

FOCUS

Working Group Meeting

Thursday, March 6, 2008
9:30 a.m. to 11:30 a.m.
BCDC, McAteer Petris Conference Room
50 California Street, 26th Floor, San Francisco

Meeting Summary

Introductions and Meeting Overview

Ted Droettboom, Joint Policy Committee (JPC) Regional Planning Program Director, lead introductions and provided an overview of the meeting agenda.

FOCUS Updates

Station Area Planning Program Applications Received

Doug Johnson, Metropolitan Transportation Committee (MTC) Planner, provided an update on the applications received for Station Area Planning grant funds. The application deadline was February 29, 2008. Thirty seven applications were received totaling approximately \$14 million for the \$7.2 million available in planning grant funds this year. The applications are representative of a spectrum of jurisdictions in the Bay Area. An update will be provided at the next FOCUS Working Group meeting on the status of the evaluation process. A list will be taken to the Commission in May 2008, so funding recommendations are expected to be finalized in approximately six weeks.

Projections 2009 Performance Targets

Christy Riviere, Association of Bay Area Governments (ABAG) Senior Planner, provided an update on the county-wide meeting presentations on Projections 2009 and the potential development of performance targets and the land use assumptions needed to attain them. Two county-wide meetings have been held thus far. One has been held in Solano County and another in West Contra Costa County. Interest has not been overwhelming as shown through meeting attendance. Some participant concerns were expressed about how this approach seemed to resemble another top-down regional program, so staff tried to convey that this approach was about how Projections could be made more transparent through a discussion about the policy assumptions used. Participants suggested delivering a message that is more clear and concise. Going forward, staff will try to present at existing meetings instead of having stand alone meetings. The FOCUS Working Group commented that jurisdictions need to know what is being proposed and be provided with sufficient time to respond, and staff assured that there will be a local review period. Next steps include a staff presentation of draft

performance targets to ABAG's Executive Board on March 20th, and a presentation to the FOCUS Working Group at its April meeting with details about the performance targets and progress made. For a list of upcoming county meetings on Projections and land use performance targets, visit ABAG's home page: www.abag.ca.gov

Development without Displacement – Issues Facing Local Governments

Marisa Cravens, ABAG Regional Planner, provided an overview of the Development without Displacement grant program and sought feedback from the Working Group on implementation. The Development without Displacement grant program is a new funding opportunity for jurisdictions with Priority Development Areas (PDAs). The issue of displacement is being looked at for both housing and jobs, such as rental increases, condo conversions, or loss of industrial land. ABAG received a Caltrans grant to further examine this issue through research and through awarding grants to successful PDA applicants. The research portion of the project will include mapping and policy components. The mapping component will be completed by the Center for Community Innovation and will monitor income levels in PDAs and other equity measures that might indicate areas of gentrification and displacement potential. The policy component will be carried out by PolicyLink, who has done work on equitable development around transit oriented developments. PolicyLink will further research existing programs and successes and challenges in the Bay Area. Grants will be awarded to PDA applicants in partnership with a community based organization to engage low income residents about a redevelopment process that might accompany a station area planning effort. Grants will likely range from \$30,000 to \$60,000. The result will be to identify a couple of key issues that may stabilize the community. The results of the research portion and the grant outcomes will be made available as a resource to the broader PDA community.

FOCUS Working Group feedback included the following points:

- Develop something very practical for implementation. Some areas have had many studies done but still have the same issues.
- Displacement is a major issue in inner Bay PDAs such as San Francisco and more resources are needed to address it
- Displacement is a relevant issue, but it is a smaller part of the bigger financial issue around implementation for PDAs. Displacement assumes that development is actually going to happen, but the market needs to be right for development to actually occur. Thus, implementation issues are really the priority, and displacement issues follow.
- The relevance of displacement issues will vary by area.
- Public health can be a good partner on this issue because they often have deep connections in these neighborhoods.
- The best solution is permanent affordable housing. Look to international examples where displacement does not happen, such as in Amsterdam.
- The Non-Profit Housing Association (NPH) can be a good resource for practical solutions and financing mechanisms.
- Addressing displacement is important to highlight because if it is not, development opponents can use gentrification arguments against positive development efforts.

- Cities with inclusionary zoning are increasing the number of permanently protected affordable units.
- Encourage redevelopment agencies and low-income property owners to have conversations about how homeowners can profit in the redevelopment of a property.

Transportation for Livable Communities (TLC) Program – Evaluation & Potential Improvement Options

James Corless, MTC Senior Planner, provided an overview of the staff report addressed to the working group and highlighted the main questions for feedback from them. The TLC evaluation report is being finalized and will be presented to MTC's Planning committee on April 11, 2008. One key recommendation will be to continue the core TLC capital program, but other considerations will be presented to see how TLC may be expanded to facilitate development projects. A range of potential approaches and challenges to TOD financing were outlined. This handout is available on the FOCUS Working Group web page for this meeting date:

<http://www.bayareavision.org/initiatives/workinggroup.html>

Sam Zimmerman-Bergman, Reconnecting America/CTOD, gave a presentation on "TOD Development & Finance Strategies." This presentation is also available on the FOCUS Working Group web page for this meeting date:

<http://www.bayareavision.org/initiatives/workinggroup.html>

FOCUS Working Group feedback included the following points:

- Look at opportunities to tie land acquisition and affordability together in projects.
- How do you avoid an administrative burden on MTC? Examine how implementation gets transferred to local agencies.
- TLC is a very important program, and more money is needed.
- Pulling together a group of financiers and developers may be useful in providing feedback on TOD financing strategies.
- Assistance with entitlements and CEQA review can help development projects.
- Of the five potential approaches to TOD financing presented, underwriting perceived risk seems to get mixed reviews. Some members saw it as the least practical, hard to evaluate, and not a funding priority, while others saw it as important.
- Specific plans are a tool that can help streamline CEQA and help with implementation.
- Positive risk can create a self-sustaining development fund.
- Affordability concerns are location specific. Applicants could argue why a affordability may not be met.
- Loans can be made part of a sustaining program instead of using grant funds.
- When looking at direct financing of TOD and infill, it may be better to work with non-profit organizations.
- Funding parking structures is important.

- Given the high demand for financing TOD, need to determine what the core of TLC is really. Is it funding transportation, or is it funding livable communities?
- Another potential financing approach could be to use finance projects that show community benefits.
- Political will is important to ensure that project support will endure over time.

FOCUS Next Steps

The next FOCUS Working Group meeting will be on April 3, 2008. The meeting will be held at BCDC, 50 California Street, 26th floor, McAteer Petris Conference Room, San Francisco. The meeting will cover Projections 2009 performance targets, funding criteria for Priority Development Areas, and new information on the TLC evaluation process.