

Meeting Agenda

Bay Area Partnership Board

Kate Miller, Chair
Carolyn Gonot, Vice Chair

Monday, October 23, 2023

10:00 AM

Yerba Buena – 1st Floor (REMOTE)

The Bay Area Partnership Board is scheduled to meet at 10:00 a.m. This meeting shall consist of a simultaneous teleconference call at the following location(s):
2300 County Center Drive, Suite B100, Main Conference Room., Santa Rosa, CA 95403
1120 N Street, Rm 2225, Sacramento, CA 95814

Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Board Room (1st Floor). In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://mtc.ca.gov/whats-happening/meetings/live-webcasts>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/89973694468>
iPhone One-Tap: US: +13462487799,,89973694468# US (Houston)
+14086380968,,89973694468# US (San Jose)

Join by Telephone (for higher quality, dial a number based on your current location) US:
888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)
Webinar ID: 899 7369 4468

International numbers available: <https://bayareametro.zoom.us/u/kfFGdEMIV>
Detailed instructions on participating via Zoom are available at:
<https://bayareametro.zoom.us/u/kdR1hznEgA>
<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances, there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

Roster

Kate Miller (Chair) and Carolyn Gonot (Vice Chair)

Members: Bryan Albee, Rashidi Barnes, Michelle Bouchard, James Cameron, April Chan, Tilly Chang, Sean Charpentier, Bill Churchill, Steven Cliff, Eddy Cumins, Deborah Dagang, Rachel Ede, Dina El-Tawansy, Diane Feinstein, Philip Fine, Andrew Fremier, Larry Goldzband, Tim Haile, Daryl Halls, Johannes Hoevertsz, Michael Hursh, Fred Kelley, Beth Kranda, Tess Lengyel, Vincent Mammano, Azalea Mitch, Denis Mulligan, Seamus Murphy, Michael Musca, Toks Omishakin, Robert (Bob) Powers, Steve Ramos, Anne Richman, John Ristow, Tony Tavares, Tanisha Taylor, Ray Tellis, Rob Thompson, Jeffrey Tumlin, Adam Van de Water, Danny Wan, Christy Wegener, Nancy Whelan, Torina Wilson, Daniel Woldesenbet.

1. Call Meeting to Order / Roll Call / Confirm Quorum

A quorum of the Commission/Committee/Authority shall be a majority of its voting members (24).

2. Welcome

Chair Kate Miller

3. Consent Calendar

- 3a. [23-0790](#) Approval of the Bay Area Partnership Board Minutes of the December 2, 2022 Meeting

Action: Board Approval

Attachments: [3a. 12_02_2022_Bay Area Partnership Board Meeting Minutes](#)

4. Information

- 4a. [23-0792](#) Regional Transportation Measure Update

Staff will provide an update on the 2026 potential transportation revenue measure, including draft goals, guiding principles, expenditure priorities, and revenue options, as well as next steps toward authorizing legislation in 2024.

Action: Information

Presenter: Dave Vautin and Georgia Gann Dohrmann,

Attachments: [4a Transportation Revenue Measure](#)
[4ai Draft Category Definitions](#)
[4aii Transportation Revenue Measure Outline](#)

- 4b.** [23-0793](#) Regional Zero Emission Transit Transition Strategy Update
- Informational update on progress of the Regional Zero Emission Transit Transition Strategy, currently in development.
- Action:** Information
- Presenter:** Craig Bosman
- Attachments:** [4b Zero Emission Transition Strategy](#)
[4bi ZE Transit Transition Strategy Update](#)
- 4c.** [23-1217](#) Housing Element Certification, One Bay Area Grant (OBAG 3), and Housing Incentive Pool (HIP) Updates.
- Update on Bay Area jurisdiction Housing Elements and related MTC funding programs, including the One Bay Area Grant
- Action:** Information
- Presenter:** Mallory Atkinson and Daniel Saver
- Attachments:** [4c 23-1217 0 OBAG HIP and HE Compliance](#)
[4ci and 4cii 23-1217 1 and 2 Compliance](#)
[4ciii 23-1217 3 2018-21 HIP Units by Jurisdiction](#)

5. Board Member Wrap-Up / Next Steps

An opportunity for Board Members to provide additional input / direction to staff on priorities and future meeting topics.

6. Public Comment / Other Business

*Board Members and members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6.*

7. Adjournment / Next Meeting

The next meeting of the Bay Area Partnership Board will be held at a time and location to be duly noticed.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0790 **Version:** 1 **Name:**
Type: Minutes **Status:** Committee Approval
File created: 5/16/2023 **In control:** Bay Area Partnership Board
On agenda: 10/23/2023 **Final action:**
Title: Approval of the Bay Area Partnership Board Minutes of the December 2, 2022 Meeting
Sponsors:
Indexes:
Code sections:
Attachments: [3a. 12 02 2022 Bay Area Partnership Board Meeting Minutes](#)

Date	Ver.	Action By	Action	Result
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Subject:
Approval of the Bay Area Partnership Board Minutes of the December 2, 2022 Meeting

Recommended Action:
Board Approval

Attachments:

Meeting Minutes - Draft

Bay Area Partnership Board

Kate Miller, Chair
Carolyn Gonot, Vice Chair

Friday, December 2, 2022

10:00 AM

HYBRID (In-Person Option Available)

1. Call Meeting to Order / Roll Call / Confirm Quorum

Monique Webster acted as a delegate and voting member of the Board in place of Jeffery Tumlin, San Francisco Municipal Transportation Agency. Attendance and Actions noted as "Tumlin" were taken by Webster.

Greg Nudd acted as a delegate and voting member of the Board in place of Damian Breen, Bay Area Air Quality Management District Outreach and Incentives. Attendance and Actions noted as "Breen" were taken by Nudd.

John Hoang acted as a delegate and voting member of the Board in place of Tim Haile, Contra Costa Transportation Authority. Attendance and Actions noted as "Haile" were taken by Hoang.

Beverly Green acted as a delegate and voting member of the Board in place of Michael Hursh, Alameda County Transit. Attendance and Actions noted as "Hursh" were taken by Green.

Val Menotti acted as a delegate and voting member of the Board in place of Robert Powers, Bay Area Rapid Transit District. Attendance and Actions noted as "Powers" were taken by Menotti.

James Cameron acted as a delegate and voting member of the Board in place of Suzanne Smith, Sonoma County Transportation Authority. Attendance and Actions noted as "Smith" were taken by Cameron.

Nila Gonzales acted as a delegate and voting member of the Board in place of Adam Van de Water, Transbay Joint Powers Authority. Attendance and Actions noted as "Van de Water" were taken by Gonzales.

Amber Lo acted as a delegate and voting member of the Board in place of Daniel Woldesenbet, Alameda County. Attendance and Actions noted as "Woldesenbet" were taken by Lo.

- Present:** 34 - Board Member Whelan, Board Member Bouchard, Board Member Haile, Board Member Charpentier, Vice Chair Gonot, Board Member Cumins, Board Member Churchill, Board Member Van de Water, Board Member Breen, Board Member Murphy, Board Member Mulligan, Board Member Ede, Board Member Kranda, Chair Miller, Board Member Halls, Board Member Smith, Board Member Hoevertsz, Board Member Woldesenbet, Board Member McMillan, Board Member Powers, Board Member Feinstein, Board Member Tellis, Board Member Wan, Board Member Richman, Board Member Dagang, Board Member Lengyel, Board Member Adams, Board Member Albee, Board Member Chang, Board Member Hursh, Board Member Tumlin, Board Member Chan, Board Member Barnes, and Board Member Thompson
- Absent:** 11 - Board Member El-Tawansy, Board Member Mitch, Board Member Moran, Board Member Edwards, Board Member Goldzband, Board Member Corey, Board Member Sanchez, Board Member Mammano, Board Member Ristow, Board Member Russo, and Board Member Omishakin

2. Welcome-Kate Miller, Chair

3. Approval

Upon the motion by Board Member Mulligan and second by Board Member Lengyel, the Bay Area Partnership Board Minutes of the June 6, 2022 Meeting Minutes were approved. The motion carried by the following vote:

- Aye:** 34 - Board Member Whelan, Board Member Bouchard, Board Member Haile, Board Member Charpentier, Vice Chair Gonot, Board Member Cumins, Board Member Churchill, Board Member Van de Water, Board Member Breen, Board Member Murphy, Board Member Mulligan, Board Member Ede, Board Member Kranda, Chair Miller, Board Member Halls, Board Member Smith, Board Member Hoevertsz, Board Member Woldesenbet, Board Member McMillan, Board Member Powers, Board Member Feinstein, Board Member Tellis, Board Member Wan, Board Member Richman, Board Member Dagang, Board Member Lengyel, Board Member Adams, Board Member Albee, Board Member Chang, Board Member Hursh, Board Member Tumlin, Board Member Chan, Board Member Barnes and Board Member Thompson
- Absent:** 11 - Board Member El-Tawansy, Board Member Mitch, Board Member Moran, Board Member Edwards, Board Member Goldzband, Board Member Corey, Board Member Sanchez, Board Member Mammano, Board Member Ristow, Board Member Russo and Board Member Omishakin

3a. [22-1731](#) Approval of the Bay Area Partnership Board Minutes of the June 6, 2022 Meeting

Action: Board Approval

Attachments: [3a 06-06-2022 Bay Area Partnership Board Meeting Minutes Draft](#)

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4. Information

4a. [22-1732](#) MTC Electrification / Zero-Emission Transition Initiatives

Discussion of proposed investments and partnership opportunities to support transportation electrification in the Bay Area and an update on the Zero-Emission Bus Transition Strategy.

Action: Information

Presenter: Craig Bosman, MTC and James Choe, MTC

Attachments: [4ai Transportation Electrification](#)
[4aii Transportation Electrification Presentation](#)

Aleta Dupree was asked to speak

4b. [22-1733](#) State Budget Strategy to Address Transit Agency Fiscal Cliff

Overview of the strategy to secure multi-year funding to stave off the fiscal cliff and rebuild ridership.

