribute funding among the 9 Bay Area counties' congestion management agencies (CMAs) (in San Francisco, the San Francisco County Transportation Authority is the CMA). Unlike the old formula, focused on counties' share of regional population, lane-miles, and other factors, the new formula would be based 50% on population, 25% on housing production between 1999-2006, and 25% on housing allocated via the Regional Housing Needs Assessment (RHNA) process. Other features of the grant include:

- Requirement that 70% of funding be spent in Priority Development Areas (PDAs)
- Requirement that jurisdictions receiving the funding must have a certified Housing Element, and must have in place 2 out of 4 of the following policies: 1) parking pricing 2) an air quality plan called a Community Risk Reduction Plan; 3) policies that prevent displacement of affordable housing; or 4) bicycle/pedestrian plan and complete streets policy
- Increased amount of funding and flexibility granted to CMAs to distribute funding based on local priorities among 4 categories: local streets and roads maintenance, Transportation for Livable Communities (TLC), Regional Bicycle Program, and Safe Routes to School. Increased funding primarily comes from elimination of the regional TLC program.

Read the entire proposal at <http://mtc.ca.gov/funding/onebayarea/>.

What Does San Francisco Think About OBAG? Generally, City staff believe San Francisco should be supportive of this effort to link land use with transportation investment for the first time. Under the proposal as it exists today, the City would receive \$24.6 million over 3 years, which represents about the same as what we may have otherwise received using the prior framework to distribute the funding. That said, we do have a few ideas to strengthen the grant program:

1. Given the challenge in producing below market rate housing, we **think a portion of the OBAG formula must be tied to historical affordable housing production** (over the past 2 RHNA cycles), rather than tied to all housing production. Market rate housing production is primarily a function of market forces, rather than public sector intervention.
2. **We support expanding the 70% requirement to include projects not just within a PDA, but projects supportive of a PDA.** Not only would this give the City more flexibility, but would help other counties with small or limited PDAs still deliver projects

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that accommodate transit-oriented growth (e.g. funding a bike lane connecting to a PDA).

3. We support limiting the use of funds to the existing eligibility requirements for the four fund programs with the exception of connecting the Regional Bicycle Program back to the Regional Bicycle and Pedestrian Program **to provide San Francisco and other jurisdictions with more flexibility to fund pedestrian safety projects.**

We also recognize that the grant program, as proposed, has already seen significant pushback in the responses it has received from stakeholders in other parts of the region – for example, some stakeholders suggest reducing the 70% requirement to a lower threshold, or go so far as to suggest the local streets and roads maintenance funding should not be subject to the 70% PDA requirement or the 2 out of 4 supportive policy element. We do feel it is important to keep the program strengths embedded in the program as it is proposed today. A few ideas have are:

1. We **support the requirement that jurisdictions must adopt two out of four policies**, but recognize that this may need to be refined to allow documentation of a good faith effort to comply.
2. **If MTC entertains a proposal to reduce the 70% PDA requirement, we suggest that MTC should maintain a small share of the block grant funds as an incentive pot**, where jurisdictions that meet the 70% supporting PDA threshold would receive additional funding.

What's the Timing? Although the schedule could change, MTC has indicated that a revised block grant concept will be presented at the MTC Planning Committee in November, the grant could be adopted as a concept in December, and approved using the Final RHNA in March. After the Directors Forum, City staff plan to send a letter to MTC/ABAG with our formal feedback.

Relationship to RTP Transportation Investment Policy Although OBAG is a start to the discussion of the RTP/SCS transportation investment policy, at about \$200 million, represents less than 1% of the total \$68 billion in discretionary transportation funding to be considered within the RTP/SCS. **Linkages between land use and transportation investment (as spelled out in our San Francisco City Input on the SCS) need to permeate the remainder of the investment policy as well.** According to MTC, discussion of the framework for the rest of the investment policy discussion will begin in earnest in October and will continue until Late Winter/Early Spring of 2012. We feel it is essential that MTC enables a transparent and informed discussion by releasing no later than early October a summary of all the remaining discretionary sources, with statutory eligibility rules and distribution formulas so the degree of flexibility is apparent. For instance STIP funds (which are considered discretionary under MTC's committed funds policy) have a wide range of project eligibility, but are distributed by statutory formula to each county. E.g. San Francisco cannot aspire to a portion of another county's share.