

To: Equity Working Group
From: Regional Agency Staff
Date: January 10, 2012
Subject: Preferred Scenario Development - Initial Policy Discussion Background

The analysis of the Alternative Scenarios revealed that developing a Sustainable Communities Strategy that meets regional goals, including equity goals, will require consideration of additional strategies beyond what was included in the Alternative Scenarios Analysis.

The goal of discussion at your January 11 meeting is to begin to synthesize key observations from the Alternative Scenarios Analysis (including the Equity Analysis, Targets Analysis, and Indicators results) and use these findings as well as knowledge gained from other plans and studies to begin to bring forth potential strategies that might further support regional sustainability goals, including equity. The discussion should also give consideration to what jurisdictional levels are appropriate to various strategies, including potential roles for the regional agencies to play.

As background to the first of these discussions, staff has compiled and attached some recent reports and studies that have already recommended some specific potential strategies and actions relevant to issues identified by the Alternative Scenarios Analysis, particularly issues surrounding equitable development.

References Attached

Attachment A: Transportation 2035 Plan (MTC); Chapter 5, “Building Momentum for Change”

This chapter of MTC’s most recent Regional Transportation Plan adopted in 2009 synthesizes the findings of the analysis of the Plan relative to the Commission’s adopted performance objectives and outlines various strategies and associated actions (from the individual level all the way up to the federal level) that would help the region advance farther toward meeting them. This document provides an example of how regional strategies have been framed in past plans. Full document: http://www.mtc.ca.gov/planning/2035_plan/

Attachment B: Development without Displacement

This report on equitable development not only highlighted potential ways to strengthen existing regional tools, but Chapter 6 lists recommendations for additional future actions ABAG and MTC could consider to address displacement and help build inclusive, transit-oriented neighborhoods in the Bay Area.

Full document: <http://www.bayareavision.org/initiatives/equitableddevelopment.html>

Attachment C: Growth and Opportunity: Aligning High-Quality Public Education and Sustainable Communities Planning in the Bay Area

High-quality schools are a vital part of complete communities. Chapter 4 of this report, completed in 2011, identified various strategies to integrate opportunity for Bay Area students, families, and schools into the SCS planning process.