Action: Information

Presenter: Rebecca Long, MTC

Attachments: [4b State Budget Strategy to Address Transit Agency Fiscal Cliff](#)
[4bi Attachment A Transit Ridership Recovery Program Summary](#)

Aleta Dupree was asked to speak

4c. [22-1734](#) Network Management Business Case Update

MTC staff and Network Management Business Case Advisory Group members will provide an update on the progress of the Business Case analysis, and report on feedback received at the November Advisory Group meeting on the preliminary draft Regional Network Management Framework

Action: Information

Presenter: Denis Mulligan, GGBHTD and Shruti Hari, MTC

Attachments: [4ci Regional Network Management Business Case Evaluation](#)
[4cii Network Management Update Presentation](#)

Aleta Dupree was asked to speak

5. Board Member Wrap-Up / Next Steps

6. Public Comment / Other Business

Aleta Dupree was asked to speak

7. Adjournment / Next Meeting

The next meeting of the Bay Area Partnership Board will be held at a time and location to be duly noticed.

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0792 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 5/16/2023 **In control:** Bay Area Partnership Board
On agenda: 10/23/2023 **Final action:**
Title: Regional Transportation Measure Update

Staff will provide an update on the 2026 potential transportation revenue measure, including draft goals, guiding principles, expenditure priorities, and revenue options, as well as next steps toward authorizing legislation in 2024.

Sponsors:

Indexes:

Code sections:

Attachments: [4a Transportation Revenue Measure](#)
[4ai Draft Category Definitions](#)
[4aii Transportation Revenue Measure Outline](#)

Date	Ver.	Action By	Action	Result
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Subject:

Regional Transportation Measure Update

Staff will provide an update on the 2026 potential transportation revenue measure, including draft goals, guiding principles, expenditure priorities, and revenue options, as well as next steps toward authorizing legislation in 2024.

Presenter:

Dave Vautin and Georgia Gann Dohrmann,

Recommended Action:

Information

Attachments:

Bay Area Partnership Board

October 23, 2023

Agenda Item 4a

Regional Transportation Revenue Measure Update

Subject:

Update on the enabling legislation for a potential 2026 regional transportation revenue measure, including proposed goals, guiding principles, expenditure priorities, and revenue options, as well as next steps toward authorizing legislation in 2024.

Background:

Over the past year, MTC staff have conducted multiple rounds of stakeholder engagement, completed an initial round of public polling on Bay Area voters' priorities concerning transportation, and conducted public engagement activities in all nine counties of the San Francisco Bay Area, as part of Plan Bay Area 2050+ outreach, that included activities to learn about Bay Area residents' priorities for a future transportation measure. A regional transportation funding measure is one component of a suite of strategies to advance Plan Bay Area 2050's (Plan) vision of a more affordable, connected, diverse, healthy, and vibrant region for all residents. To help achieve this vision, the Bay Area needs **a climate-friendly transportation system that is safe, accessible and convenient for all**. Staff are proposing this as the central goal of the regional transportation measure. Further, based on regional needs and feedback from the public and key stakeholders over the summer and fall, as well as polling results, staff are proposing three focus areas for the measure:

1. Protect and enhance transit service
2. Make transit faster, safer, and easier to use
3. Enhance mobility and access for all

Draft Guiding Principles:

Staff have identified and shared with stakeholders the following guiding principles to keep in focus for the entirety of the legislative process to authorize the measure (i.e., the enabling legislation):

- Each funding category should advance **equity** for residents of Equity Priority Communities and other marginalized groups, such as older adults and persons with disabilities.

- Each funding category should be **climate**-friendly and help advance the state's goal of carbon neutrality (net zero emissions) by 2045. The expenditure plan should meaningfully reduce greenhouse gas (GHG) emissions from the transportation sector.
- Each funding category should be **adaptable**, recognizing the region's future remains highly uncertain.
- The measure should be **cohesive** and easy to communicate to the public.

Staff plan to seek Commission approval of these principles as part of the enabling legislation item that will be brought to the Commission in December.

Expenditure Priorities:

After considering feedback over the course of stakeholder engagement this fall, staff are proposing the following four expenditure categories:

- Transit transformation
- Safe streets
- Connectivity
- Climate resilience

Transit Transformation Sustaining public transit service, especially for those who depend upon it, and investing in improvements, such as implementation of the Bay Area Transit Transformation Plan, are a high priority among Bay Area voters, stakeholders and the general public and are vital to advancing the Plan's goals. The Bay Area's anticipated transit operating shortfall is formidable (transit operator continue to forecast shortfalls in excess of \$700 million per year starting in FY 2025-26). Transit operators and advocates are looking to the regional measure to not just close the gap but also provide funding to *expand* service. Transit advocates and the public are also eager for transit to offer a better customer experience. Recognizing that you can't make significant improvements to transit if it doesn't have a reliable source of operating funding, staff have combined what were earlier two categories (transit operating and transit transformation) into simply "transit transformation."

While it's difficult to predict how much new funding will be needed in FY 2026-27 and beyond to provide the level of transit service needed in the region to achieve the Plan's goals, there's no question that doing so will require a massive infusion of new, dedicated funding from somewhere. Whether the regional measure should aim to *fully* close this gap is a key policy

question that will need to be explored by MTC, Bay Area legislators, operators and other stakeholders over the coming months. The extent to which the regional measure aims to address this need will drive the measure's size (i.e., tax rate) and how much funding is available to address other priorities – key considerations that will affect its viability at the polls.

Safe Streets & Connectivity Beyond transit, public engagement this summer found significant interest in funds prioritizing Main Streets (which staff have since rebranded as “Safe Streets”). Conversely, there was much less interest in investing in large-scale “priority projects” which were often the focus of past regional revenue measures, such as rail extensions and express lanes. Given the relatively low level of support for a “priority project” category, along with concerns that its name invites an earmarking approach to the enabling legislation that raises a number of concerns, staff are recommending the new “Connectivity” funding category that could fund an array of multimodal projects that advance Plan Bay Area 2050 and align with the proposed guiding principles.

Climate resilience Climate resilience is a funding category that would be available to fund planning, design and/or construction activities that protect transportation infrastructure from rising sea levels, flooding, wildfires, and extreme heat. The region's transportation system is highly vulnerable to sea level rise and other climate risks, but these risks can largely be mitigated if the appropriate planning, design and infrastructure investments are made. The measure could help fund critical climate adaptation work to protect the Bay Area's transportation infrastructure. (See Attachment A for draft eligible expenditures within each category.)

Structure of the Legislation:

While staff are seeking your input on the measure's central goal, focus areas and funding categories, we would also welcome feedback on two distinct approaches to the legislation, both of which have precedent in California and nationally.

1. ***Legislatively Determined Expenditure Plan*** A clearly defined authorization for MTC to place a measure on the ballot to implement an expenditure plan based on the funding “programmatic” categories outlined above with minimum percentage shares by category but including a “flexible” category to account for changing needs over time. (This would be more flexible than Regional Measures 2 and 3, which enumerated projects but also had some programmatic funding. The programmatic categories approach (with built-in flexibility) is similar to the Bay Area Housing Finance Authority's enabling legislation,

which the Legislature is familiar with, having just enacted AB 1319 (Wicks), a clean-up bill.)

2. ***Delegated Expenditure Plan*** Authorization for MTC to place a measure on the ballot for transportation with direction to MTC to develop an expenditure plan in a transparent and inclusive manner, subject to limits on administrative expenses and consistency with the sustainable communities strategy. (This is analogous to general county transportation sales tax measures, including the 1% sales tax authorization provided to Los Angeles County Metropolitan Transportation Authority (LA Metro) in SB 767 (2015) as well as a successful measures in Seattle (2016) and Atlanta (2016).)

For the sake of discussion, these options are described as extremes, but they could be adjusted to add more flexibility to Option 1 or more structure/oversight to Option 2. At this time, staff does not have a recommendation on a preferred approach, but we are mindful that a 2/3 supermajority is a steep hurdle that MTC has yet to face since bridge toll increases brought before the voters have been subject to a simple majority vote threshold.¹ One proven way to build support for a measure is to engage deeply with communities on their priorities in the formation of the expenditure plan, as would be facilitated by Option 2. Inviting local residents and community groups to help shape how funds may be spent can build trust and a strong foundation of grassroots support for the measure at the ballot. By contrast, an expenditure plan that is fully determined by the Legislature would be harder to build enthusiasm for locally.

Potential Revenue Options:

Sperry Consulting was retained this summer to provide a range of revenue options for consideration as a potential funding source for a new regional transportation measure subject to voter approval. Sales tax was included in that menu given the extent to which Bay Area voters have approved sales taxes to augment state and federal transportation funds, but staff also requested evaluation of options that would be less regressive. Regressive taxation is defined as a tax that captures a higher percentage of a lower income household's income compared to a higher income household. Given consumers pay the same sales tax amount regardless of household income, sales taxes are generally viewed as regressive, which has resulted in

¹ Regional Measure 2 and Regional Measure 3 received 57% and 55% support, respectively.

opposition to this option from some stakeholders in previous discussions. In addition to sales tax, other options that were analyzed include: income tax, payroll tax, parcel tax, corporate head tax and a mileage-based fee. Based on an evaluation of the pros and cons of the options, MTC has commissioned a new poll of registered voters that will test support for a transportation measure backed by a sales tax, an income tax and a payroll tax at rates necessary to generate approximately \$1 billion annually. Assuming there is not a wide discrepancy in support across the three options, staff are likely to recommend that the legislation authorize all three of these revenue options, along with a mileage-based fee.

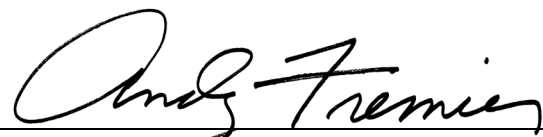
We look forward to the Partnership Board's feedback and questions on any of these items.

