



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 1

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*Tom Bates*  
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*Dean J. Chu*  
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Association of Bay Area Governments

*Chris Daly*  
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*Bill Dodd*  
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San Francisco Bay Conservation  
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*Steve Kinsey*  
Marin County and Cities

*Sue Lempert*  
Cities of San Mateo County

*Jake Mackenzie*  
Sonoma County and Cities

*Jon Rubin*  
San Francisco Mayor's Appointee

*Bijan Sartipi*  
State Business, Transportation  
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*James P. Sperring*  
Solano County and Cities

*Amy Rein Worth*  
Cities of Contra Costa County

*Ken Yeager*  
Santa Clara County

*Steve Heminger*  
Executive Director

*Ann Flemer*  
Deputy Executive Director, Policy

*Andrew B. Fremier*  
Deputy Executive Director, Operations

**PLANNING COMMITTEE  
MEETING OF FEBRUARY 12, 2010  
MINUTES**

**ATTENDANCE**

Commissioner Sperring called the Planning Committee meeting to order at 9:31 a.m. Other members in attendance were Commissioners Azumbrado, Chu, Giacopini, Halsted, Haggerty, Mackenzie, Lempert, Rein-Worth, Rubin, Tissier, and Yeager. Commissioners Bate, Cortese, and Daly also attended.

**CONSENT CALENDAR: Minutes of January 8, 2009**

Commissioner Mackenzie moved approval, Commissioner Halsted seconded. Motion passed unanimously.

**INVESTMENT IN AFFORDABLE TRANSIT ORIENTED  
DEVELOPMENT FUND, MTC Resolution No. 3940**

Mr. Ken Kirkey, ABAG, stated that in September 2009 the Planning Committee approved new Transportation for Livable Communities (TLC) program guidelines encompassing new funding categories related to non-transportation infrastructure and land banking.

Mr. Kirkey and Mr. Doug Johnson, MTC, provided an overview of a proposed Bay Area Affordable TOD fund, and the opportunity to leverage MTC's funding with funds from other sources to advance the development of the Priority Development Areas and to expand the supply of affordable housing near transit in the Bay Area.

Mr. Johnson described on the proposal to reserve up to \$10 million for the TOD fund in regional TLC funds under the following conditions:

- MTC is able to find a source of funds to exchange for the STP/CMAQ funds
- Foundation and other sources of funding would be matched by TLC funds on a minimum 3 to 1 basis by August 31, 2011 to reach a minimum fund total of \$40 million.
- The funds would only be spent in Priority Development Areas on projects that have the greatest potential to deliver affordable housing units.
- MTC would be represented on the fund manager selection team and on the fund's advisory committee.

- Staff would return to the Planning Committee in September 2011 with a report on the amount of funds raised and satisfaction of the above conditions before seeking Commission approval to release the exchanged monies to the TOD fund.
- If the fund manager does not raise the required minimum of \$30 million or fails to meet any of the other conditions by August 31, 2011, the funds would be returned to the regional TLC program for distribution in subsequent grant cycles.

Commissioner Spring commented that funds should only be spent in PDA's on projects that have the greatest potential to deliver affordable housing, and asked how staff is going to evaluate those projects that will have the greatest opportunity. Mr. Johnson commented that staff will work with the fund manager to develop evaluation guidelines and will report back to the committee once the funds are in place.

Commissioner Yeager asked staff where the \$30 million will be coming from to go along with MTC's \$10 million. Ms. Jackie Khor, Consultant to the San Francisco Foundation, stated that private funds would come from a combination of foundation funds, banks, institutional investors and capital markets.

Commissioner Azumbrado asked where the \$10 million will be spent – how much to organizational/operational vs. more direct expenditures. Ms. Khor stated that it depends on the size of the fund. Typically the operating costs of the funds are covered by the lending fees that are charged to the borrower. Commissioner Azumbrado also asked staff if they see the \$10 million as being a loan that would come back to MTC? Mr. Johnson stated that staff has been advised by MTC's Chief Financial Officer to make the \$10 million a grant to help set up the fund, and the fund will use that grant to make revolving loans over time.

Commissioner Daly expressed his support of the item, and noted to get the level of affordability will take a lot of different approaches. He noted the importance of providing incentives or requirements for affordable housing in transit orient development.

Commissioner Lempert asked if there is a role for redevelopment agencies for the cities and for non-profit developers. Mr. Johnson stated that the non-profit developers are the ones that primarily would be using this fund to secure sites. Staff will be looking forward to finding a role for cities or the redevelopment agencies to look at how they are going to directly support applicants to the fund. She also asked what specific foundations have committed at this point? Mr. Kohr stated that none have committed yet. She mentioned that the foundations would contribute once they see a public agency has shared interest. She noted that the foundations that the GCC has been talking to include the Ford Foundation, and Calvert Foundation.

Commissioner Rein-Worth stated that this is an important opportunity for MTC to be a catalyst to bring in non-profit corporate funds to build affordable housing. It also provides the incentive for local banks/local foundations/national foundations to have a place where they can be part of this effort. She also commented that it is important that there be geographic balance in terms of allocating the funds across the region, and to clarify that the money is intended to support projects, not necessarily being weighted heavily around size.