Full document: <http://www.bayareavision.org/schools/>



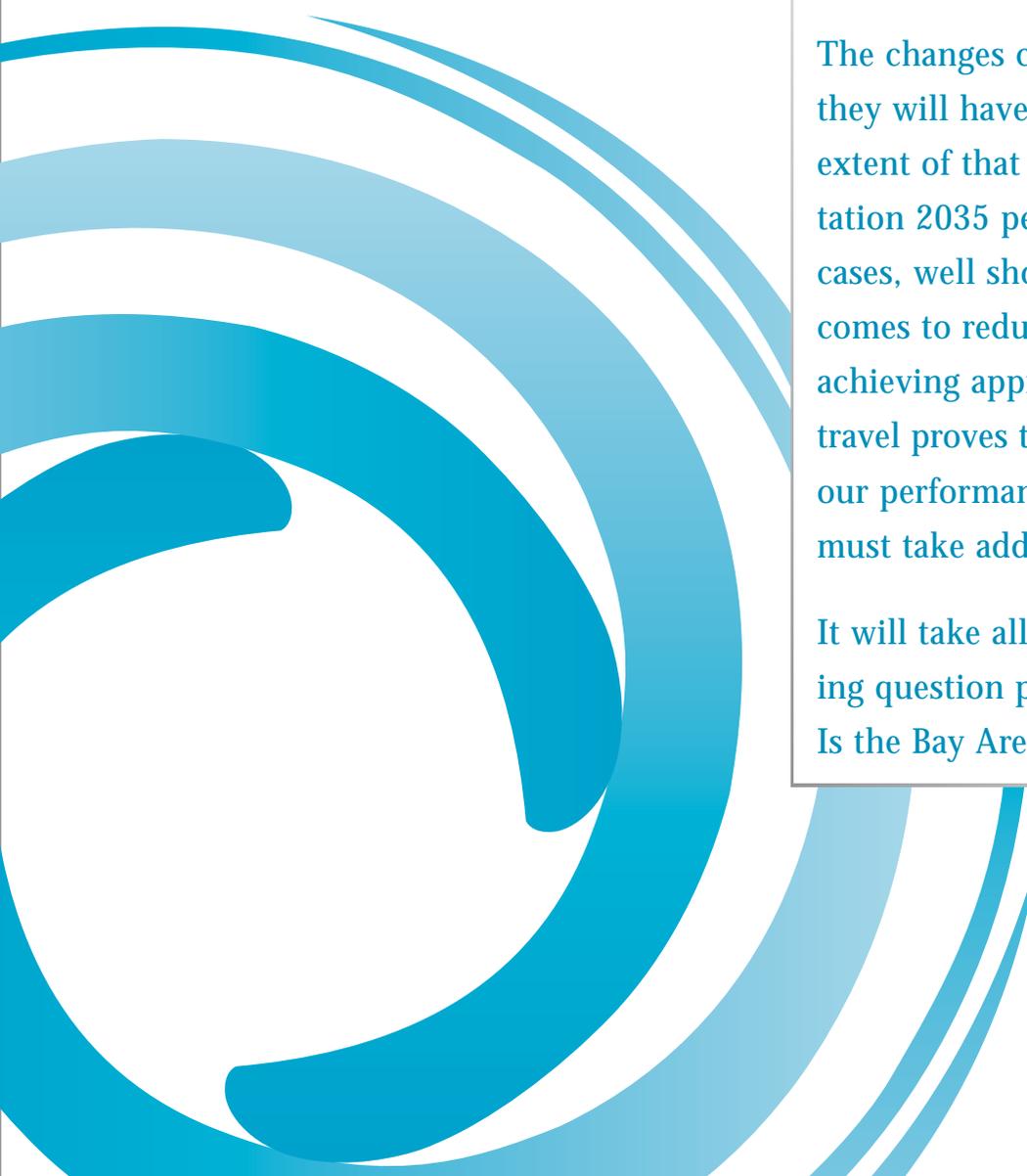
Building Momentum for Change

CHANGE IN MOTION

“Plans are nothing; planning is everything.”

DWIGHT D. EISENHOWER





Building Momentum for Change

The changes called for in the Transportation 2035 Plan are significant, and they will have a positive impact on the region. Still, when we measure the extent of that progress, we find that it falls short of attaining the Transportation 2035 performance objectives set by the Commission — in some cases, well short. While the plan does make meaningful headway when it comes to reducing delay and keeping our system in a state of good repair, achieving appreciable reductions in greenhouse gas emissions and vehicle travel proves to be a more elusive goal. To continue making progress toward our performance objectives — to keep change in motion — the Bay Area must take additional bold steps beyond the Transportation 2035 Plan.

It will take all of us to build the momentum for change, and the overarching question posed by the Transportation 2035 Plan can be stated simply: Is the Bay Area ready for change?

Are We Ready for Change?

What a difference two years can make! When we launched the Transportation 2035 planning effort in 2007, the U.S. economy appeared relatively stable, though gasoline prices were beginning a steep climb to over \$4 per gallon a year later. Now, in the spring of 2009, gas prices have plummeted — but so too has the housing



market, the financial sector, and the rest of the economy along with them. Many had expected an economic slowdown, but few had expected it to arrive with such sudden and destructive force. Our state and region have not been spared. The unemployment rate in California is in double digits, and the Bay Area is enduring a painful and prolonged recession. Anxiety is understandably high.

Crisis Brings Opportunity

In tough times like these, it is tempting to abandon ambitious goals and just stick to the basics: food, shelter and a steady paycheck. But every crisis brings opportunity. And every missed opportunity makes the next crisis all the more likely. What opportunities for transportation reform does the current economic calamity contain?

- A federal stimulus package — the American Recovery and Reinvestment Act of 2009 — that not only creates near-term construction jobs but also moves us along the path toward a new energy economy
- A shift in America's over-reliance on two dominant modes of travel (auto and air) toward more sustainable alternatives such as passenger rail
- An acceleration of the local self-help movement in transportation finance as Sacramento budget raids continue

- A renewed interest in urban living as Baby Boomers become “empty nesters” and as the climate consequences of suburban sprawl hit home

To a large extent, the Bay Area already has begun to seize these opportunities, as reflected in the priorities of the Transportation 2035 Plan. The vast majority of the plan's revenue is generated right here in the region, and more than 80 percent of the plan's total budget is invested in repairing the roads, bridges and transit systems in the existing urbanized area. Funds devoted to system expansion are overwhelmingly focused on public transit, with less money dedicated to road widening on a percentage basis than in any other major U.S. metropolitan area.