Next Steps:

Staff will bring a presentation to the Joint MTC ABAG Legislation Committee on November 3 for feedback/information. As noted, MTC has commissioned a second poll of registered voters, with results expected by mid-November. Informed by the findings from that poll and further feedback, staff will bring a final proposed outline of the enabling legislation to the Joint MTC ABAG Legislation Committee on December 8, followed by Commission approval on December 20.

Attachments:

- Attachment A: Draft Expenditure Priorities Under Consideration
- Attachment B: Presentation



Andrew B. Fremier

Draft Expenditure Priorities Under Consideration

Category	Description	Examples of Eligible Investments (<u>not exhaustive</u>)	Equity & Climate Considerations
<p>Transit Transformation</p>	<p><i>Operations Related</i></p> <p>Sustain and/or expand transit service levels on bus, rail, and ferry lines to serve both current and future riders.</p> <p><i>Further analysis of the long-term transit operating needs will be available this fall as part of the Plan Bay Area 2050+ process, enabling a better understanding of to what extent this measure could sustain existing levels and/or expand service frequencies.</i></p>	<ul style="list-style-type: none"> - Preservation of existing routes and frequencies - Increased frequencies and/or new routes to boost overall service levels - Network restructuring that leads to net increase in transit service-hours 	<p>Priority could be given toward preserving existing service levels and/or enhancing service frequencies on transit lines that benefit residents in Equity Priority Communities or that primarily serve underserved demographic groups.</p> <p>Investments related to transit operations are anticipated to all be GHG-neutral or GHG-reducing.</p>
<p>Transit Transformation</p>	<p>Transformation Action Plan-Related</p> <p>Accelerate investments to improve the customer experience, such as</p>	<ul style="list-style-type: none"> - Simplified and standardized fare programs & discounts - Improved signage at stations and bus stops 	<p>Priority could be given toward programmatic investments on transit lines or at transit stops/stations that benefit residents</p>

Category	Description	Examples of Eligible Investments (<u>not exhaustive</u>)	Equity & Climate Considerations
	<p>transit fare integration, harmonized mapping & wayfinding, ambassador programs, expanded paratransit services, etc.</p> <p><i>This would include implementation of Transit Transformation Action Plan priorities, as well as complementary investments to grow ridership as identified in Transit 2050+.</i></p>	<ul style="list-style-type: none"> - Transit priority infrastructure (signal priority, bus lanes for rapid/BRT, etc.) - Community ambassadors, improved lighting & security cameras - Paratransit service expansion to enable "one-seat rides" - Shuttles or other flexible mobility options accommodating all users - Bikeshare subsidies & system expansion 	<p>in Equity Priority Communities or that primarily serve underserved demographic groups.</p> <p>Investments related to transit transformation are anticipated to all be GHG-reducing.</p>
Safe Streets	<p>Transform local roads (including arterials and collectors) to better address safety, equity, and climate goals through improved pavement conditions, safety enhancements,</p>	<p>Projects would ideally include two or more features to yield progress toward multiple goals concurrently, such as:</p> <ul style="list-style-type: none"> - Street repaving projects 	<p>Priority could be given toward road improvements or street redesigns located within an Equity Priority Community, contingent upon a robust community</p>

Category	Description	Examples of Eligible Investments (not exhaustive)	Equity & Climate Considerations
	<p>expanded sidewalks and/or protected bike lanes.</p> <p><i>This would help fund multi-benefit projects – to help encourage walking and biking for nearby trips and to enable first/last mile connections to transit – while also working to ensure geographic balance throughout the nine-county region.</i></p>	<ul style="list-style-type: none"> - Buffered or protected bike lanes - Expanded sidewalks and/or bulb-outs - Parallel multimodal trails - Traffic calming features - Green infrastructure elements 	<p>engagement process to engage local residents.</p> <p>As investments in this category are not anticipated to include additional roadway capacity, this category is anticipated to be a mix of GHG-neutral and GHG-reducing projects.</p>
<p>Climate Resilience</p>	<p>Fund planning, design and/or construction activities that benefit transportation infrastructure and nearby communities by protecting them from rising sea levels.</p> <p><i>While funding would likely not be sufficient to advance climate</i></p>	<ul style="list-style-type: none"> - Local or subcounty resilience plans to refine future pipeline of projects - Design and environmental analyses for future sea level rise resilience projects 	<p>Priority could be given toward resilience planning, design and/or construction activities in Equity Priority Communities or to protect transportation facilities primarily used by underserved demographic groups. Among other factors, investments would be prioritized</p>

Category	Description	Examples of Eligible Investments (not exhaustive)	Equity & Climate Considerations
	<p><i>resilience megaprojects, funding could allow the region to build up a pipeline of future investments to better compete for state or federal funding in the years ahead.</i></p>	<ul style="list-style-type: none"> - Implementation of specific sea level rise resilience projects, such as: <ul style="list-style-type: none"> o Levees & horizontal levees o Infrastructure elevation o Tidal gates o Wetland restoration 	<p>based on timing of sea level rise impacts (e.g., 1 foot versus 4 feet); investments would be contingent upon a robust community engagement process to engage local residents.</p> <p>Investments related to climate resilience are anticipated to all be GHG reducing or GHG neutral.</p>
<p>Connectivity</p>	<p>Close funding gaps for GHG-reducing or GHG-neutral projects being impacted by rapid inflation, accelerating delivery of high-priority voter-approved capital investments.</p> <p><i>This would help the region implement near-to-medium</i></p>	<ul style="list-style-type: none"> - Rail extensions - Rail grade separation & modernization - Zero emission bus purchases and related infrastructure - New ferry terminals - Carpool-to-express lane conversions 	<p>Priority could be given toward projects that benefit residents in Equity Priority Communities or that primarily serve underserved demographic groups.</p> <p>Investments are primarily anticipated to be GHG-reducing</p>

Category	Description	Examples of Eligible Investments (<u>not exhaustive</u>)	Equity & Climate Considerations
	<p><i>transportation investments already approved by voters but stalled due to increasing costs.</i></p>	<ul style="list-style-type: none"> - Highway interchange modernizations 	<p>(e.g., transit megaprojects), although select non-capacity-increasing highway investments such as HOV-to-Express Lane conversion projects or safety improvements at highway interchanges may be GHG-neutral.</p>

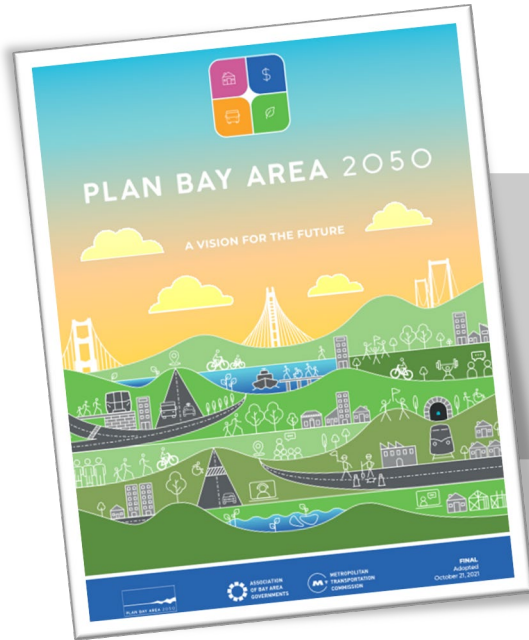
Preparing for a 2026 Regional Transportation Measure: Outline of Proposed Enabling Legislation & Next Steps



**METROPOLITAN
TRANSPORTATION
COMMISSION**

**Bay Area Partnership Board
October 23, 2023**

Why a New Regional Transportation Measure?



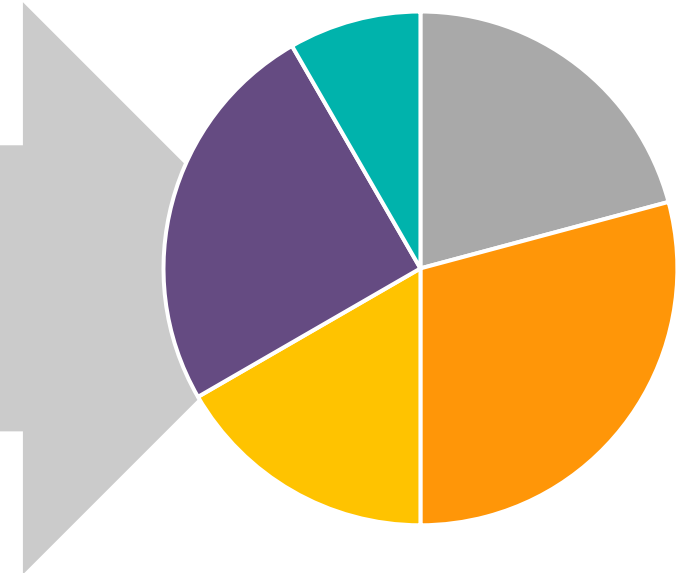
Plan Bay Area 2050

The Plan identified a \$110 billion funding gap to realize the plan's bold vision



Transit's Future Depends on New Funding

New reliable funds are needed to sustain service and improve the rider experience



Deliver Results

Regional funds can incentivize key regional policy goals & improve access and mobility regionwide

Throughout 2023: Listening & Learning

STAKEHOLDER ENGAGEMENT



Transit Operators



County Transportation Agencies



Regional Agencies

BCDC, BARC, BAAQMD, etc.



Business Organizations



Labor Organizations



Advocacy Organizations

- *Environment*
- *Equity*
- *Persons with Disabilities*
- *Older Adults*
- *Active Transportation*

PUBLIC ENGAGEMENT



Public Poll

- *Conducted in spring 2023*
- *Sought to understand public perception of public transit & support for potential measure*



Pop-Up Workshops

- *15 events in all nine counties during summer 2023*
- *Integrated with Plan Bay Area 2050+ and Transit 2050+ public engagement*



Online Survey

- *Sought feedback from public on same questions as in-person events*
- *Offered in English, Mandarin, Spanish, and Vietnamese consistent with 2023 PPP*

EMERGING THEMES

Most stakeholders, and the public at-large, want to **maintain and improve public transit** but also want to **see investments in other transportation modes**.