Commissioner Mackenzie asked if the PDAs have been identified. Mr. Johnson stated that the funds are restricted to all planned or potential PDA's, consistent with the new TLC guidelines approved by the Committee in September 2009.

Commissioner Bates stated that there are some real opportunities for land banking. He suggested that staff look at leveraging building density. He pointed out that legislation allows redevelopment funds to be spent in transit oriented sites. He stated that the City of Berkeley has come forward with the "Green Pathway", which is an arrangement to speed up the ability to get transit-oriented developments permitted.

Commissioner Spring called for public comment:

- Ms. Dena Belzer, Center for Transit Oriented Development, stated that the fund would be for property acquisition. She noted that approximately 14 acquisition funds around the country have pulled together about \$600 million worth of resources for affordable housing. She stated that the major advantage to the fund is the time frame that people could acquire land and hold it for as many as five years.
- Mr. Matt Schwartz, California Housing Partnership, stated that MTC's involvement can make a critical difference. He stated that right now there is no real acquisition financing available to most non-profit and local government developers in the State of California. He urged committee support of this fund.

Commissioner Mackenzie moved approval of MTC Resolution No. 3940, Commissioner Rubin seconded.

Commissioner Haggerty asked who makes the final decision on where the funds are going? Mr. Johnson stated that MTC was advised to not be directly involved in the choosing of the grants. MTC is in a position to make requirements of loans that would access MTC funding as part of an oversight committee; it will be up to the Commission to decide who from MTC would serve on the oversight committee.

The motion passed unanimously.

### **UPDATE ON BAY AREA AIR QUALITY MANAGEMENT DISTRICT'S PROPOSED CEQA GUIDELINES UPDATE**

Mr. Jack Broadbent, BAAQMD, stated that the CEQA guidelines provide necessary guidance to local cities/counties and other local land use decision-makers in the Bay Area when doing air quality analyses for environmental assessments. He introduced Mr. Henry Hilken who summarized the elements of the update.

Mr. Hilken presented information on how the proposed measurement thresholds might affect the next Regional Transportation Plan/Sustainable Communities Strategy, future land use planning efforts, and location of future development in the region. He stated that the proposed revisions to the existing thresholds of significance include thresholds for construction, project operations, and plan-level emissions.

He noted that the Air District has held several public hearings and has received extensive comments on the guidelines. The Air District Board has directed staff to hold workshops for planning departments in each of the nine Bay Area counties to ensure that local agencies understand how the guidelines would be used in reviewing local developments. Mr. Hilken stated that, based on comments received, BAAQMD has undertaken an effort to review its currently-recommended CEQA thresholds, revise them as appropriate, and develop new thresholds where appropriate.

He also mentioned that the next RTP/SCS would be subject to the Air District's CEQA guidelines, and stated that both the Air District and MTC staffs have discussed how the guidelines would apply and have agreed that additional dialogue is needed to ensure that the guidelines reflect the most appropriate measures and methodologies for assessing RTP/SCS air quality impacts.

In closing, Mr. Hilken commented that the Air District Board is slated to consider adoption of its CEQA Guidelines at its June 2010 meeting. The Air District staff intends to review the complete guidelines, as they deal with both plan and project-level thresholds, with the Joint Policy Committee at its March 2010 meeting.

Commissioner Rubin asked how the Air District would work with a small city with a very small planning staff, should there be any controversy as to whether or not projects are meeting the guidelines. He is concerned that the whole process could become protracted because the city doesn't have the resources to respond adequately. Mr. Broadbent stated that the District intends to be in a position to provide that type of support and help. It's being built into the budget proposal for their Board relative to the guidelines. They are considering re-directing money and have the Board put aside approximately \$500,000 to assist cities and counties.

Commissioner Haggerty stated that as a member of the Air Board, he would like information on when the county meetings will take place so he can plan on attending. He also asked Mr. Steve Heminger if MTC will be working with the Air District to come to some sort of an agreement related to the RTP/SCS and come back to brief the committee. Mr. Heminger stated he fully expects to work out a sensible solution on the RTP, but the TOD question is a broader policy issue. Staff will come back to the committee with further information.

Commissioner Mackenzie requested the Air District brief the Sonoma County Transportation Authority.

Commissioner Rein-Worth also welcomed the Air District's attendance at the Contra Costa County's Mayor's Conference, which involves council members from all the cities as well as the transportation authority. She also invited them to come to the sub-county transportation planning committees.

In closing, Mr. Broadbent stated that the Air District will continue to work with MTC staff and assured the committee that he and Mr. Heminger will work out the issues relative to the RTP and the SCS. He noted that there is a great deal of coordination that goes on between the Air District and MTC. He also agreed with Mr. Heminger that the TOD question is the broader issue, and will need time to work that out. The appropriate step to be taken is the development of the community risk reduction plans – essentially a plan that would quantify the impact in the areas that have been identified and steps that will be taken methodically over time to lower the risk in the communities.

**OTHER BUSINESS/PUBLIC COMMENT**

There being no other business, the meeting adjourned at 11:00 a.m. The Committee's next meeting is scheduled for Friday, March 12, 2010 at 9:30 a.m. in the Lawrence D. Dahms Auditorium, Joseph P. Bort MetroCenter, Oakland, CA.