There is a broad recognition that the Bay Area's post-pandemic trajectory is uncertain and that **having the flexibility to modify priorities over time will be key**.

Simply **maintaining the status quo is not sufficient** – the public wants to see new revenues used to help transform our transportation system.

Regional Measure Goal & Focus Areas

- **Goal:** Create a climate-friendly transportation system that is safe, accessible and convenient for all



Protect and Enhance Transit Service

Establish a robust and reliable, long-term regional source of transit operating funds to protect existing service and enhance it where needed and financially sustainable.

Make Transit Faster, Safer and Easier to Use

Create a seamless and convenient Bay Area transit system that attracts far more riders by making key investments to implement the Bay Area Transit Transformation Action Plan.



Enhance Mobility & Access for All

Make it safer and easier for people of all ages and abilities to get to where they need to go by enhancing bicycle and pedestrian access (including for wheelchair users), traffic calming, signal timing, pothole repairs, improved truck access, and other needs.

Guiding Principles for Expenditure Plan



Equitable

Prioritize funding in every investment category toward Equity Priority Communities, as well as other underserved demographic groups such as persons with disabilities, older adults, etc.



Climate-Friendly

Ensure funding only flows to GHG-reducing or GHG-neutral projects by avoiding any investments that expand roadway capacity, which would make it more difficult to achieve our ambitious climate goals.



Adaptable

Design the legislation be adjustable in the face of changing needs, allowing spending priorities to be adjusted over time and avoiding rigid project-specific expenditures.



Cohesive

Create an expenditure plan that is greater than the sum of its parts, both to maximize regional impact but also to be able to clearly communicate to the public what the measure will deliver.

New Proposed Funding Categories



Transit Transformation

Sustain and/or expand transit service levels on bus, rail, and ferry lines to serve both current and future riders. Accelerate Transformation Action Plan improvements to the customer experience and help fund the zero-emission transit transition.



Safe Streets

Transform local roads to better address safety and achieve equity and climate goals, such as through expanded sidewalks and/or protected bicycle infrastructure, safety enhancements, traffic signal timing, improved pavement conditions.



Connectivity

Fund mobility improvements that close gaps and relieve bottlenecks in the existing transportation network in a climate-neutral manner. Example project types include express lanes, rail-grade separations, rail extensions, and interchange modernizations.



Climate Resilience

Fund planning, design and/or construction activities that protect transportation infrastructure from rising sea levels, flooding, wildfires, and extreme heat.

Public Feedback on Potential Priorities

At pop-up workshops held through late August, participants shared their priorities for a future measure:

- 1 Main Streets
- 2 Transit Transformation
- 3 Transit Operating
- 4 Climate Resilience
- 5 Priority Projects

Additional data, including online survey results, will be shared later this fall.

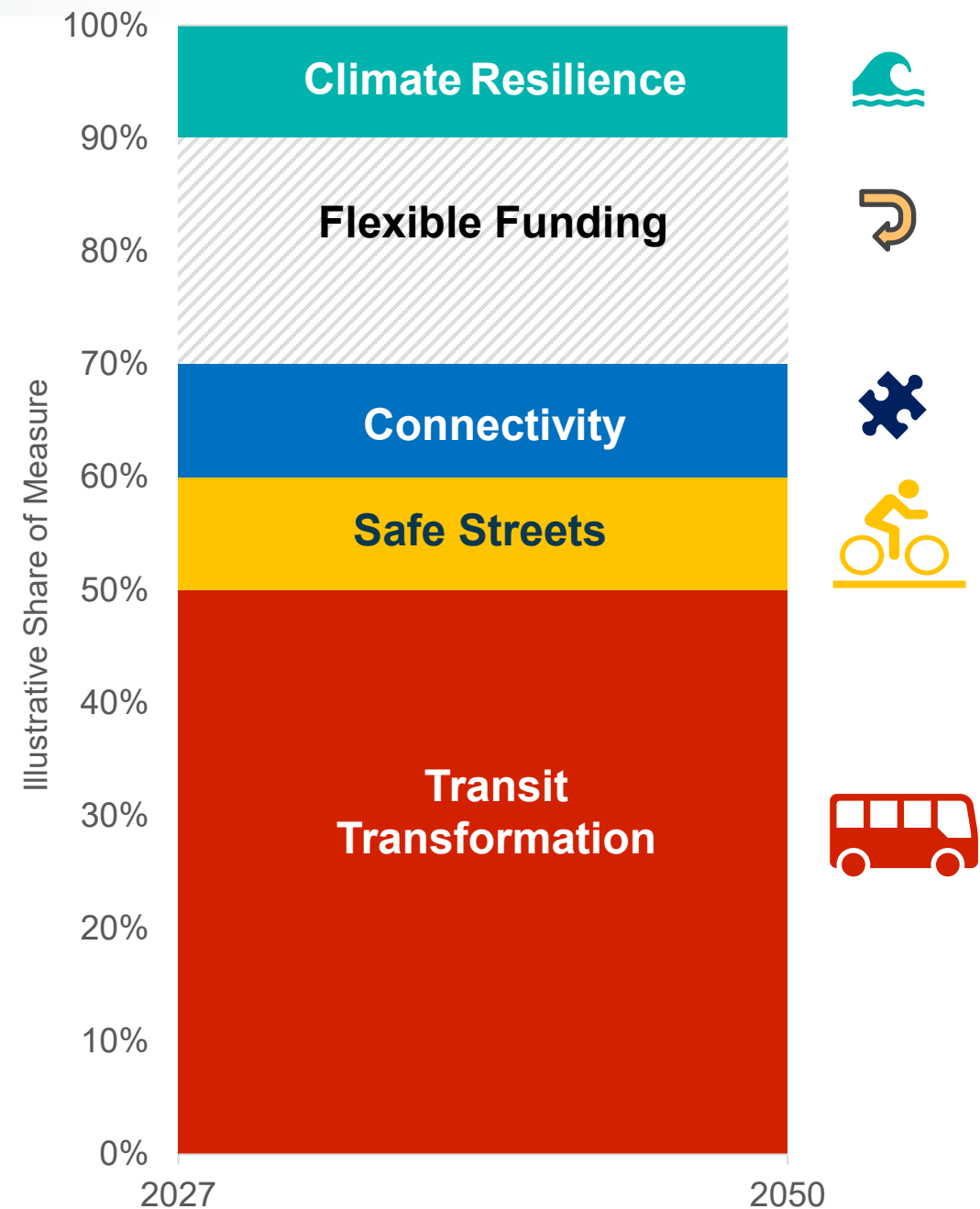


Core Elements of Proposed Enabling Legislation

Topic	Summary	Rationale
Geographic area of tax	Authorize MTC to place on ballot within the nine counties or a subset (no fewer than five counties).	Precedent with MTC regional gas tax enabling statute and Bay Area Housing Finance Authority (BAHFA)
Timing of Ballot Measure	Allow on ballot November 2026 or later with no sunset. Permit subsequent ballot placement if unsuccessful. Duration to be determined by MTC.	Consistent with county transportation measure authorizations
Tax Options & Amount	Authorize a menu of revenue options subject to a maximum rate. Allow multiple revenue options to be pursued sequentially.	Consistent with county transportation measure authorizations; BAHFA precedent
Expenditure Priorities	Specify core goals of measure and expenditure categories but leave open minimum shares for now.	Consistent with enabling legislation for county transportation measures
Funding Distribution	Leave open subject to further discussion of expenditure priorities and bill's overall approach (defining expenditure plan vs. delegating to MTC).	Too early – needs much more discussion

Expenditure Plan Concept: Adaptable

- **Concept:** Specify a minimum share for each spending category but allow percentages to be adjusted over time, subject to public input and demonstration of need.
- **Flexible Funding:** Reserve portion of funds for a “flexible” category to enhance ability of measure’s revenues to be responsive to future needs.
- **How Much for Each Category?** Shares shown at right are *for illustration purposes only*. Recommend MTC adopt an initial concept without minimum percentages to allow for maximum consensus and coalition building during early part of legislative process.



Analysis of Potential Funding Sources

- MTC evaluated six revenue options based on the following criteria:
 - Revenue volatility
 - Equity impacts
 - Economic impacts
 - Administrative burden
 - Co-benefits/disbenefits
- Tax rates were estimated for each revenue source based on rate needed to generate approximately \$1 billion/year.
- **Practical considerations:**
 - Ultimately, what's most popular with voters and what's most politically feasible will determine which options to pursue.
 - Possible to follow approach in AB 1487 (Chiu, 2019) – establishing the Bay Area Housing Finance Authority – providing a menu of options vs. a single revenue source.

Summary of Tax Revenue Options Analyzed

Tax Type	Description	Tax Rate
Sales tax	Regional sales tax on the sale of tangible items. Some groceries are exempt.	0.5-cents
Income tax	Regional supplemental income tax paid by taxpayer – withheld from paycheck (can be limited to those with an income above a specified threshold and/or include tiered rates)	0.17%
Payroll tax	Employer-based tax on wages paid to employees, like Social Security. Can be structured to exempt small businesses.	0.36% taxable wages
Corporate head tax	Employer-based tax per employee. Can be structured to exempt small businesses.	\$216/employee
Parcel tax	Flat tax per parcel of real property, can exempt certain taxpayers (e.g., seniors). Note: option to impose per square foot.	\$467/parcel
Road usage charge	Tax based on miles driven. Also known as a Vehicle Miles Traveled (VMT) fee. Only exists on a pilot, voluntary basis today.	\$0.0152/mile

Draft Staff Recommendation on Short List of Revenue Options

- Consider removing parcel tax and corporate head tax from menu; keep others on the list.
- Rationale:
 - Parcel tax – flat rate of \$467/year too high to be politically viable. Regional housing bond will already be asking Bay Area property owners to tax themselves. Although a “per square foot” rate and split roll could result in lower tax for most homeowners, its complexity would be hard to communicate to voters.
 - Corporate head tax – high administrative burden for MTC with no simple tax to “piggyback” upon. Additional concerns identified that a flat tax per employee is less equitable than a payroll tax (from employer standpoint) and options to mitigate those concerns would be administratively burdensome and hard to communicate.

Policy Reforms May Accompany Legislation

- Commissioners and some stakeholders have expressed an interest in including policy changes related to public transit in regional measure enabling legislation.
- Are there specific policy topics that should be under consideration to include in the legislation?

What's Next?



Continue Stakeholder Outreach

Continue dialogues with partners and stakeholders on tradeoffs associated with expenditures, revenue options, and potential policy requirements.



Public Opinion Poll Results

Poll is underway of Bay Area voters to seek feedback on measure's goals, potential revenue options and expenditure plan priorities to inform enabling legislation. Results will be available by December Joint Legislation Committee.

Legislative Outreach

Brief Bay Area legislators on proposed approach and seek their feedback to inform proposed legislation

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Legislation Details (With Text)

File #: 23-0793 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 5/16/2023 **In control:** Bay Area Partnership Board
On agenda: 10/23/2023 **Final action:**
Title: Regional Zero Emission Transit Transition Strategy Update

Informational update on progress of the Regional Zero Emission Transit Transition Strategy, currently in development.

Sponsors:

Indexes:

Code sections:

Attachments: [4b Zero Emission Transition Strategy](#)
[4bi ZE Transit Transition Strategy Update](#)

Date	Ver.	Action By	Action	Result
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Subject:

Regional Zero Emission Transit Transition Strategy Update

Informational update on progress of the Regional Zero Emission Transit Transition Strategy, currently in development.

Presenter:

Craig Bosman

Recommended Action:

Information

Attachments:

Bay Area Partnership Board

October 23, 2023

Agenda Item 4b

Regional Zero Emission Transit Transition Strategy Update

Subject:

Informational update on progress of the Regional Zero Emission Transit Transition Strategy, currently in development.

Background:

Following direction from the Partnership Board in March 2022, MTC staff began procurement of a consultant team to develop a regional zero-emission vehicles and infrastructure transition strategy, focused on identifying challenges and opportunities at the regional and local levels. In early 2023, a team led by Sam Schwartz Consulting was brought on board and is working closely with staff from MTC and transit operators to develop the strategy. The attached presentation provides an overview of the strategy's development to date.

Issues:

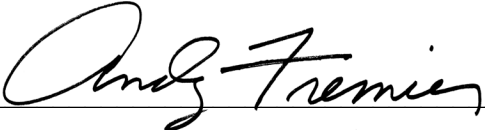
None identified.

Recommendations:

Information item.

Attachments:

- Attachment A: Presentation



Andrew B. Fremier

Regional Zero-Emission Transit Transition Strategy Update

Bay Area Partnership Board
September 23, 2023

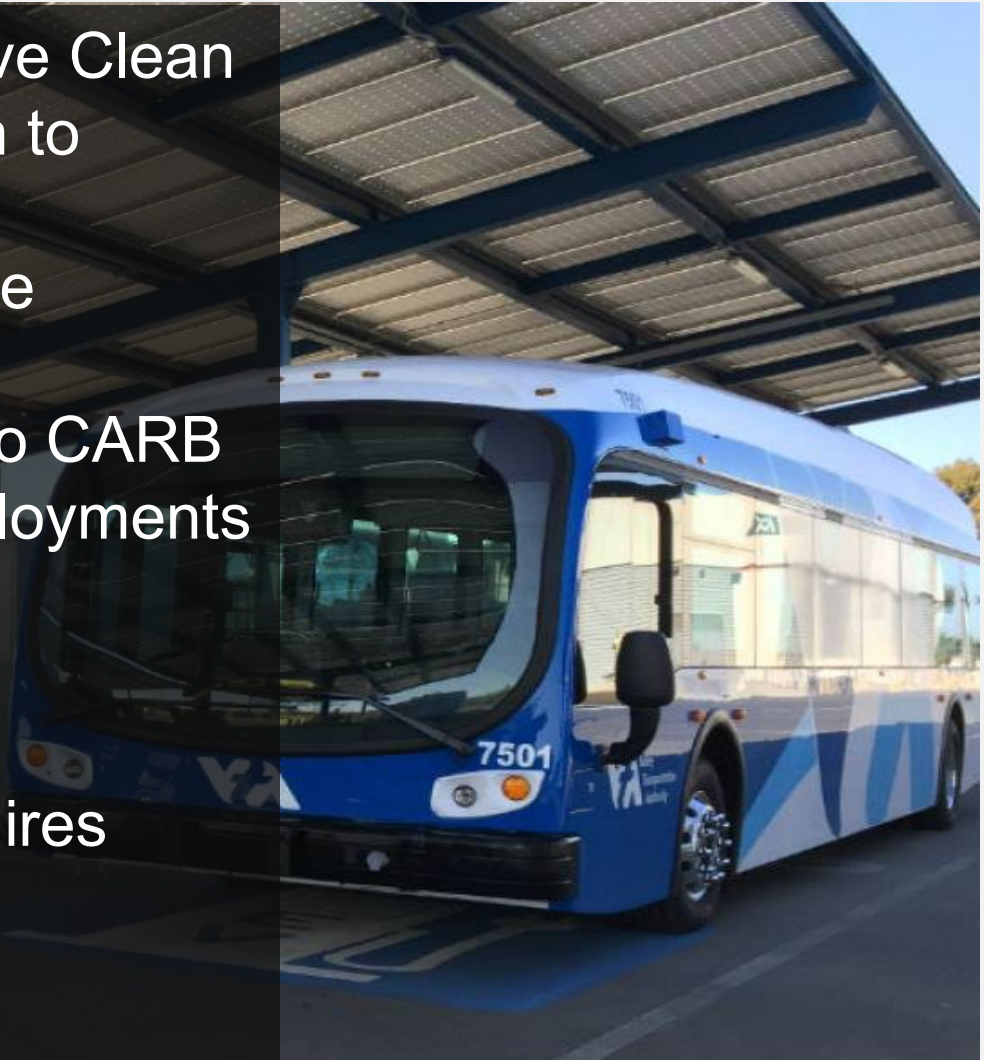


Current Zero Emission Transition Context

California Air Resources Board (CARB) Innovative Clean Transit rule requires transit agencies to transition to 100% zero-emission bus fleets by 2040

- Purchase requirements underway for large operators
- Operators have submitted Rollout Plans to CARB
- Majority of operators have initial ZEB deployments

CARB Commercial Harbor Craft Regulation requires lower-emission ferry fleets



Regional Zero-Emission Transit Transition Strategy

Strategy is underway with consultant team, in partnership with transit operators and BARC, to develop a regional zero-emission vehicles and infrastructure transition strategy, focused on identifying challenges and opportunities at the regional and local levels.



Zero Emission Transit Transition Strategy Principles

- a. Transition in **partnership** (operators, CTAs, MTC, State, Federal)
- b. **Accelerate** transition elements to focus facility investments on ZEB ready infrastructure
- c. Support a **dynamic bus system** serving local routes, key trunk corridors, and express lane network
- d. Evaluate and **manage risk** throughout transition



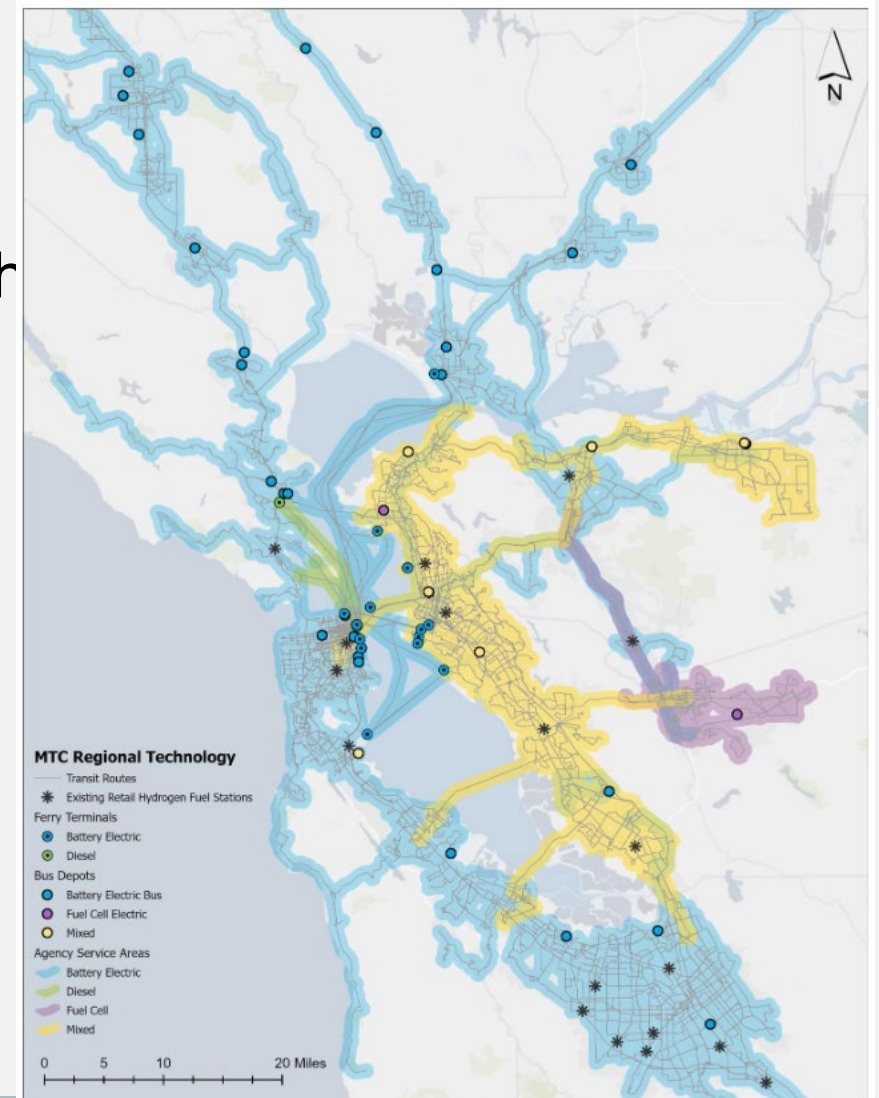
Current Status of ZEB Deployment

- Approximately 450 ZEBs currently deployed across 12 agencies – over 10% of the region's bus fleet
 - 278 electric trolleys (SFMTA)
 - 130 Battery Electric Buses
 - 40 Fuel Cell Electric Buses
- Chargers and hydrogen fueling mostly at bus depot
- Limited numbers of on-route chargers



Summarization of Current Agency Plans

- Significant numbers of both Battery Electric and Fuel Cell buses
- Some agencies are committed to one or both technologies, others still assessing future fleet mix
- Primary focus on depot-based charging and fueling, with strategic on-route charging
- Overall cost being refined, but in the high billions of dollars
 - Vehicle cost inflation
 - Complex facilities projects



Significant Identified Risks

- Schedule risk for compliance
 - Timeline of facility infrastructure upgrades delayed
 - Timeline of utility capacity upgrades delayed, or insufficient grid power on required timeframe
- Budgetary risk
 - Funding levels are insufficient at current cost projections (gap in the billions of dollars)
 - Capital and operating costs may grow beyond current projections



Collaboration Opportunities

- Workforce training
- Knowledge sharing
- Vehicle purchases
- Hydrogen procurement
- Interagency coordination for shared on-route chargers



Funding Opportunities and Challenges

- FTA formula funds (Transit Capital Priorities program) typically funds majority of replacement vehicles, but rapid cost escalation causing strain
- Vehicles are the highest cost, with significant needs also for facilities and charging/fueling infrastructure
- Recent performance in FTA discretionary bus funding was strong, with nearly 7% of national funding (\$110M)
- Will need to leverage existing state and federal transit discretionary sources, access energy and emissions-focused sources, and realize new funding opportunities to meet the gap

Ongoing/Upcoming Tasks

- Refinement of cost estimate and development of funding strategy
- Analysis of technological approaches and compatibility
- Feasibility of shared infrastructure
- Analysis of considerations related to interoperability and emergency preparedness
- Interactive map of existing and planned zero emission transit facilities, hubs, and charging/fueling locations
- Analysis of regional opportunities and challenges



Metropolitan Transportation Commission

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Legislation Details (With Text)

File #: 23-1217 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 9/19/2023 **In control:** Bay Area Partnership Board
On agenda: 10/23/2023 **Final action:**
Title: Housing Element Certification, One Bay Area Grant (OBAG 3), and Housing Incentive Pool (HIP) Updates.
Update on Bay Area jurisdiction Housing Elements and related MTC funding programs, including the One Bay Area Grant

Sponsors:

Indexes:

Code sections:

Attachments: [4c 23-1217 0 OBAG HIP and HE Compliance](#)
[4ci and 4cii 23-1217 1 and 2 Compliance](#)
[4ciii 23-1217 3 2018-21 HIP Units by Jurisdiction](#)

Date	Ver.	Action By	Action	Result
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Subject:

Housing Element Certification, One Bay Area Grant (OBAG 3), and Housing Incentive Pool (HIP) Updates.

Update on Bay Area jurisdiction Housing Elements and related MTC funding programs, including the One Bay Area Grant

Presenter:

Mallory Atkinson and Daniel Saver

Recommended Action:

Information

Attachments:

Bay Area Partnership Board

October 23, 2023

Agenda Item 4c 23-1217

Housing Element Certification, One Bay Area Grant (OBAG 3), and Housing Incentive Pool (HIP) Updates

Subject:

Informational update on Bay Area jurisdiction Housing Elements and related MTC funding programs, including the One Bay Area Grant (OBAG) Program and Housing Incentive Pool (HIP).

Background:

The One Bay Area Grant (OBAG) and other regional discretionary programs support implementation of MTC's long-range Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS), collectively known as *Plan Bay Area 2050*. Pursuant to SB 375 (Steinberg 2008), the SCS aligns regional transportation planning with land use and housing to help achieve state greenhouse gas emissions targets. To encourage and incentivize regional jurisdictions to advance the RTP/SCS and associated state and regional land use goals, the Commission has conditioned certain federal transportation funds on compliance with state housing law.

California Department of Housing and Community Development (HCD) Housing Element certification is a requirement for several MTC grant programs, including:

- OBAG 3 County & Local Program: the OBAG 3 Project Selection and Programming Policies, adopted by the Commission in January 2023 (MTC Resolution No. 4505, Attachment A), require that jurisdictions awarded County & Local Program funds achieve HCD certification of their Housing Element by December 31, 2023 and maintain certification throughout the duration of the OBAG 3 Program.
- OBAG 3 Priority Development Area (PDA) Planning Grants: consistent with the County & Local Program, administrative requirements for the OBAG 3 PDA Planning Grants similarly require that recipient jurisdictions achieve HCD Housing Element certification by December 31, 2023.
- Housing Incentive Pool (HIP) Program: the HIP Framework and Qualifying Criteria, adopted by the Commission in October 2018 (MTC Resolution No. 4348, Attachment A), require that jurisdictions comply with state Housing Element requirements, including Housing Element certification by December 31, 2022. Note: Staff will propose revisions

to the HIP program guidelines for adoption later this year, including aligning the Housing Element compliance deadline with the deadlines for the OBAG 3 County & Local program and PDA Planning Grant program.

Bay Area Housing Element Certification Status

Although MTC established compliance deadlines for December 31, 2023, the Bay Area jurisdiction Housing Elements for the 6th Regional Housing Needs Allocation (RHNA) cycle (2023-31) were due to the HCD in January 2023.

As of writing, only 47 of the 109 regional jurisdictions have received HCD approval of their Housing Elements (**Attachment 1**). In addition, MTC staff estimate that at least 55 jurisdictions will need to complete rezoning to achieve or maintain HCD certification of their Housing Elements. Of these, at least 41 will need to complete rezoning by the end of January 2024 to maintain their certification.

Staff anticipate that many of the 62 uncertified jurisdictions will not receive HCD certification by the end of this year, and others may fall out of compliance as early as January 31, 2024 due to rezoning requirements.

Funding Implications & Considerations

Under current policies for the OBAG 3 County & Local Program and PDA Planning Grants, sponsors that fail to achieve or maintain HCD Housing Element certification after December 31, 2023 will have their relevant awards deprogrammed and redirected to projects in compliant jurisdictions. Similarly, jurisdictions without compliant Housing Elements will not be eligible for HIP funds. Together, these programs represent over \$300 million in regional discretionary federal funds for local jurisdictions, much of which is in jeopardy of reprogramming due to widespread noncompliance with Housing Element requirements. A summary of OBAG 3 County & Local awards, PDA Planning Grants, current HIP standings, and Housing Element compliance by jurisdiction is provided as **Attachment 2**.

Conditioning regional discretionary funds on Housing Element compliance was intended to encourage timely certification throughout the region. Given the increased standards for Housing Element compliance this RHNA cycle, current MTC funding policies could have a punitive effect on jurisdictions that are making good-faith efforts to achieve HCD certification by rescinding funds on important projects prioritized for their safety, climate, and equity benefits.

MTC seeks to balance these considerations with the need to incentivize prompt completion of Housing Elements across the region as a first step in addressing our urgent housing and affordability needs.

Proposed Grace Period Approach

To address the issue of anticipated noncompliance, staff plan to propose that the Commission approve a 6-12 month grace period for jurisdictions to attain HCD Housing Element certification to meet requirements for the OBAG 3 County & Local Program, PDA Planning Grants, and the Housing Incentive Pool. This approach would recognize and accommodate the greater threshold for HCD Housing Element certification this RHNA cycle, while maintaining OBAG and HIP funds as an effective incentive to encourage compliance within a reasonable timeframe.

Under the proposed grace period approach, MTC would take the following steps for jurisdictions that did not achieve HCD Housing Element certification by December 31, 2023:

- Deprogram any OBAG 3 County & Local Program awards from the Transportation Improvement Program (TIP) to prevent the project from proceeding with obligation,
- Withhold any OBAG 3 PDA Planning Grant funds, with exceptions given by MTC staff on a case-by-case basis for grants that would accelerate Housing Element approval, associated rezonings, or other implementation of anticipated local Housing Element strategies, and
- Withhold TIP programming for any HIP awards.

If jurisdictions became compliant within the grace period, MTC would reinstate any withheld regional discretionary funds at the next available opportunity (monthly for TIP programming, immediately for MTC-administered PDA Planning Grants).

Any jurisdictions that fail to receive HCD Housing Element certification by the end of the grace period would have their awards deprogrammed, and these funds would be made available for reprogramming within the original grant program framework to compliant sponsors.

Housing Incentive Pool (HIP) Update and Programming Policies

In October 2018, the Commission established the Housing Incentive Pool (HIP) program to award transportation funds on a per-unit basis to the top 15 jurisdictions that produced or preserved the greatest number of qualifying affordable housing units from 2018 through 2022. There is \$71 million available for the HIP program, comprised of \$46 million in regionally-

controlled Regional Transportation Improvement Program (RTIP) funds and \$25 million in One Bay Area Grant (OBAG 2) Regional Program funds. In addition to HCD Housing Element certification, jurisdictions must also comply with state housing laws related to Surplus Lands, Accessory Dwelling Units, and Density Bonuses to be eligible for HIP funding.

Jurisdiction rankings for the first four years of the program (2018-2021) are provided in **Attachment 3**. The final year of housing data (2022) will be available this fall.

Staff plan to bring preliminary HIP award amounts and proposed programming policies to the Commission this December. The proposed programming policies are anticipated to include:

- Revising the deadlines for Housing Element certification and adoption of state housing law self-certification resolutions to align with OBAG 3 deadlines, including the proposed grace period described above,
- A review period for jurisdictions to submit corrections to the 2018-22 housing data as compiled by MTC from December 2023 through January 2024, and
- A rolling letter of interest process, whereby top 15 HIP jurisdictions would submit project ideas to MTC for project selection and programming through summer 2024.

Jurisdictions that are competitive for HIP funds based on the first four years of available housing data should plan to adopt a resolution affirming compliance with various state housing laws by December 31, 2023, if they have not already met this HIP requirement.

Issues:

Staff anticipate that some jurisdictions may remain noncompliant even after the proposed 6-12 month grace period. Jurisdictions in this situation would forfeit any awards from the regional discretionary programs discussed in this item, and any deprogrammed funds would be available for reprogramming to compliant sponsors. In some cases, these regional awards are part of a funding plan with other local, state, and federal grants; deprogramming regional discretionary funds could jeopardize those grant awards as well.

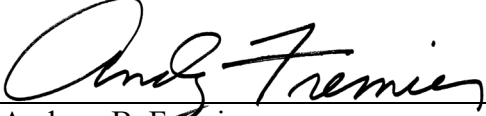
In addition, due to the nature of state requirements, jurisdictions may become noncompliant with their Housing Element or other OBAG 3 housing-related requirements at any time. Staff continue to monitor all compliance requirements on a regular basis. Noncompliant jurisdictions may be subject to deprogramming of any relevant and unobligated regional discretionary funds in the TIP.

Recommendations:

Information only. Staff invites feedback from this Board on Housing Element certification issues, the recommended grace period approach and appropriate length of grace period, and the proposed policy revisions to the HIP program.

Attachments:

- Attachment 1: Housing Element Compliance Summary
- Attachment 2: OBAG/HIP Funding and Housing Element Compliance by Jurisdiction
- Attachment 3: Current (2018-21) HIP Qualifying Units by Jurisdiction



Andrew B. Fernier

Agenda Item 4c-Attachment 1: Housing Element Approval Summary

HCD Certified*	Not HCD Certified
<i>Alameda County</i>	
Alameda, Albany, Berkeley, Emeryville, Fremont, Hayward, Livermore, Oakland, Pleasanton, San Leandro, Union City	Alameda County, Dublin, Newark, Piedmont
<i>Contra Costa County</i>	
El Cerrito, Moraga, Oakley, Orinda, Pinole, Richmond, San Ramon	Antioch, Brentwood, Clayton, Concord, Contra Costa County, Danville, Hercules, Lafayette, Martinez, Pittsburg, Pleasant Hill, San Pablo, Walnut Creek
<i>Marin County</i>	
Corte Madera, Marin County, San Rafael, Sausalito	Belvedere, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, Tiburon
<i>Napa County</i>	
American Canyon, Calistoga, Saint Helena	Napa, Napa County, Yountville
<i>San Francisco City & County</i>	
San Francisco	
<i>San Mateo County</i>	
Brisbane, Redwood City	Atherton, Belmont, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, San Bruno, San Carlos, San Mateo, San Mateo County, South San Francisco, Woodside
<i>Santa Clara County</i>	
Campbell, Gilroy, Los Altos, Los Altos Hills, Milpitas, Mountain View	Cupertino, Los Gatos, Monte Sereno, Morgan Hill, Palo Alto, San Jose, Santa Clara, Santa Clara County, Saratoga, Sunnyvale
<i>Solano County</i>	
Dixon, Fairfield, Rio Vista, Suisun City	Benicia, Solano County, Vacaville, Vallejo
<i>Sonoma County</i>	
Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor	Sonoma County

**Housing Element certifications as reported by HCD through 10/11/2023*

Attachment 2: OBAG/HIP Funding and Housing Element Compliance by Jurisdiction

Jurisdiction	OBAG 3 County & Local	OBAG 3 PDA Planning Grant	Current HIP Rank*	Housing Element Compliance	Rezoning Requirement**
Alameda	2,325,000	-	23	In	Rezoning required by 1/31/2026
Alameda County	14,571,000	600,000	N/A	Out	Rezoning undetermined
Albany	-	-	N/A	In	Rezoning required by 1/31/2024
Berkeley	-	-	27	In	Rezoning undetermined
Dublin	-	-	N/A	Out	Rezoning required by 1/31/2024
Emeryville	-	-	15	In	Rezoning undetermined
Fremont	-	-	3	In	Rezoning undetermined
Hayward	-	-	29	In	Rezoning required by 1/31/2024
Livermore	-	-	14	In	Rezoning undetermined
Newark	5,141,000	-	N/A	Out	Rezoning undetermined
Oakland	-	-	2	In	Rezoning undetermined
Piedmont	-	-	N/A	Out	Rezoning required by 1/31/2024
Pleasanton	-	-	13	In	Rezoning required by 1/31/2024
San Leandro	-	1,800,000	N/A	In	Rezoning required by 1/31/2026
Union City	-	-	N/A	In	Rezoning undetermined
Alameda County Total	22,037,000	2,400,000	N/A	11/15	N/A
Antioch	-	-	N/A	Out	Rezoning undetermined
Brentwood	-	-	N/A	Out	Rezoning undetermined
Clayton	-	-	N/A	Out	Rezoning undetermined
Concord	4,191,000	-	19	Out	Rezoning undetermined
Contra Costa County	-	-	26	Out	Rezoning required by 1/31/2024
Danville	-	-	32	Out	Rezoning required by 1/31/2024
El Cerrito	-	-	20	In	Rezoning undetermined
Hercules	-	-	31	Out	Rezoning undetermined
Lafayette	750,000	-	36	Out	Rezoning required by 1/31/2024
Martinez	-	-	N/A	Out	Rezoning undetermined
Moraga	-	600,000	N/A	In	Rezoning required by 1/31/2024
Oakley	-	-	N/A	In	Rezoning required by 1/31/2026
Orinda	-	-	N/A	In	Rezoning required by 1/31/2026
Pinole	1,020,000	-	N/A	In	Rezoning undetermined
Pittsburg	4,427,000	-	39	Out	Rezoning undetermined
Pleasant Hill	-	-	N/A	Out	Rezoning undetermined
Richmond	2,703,000	-	5	In	Rezoning undetermined
San Pablo	-	-	39	Out	Rezoning required by 1/31/2024
San Ramon	-	-	N/A	In	Rezoning required by 1/31/2026
Walnut Creek	7,050,000	-	16	Out	Rezoning undetermined
Contra Costa County Total	20,141,000	600,000	N/A	7/20	N/A

Attachment 2: OBAG/HIP Funding and Housing Element Compliance by Jurisdiction

Jurisdiction	OBAG 3 County & Local	OBAG 3 PDA Planning Grant	Current HIP Rank*	Housing Element Compliance	Rezoning Requirement**
Belvedere	-	-	N/A	Out	Rezoning required by 1/31/2024
Corte Madera	2,056,000	-	N/A	In	Rezoning undetermined
Fairfax	-	-	N/A	Out	Rezoning required by 1/31/2024
Larkspur	-	-	N/A	Out	Rezoning required by 1/31/2024
Marin County	-	-	N/A	In	Rezoning undetermined
Mill Valley	-	-	N/A	Out	Rezoning required by 1/31/2024
Novato	-	-	34	Out	Rezoning required by 1/31/2024
Ross	-	-	N/A	Out	Rezoning required by 1/31/2024
San Anselmo	-	-	N/A	Out	Rezoning required by 1/31/2024
San Rafael	3,051,000	1,594,000	32	In	Rezoning undetermined
Sausalito	505,000	-	N/A	In	Rezoning required by 1/31/2026
Tiburon	-	-	N/A	Out	Rezoning required by 1/31/2024
Marin County Total	5,612,000	1,594,000	N/A	4/12	N/A
American Canyon	1,000,000	-	6	In	Rezoning undetermined
Calistoga	-	-	N/A	In	Rezoning undetermined
Napa	2,000,000	-	N/A	Out	Rezoning undetermined
Napa County	-	-	N/A	Out	Rezoning required by 1/31/2024
Saint Helena	1,206,000	-	N/A	In	Rezoning required by 1/31/2024
Yountville	-	-	N/A	Out	Rezoning undetermined
Napa County Total	4,206,000	-	N/A	3/6	N/A
San Francisco	34,277,000	1,200,000	1	In	Rezoning required by 1/31/2026
San Francisco County Total	34,277,000	1,200,000	N/A	1/1	N/A

Attachment 2: OBAG/HIP Funding and Housing Element Compliance by Jurisdiction

Jurisdiction	OBAG 3 County & Local	OBAG 3 PDA Planning Grant	Current HIP Rank*	Housing Element Compliance	Rezoning Requirement**
Atherton	-	-	N/A	Out	Rezoning required by 1/31/2024
Belmont	-	-	N/A	Out	Rezoning undetermined
Brisbane	-	-	N/A	In	Rezoning required by 1/31/2026
Burlingame	3,100,000	-	N/A	Out	Rezoning undetermined
Colma	4,640,000	-	N/A	Out	Rezoning undetermined
Daly City	-	-	8	Out	Rezoning required by 1/31/2024
East Palo Alto	-	-	N/A	Out	Rezoning required by 1/31/2024
Foster City	-	-	N/A	Out	Rezoning required by 1/31/2024
Half Moon Bay	-	-	N/A	Out	Rezoning undetermined
Hillsborough	-	-	N/A	Out	Rezoning required by 1/31/2024
Menlo Park	5,000,000	-	37	Out	Rezoning required by 1/31/2024
Millbrae	-	600,000	N/A	Out	Rezoning undetermined
Pacifica	-	-	N/A	Out	Rezoning required by 1/31/2024
Portola Valley	-	-	N/A	Out	Rezoning required by 1/31/2024
Redwood City	3,400,000	-	10	In	Rezoning required by 1/31/2026
San Bruno	-	-	N/A	Out	Rezoning required by 1/31/2024
San Carlos	-	-	N/A	Out	Rezoning undetermined
San Mateo	-	-	12	Out	Rezoning undetermined
San Mateo County	3,807,000	-	35	Out	Rezoning required by 1/31/2024
South San Francisco	3,128,000	-	17	Out	Rezoning undetermined
Woodside	-	-	N/A	Out	Rezoning required by 1/31/2024
San Mateo County Total	23,075,000	600,000	N/A	2/21	N/A
Campbell	-	-	30	In	Rezoning required by 1/31/2026
Cupertino	-	-	N/A	Out	Rezoning required by 1/31/2024
Gilroy	-	-	N/A	In	Rezoning undetermined
Los Altos	7,298,000	-	N/A	In	Rezoning required by 1/31/2024
Los Altos Hills	-	-	N/A	In	Rezoning required by 1/31/2026
Los Gatos	-	-	39	Out	Rezoning required by 1/31/2024
Milpitas	-	200,000	N/A	In	Rezoning required by 1/31/2026
Monte Sereno	-	-	N/A	Out	Rezoning required by 1/31/2024
Morgan Hill	3,921,000	-	18	Out	Rezoning undetermined
Mountain View	8,306,000	-	9	In	Rezoning undetermined
Palo Alto	-	-	38	Out	Rezoning required by 1/31/2024
San Jose	58,686,000	-	4	Out	Rezoning undetermined
Santa Clara	9,029,000	-	21	Out	Rezoning required by 1/31/2024
Santa Clara County	-	-	N/A	Out	Rezoning required by 1/31/2024
Saratoga	-	-	N/A	Out	Rezoning required by 1/31/2024
Sunnyvale	-	-	7	Out	Rezoning required by 1/31/2024
Santa Clara County Total	87,240,000	200,000	N/A	6/16	N/A

Attachment 2: OBAG/HIP Funding and Housing Element Compliance by Jurisdiction

Jurisdiction	OBAG 3 County & Local	OBAG 3 PDA Planning Grant	Current HIP Rank*	Housing Element Compliance	Rezoning Requirement**
Benicia	261,000	317,000	N/A	Out	Rezoning undetermined
Dixon	-	-	N/A	In	Rezoning undetermined
Fairfield	6,199,000	200,000	22	In	Rezoning undetermined
Rio Vista	-	-	N/A	In	Rezoning undetermined
Solano County	2,101,000	-	N/A	Out	Rezoning undetermined
Suisun City	-	200,000	N/A	In	Rezoning undetermined
Vacaville	-	-	N/A	Out	Rezoning undetermined
Vallejo	850,000	2,400,000	N/A	Out	Rezoning undetermined
Solano County Total	9,411,000	3,117,000	N/A	4/8	N/A
Cloverdale	-	-	N/A	In	Rezoning undetermined
Cotati	-	-	N/A	In	Rezoning undetermined
Healdsburg	2,217,000	-	N/A	In	Rezoning undetermined
Petaluma	-	-	N/A	In	Rezoning undetermined
Rohnert Park	3,350,000	-	N/A	In	Rezoning required by 1/31/2026
Santa Rosa	3,909,000	1,200,000	11	In	Rezoning required by 1/31/2026
Sebastopol	-	-	28	In	Rezoning undetermined
Sonoma	-	-	N/A	In	Rezoning undetermined
Sonoma County	2,200,000	800,000	25	Out	Rezoning required by 1/31/2024
Windsor	2,000,000	-	24	In	Rezoning undetermined
Sonoma County Total	13,676,000	2,000,000	N/A	9/10	N/A
Bay Area Total***	219,675,000	11,711,000	N/A	47/109	N/A

*Preliminary OBAG 2 Housing Incentive Pool (HIP) rankings based on first 4 years of housing data. \$71 million in HIP funds (OBAG 2 and RTIP) will be awarded to the top 15 jurisdictions on a per-unit basis for qualifying affordable housing units permitted over a five-year period (2018-22). Current rankings are shown for informational purposes only, and do not imply or guarantee a funding award. All data is considered provisional, and may be subject to change as updates are provided. Final rankings and funding awards will not be determined until after 2022 data is available. Only jurisdictions with at least one qualifying HIP unit between 2018 and 2021 are shown with a ranking.

**Rezoning requirements as identified by MTC staff in coordination with jurisdictions and HCD. Jurisdictions that were not certified by HCD as substantially compliant within 120 days of the statutory submission deadline (January 31, 2023 for the Bay Area) are required to complete any necessary rezoning within one year of the statutory deadline, as opposed to three years for jurisdictions that were certified within 120 days.

***Excludes \$163 million in OBAG 3 County & Local funds programmed to sponsors not subject to the Housing Element requirement (transit operators, County Transportation Agencies, or MTC)

Housing Incentive Pool (HIP) Program Status Report: 2018 to 2021

Current Rank	Jurisdiction	2018 New	2018 Prsvd	2018 Total	2019 New	2019 Prsvd	2019 Total	2020 New	2020 Prsvd	2020 Total	2021 New	2021 Prsvd	2021 Total	Total New	Total Prsvd	Total Units
1	San Francisco	652	50	702	1,097	95	1,192	538	187	725	1,367	28	1,395	3,654	360	4,014
2	Oakland	39	56	95	4	-	4	183	199	382	489	44	533	715	299	1,014
3	Fremont	1	-	1	100	-	100	121	-	121	408	-	408	630	-	630
4	San Jose	30	-	30	215	-	215	99	-	99	63	-	63	407	-	407
5	Richmond	-	-	-	-	-	-	-	-	-	268	-	268	268	-	268
6	American Canyon	-	-	-	69	-	69	-	-	-	159	-	159	228	-	228
7	Sunnyvale	57	-	57	91	23	114	1	-	1	55	-	55	204	23	227
8	Daly City	3	-	3	-	-	-	210	-	210	4	-	4	217	-	217
9	Mountain View	16	-	16	67	-	67	114	-	114	16	-	16	213	-	213
10	Redwood City	-	-	-	7	47	54	-	-	-	152	-	152	159	47	206
11	Santa Rosa	79	-	79	-	-	-	-	-	-	89	-	89	168	-	168
12	San Mateo	16	-	16	7	-	7	116	-	116	14	-	14	153	-	153
13	Pleasanton	33	-	33	53	-	53	30	-	30	-	-	-	116	-	116
14	Livermore	-	-	-	74	-	74	34	-	34	-	-	-	108	-	108
15	Emeryville	1	-	1	77	-	77	15	-	15	11	-	11	104	-	104
16	Walnut Creek	58	-	58	-	-	-	45	-	45	-	-	-	103	-	103
17	South San Francisco	1	-	1	81	-	81	-	-	-	19	-	19	101	-	101
18	Morgan Hill	29	-	29	23	-	23	41	-	41	-	-	-	93	-	93
19	Concord	-	-	-	-	79	79	-	-	-	-	-	-	-	79	79
20	El Cerrito	15	-	15	62	-	62	-	-	-	-	-	-	77	-	77
21	Santa Clara	7	-	7	-	-	-	8	-	8	51	-	51	66	-	66
22	Fairfield	-	-	-	-	-	-	-	64	64	1	-	1	1	64	65
23	Alameda	-	-	-	-	-	-	59	-	59	2	-	2	61	-	61
24	Windsor	-	-	-	-	-	-	-	-	-	60	-	60	60	-	60
25	Sonoma County	59	-	59	-	-	-	-	-	-	-	-	-	59	-	59
26	Contra Costa County	-	-	-	42	-	42	-	-	-	-	-	-	42	-	42
27	Berkeley	13	-	13	-	-	-	22	-	22	5	-	5	40	-	40
28	Sebastopol	-	-	-	-	-	-	-	-	-	31	-	31	31	-	31
29	Hayward	-	-	-	-	-	-	4	-	4	26	-	26	30	-	30
30	Campbell	18	-	18	5	-	5	-	-	-	-	-	-	23	-	23
31	Hercules	-	-	-	-	-	-	-	-	-	15	-	15	15	-	15
32	San Rafael	-	-	-	-	-	-	2	-	2	8	-	8	10	-	10
32	Danville	-	-	-	-	-	-	-	-	-	10	-	10	10	-	10
34	Novato	-	-	-	-	-	-	9	-	9	-	-	-	9	-	9
35	San Mateo County	8	-	8	-	-	-	-	-	-	-	-	-	8	-	8
36	Lafayette	7	-	7	-	-	-	-	-	-	-	-	-	7	-	7
37	Menlo Park	-	-	-	3	-	3	2	-	2	-	-	-	5	-	5
38	Palo Alto	-	-	-	-	-	-	-	-	-	2	-	2	2	-	2
39	Pittsburg	-	-	-	-	-	-	1	-	1	-	-	-	1	-	1
39	Los Gatos	1	-	1	-	-	-	-	-	-	-	-	-	1	-	1
39	San Pablo	1	-	1	-	-	-	-	-	-	-	-	-	1	-	1
All	Total	1,144	106	1,250	2,077	244	2,321	1,654	450	2,104	3,325	72	3,397	8,200	872	9,072

Current rankings are shown for informational purposes only, and do not imply or guarantee a funding award. All data is considered provisional, and may be subject to change as updates are provided. Final rankings and funding awards will not be determined until after 2022 data is available. Only jurisdictions with at least one qualifying HIP unit between 2018 and 2021 are shown.

Housing Incentive Pool (HIP) Unit Qualifying Criteria

- The HIP program compiles eligible units from 2018 through 2022.
- Newly built or preserved units must be affordable to households at the very low-, low-, or moderate-income levels.
- Newly built or preserved units must be located in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs).
- Newly built or preserved units must be deed-restricted.
- Newly built units are measured by certificates of occupancy submitted to California Department of Housing and Community Development through a jurisdiction's Housing Element Annual Progress Report.
- Preserved units must be: (1) Multi-family units that receive governmental assistance consistent with the funding sources in Government Code Section 65863.10(a)(3) that are identified as "very-high risk" or "high risk" of converting to market-rate rents by the California Housing Partnership Corporation (CHPC); or (2) The acquisition/preservation of existing unrestricted multi-family affordable housing units upon which restrictions are newly placed.
- A preserved unit that has deed restrictions for at least 55 years will be counted as one HIP unit. Units with deed restrictions for a shorter duration will receive a pro-rated share of one unit based on the 55-year standard.