As noted earlier, however, the Transportation 2035 Plan's progressive investment program isn't nearly enough to achieve on its own the Bay Area's aggressive goals to reduce traffic congestion, vehicle travel per person, and greenhouse gas emissions. Nor would a radical shift in the plan's spending blueprint appreciably affect the performance outcome.

This chapter began with a quotation from Dwight Eisenhower about the importance of planning. Our 34th president also was acutely aware of the predilection of military leaders “to fight the last war.” For some time now, the Bay Area's transportation policy debate has had

a similar feel: advocates focus all their energy on trying to advance or obstruct expansion projects even though repeated modeling analyses (including those conducted for this plan) have demonstrated the extremely limited impact of capital investment by itself on transportation system performance.

The Promise of Pricing and Focused Growth

If the region is to close the vast gap between current conditions and our 2035 performance objectives, we need to stop arguing over projects and start forging a united strategy to advance the two policy initiatives that will really make a difference: road pricing and focused growth. It is no accident that conges-

tion pricing and greater densities are the respective “third rails” of transportation and land-use policy. There is something about each strategy to make just about everybody mad.

The Bay Area’s failure to make much headway in implementing these strategies isn’t for lack of trying. But our efforts to date have been disjointed and half-hearted, and often have tended to fizzle when the economy sours. As the Transportation 2035 Plan is adopted, we find ourselves in just such a moment again.

We will have some new tools at our disposal this time around. Senate Bill 375, authored by State Senate President Pro Tem Darrell Steinberg, will put the force of state law behind efforts to better link transportation investment and land-use decisions in the successor plan to

Transportation 2035. And the stage is set for potentially transformative change in federal policy on tolling when the 111th Congress and President Obama take up authorization of the surface transportation program (see “A New Beginning” on page 85). But the issue isn’t just whether our state and federal leaders give us the tools to tackle focused growth and road pricing. It is also whether Bay Area leaders will have the courage to pick up those tools and use them.

In the end, “change in motion” requires a change of mind-set. So we return to that lingering question posed by this performance-based transportation plan: Is the Bay Area ready for change? The answer is up to all of us.

The answer is up to you.



Addressing Transit Sustainability

Over the past several decades, the Bay Area has made a huge investment in its public transit system. Indeed, our region has one of the most developed and diverse public transit systems in operation today — with historic cable cars climbing steep hills; local shuttles, paratransit vehicles and buses traveling along arterials; express buses zipping along in carpool lanes; light-rail, rapid-rail and commuter-rail services carrying riders to key regional nodes; and ferries criss-crossing the Bay. However, with regional transit operating shortfalls soaring to \$8 billion and capital replacement shortfalls at \$17 billion over the next 25 years, the Transportation 2035 Plan confirms that, for many operators, the current transit system is not sustainable. The arduous task of coping with these shortfalls ultimately falls to the Bay Area's 26 transit operators, each of whom must achieve a balanced budget on an annual basis. But the collective magnitude of these shortfalls is clearly a cause for regional concern — and regional action.

Our region needs to find alternative approaches to improve transit's core performance and financial stability. MTC believes that the most viable alternative is to undertake a fundamental reassessment of the region's public transit system, tackling tough questions such as:

- Can we continue to afford to serve the same travel markets with multiple services?



- Can we continue to afford to support over two dozen separate transit agencies when far fewer might suffice?
- Can we continue to afford to accommodate inconsistent service policies when simpler fare and schedule agreements among operators are possible?

The issue of transit sustainability has been examined already by some individual transit operators. Examples include Santa Clara Valley Transportation Authority's 2007 "Comprehensive Operations Analysis" and San Francisco Municipal Transportation Agency's 2008 "Transit Effectiveness Project." The common themes in these analyses include: identifying changes in market demand; developing cost-

effective changes in how service is delivered; improving service reliability and convenience to attract new riders; and creating an effective multiyear transition to move riders into more productive services.

Following suit, the Commission has committed in the Transportation 2035 Plan to proceed with a Regional Transit Sustainability Project to identify service productivity improvements that will yield more from the region's existing investment in transit services. In parallel with this analysis, the Commission will pursue strategies to secure new transit operating revenues. Based on results of this project, the Commission intends to adopt reforms prior to the allocation of any new regional revenues for transit operations.

A New Beginning

A modern, smooth-functioning national surface transportation system is essential for economic success in a global economy, and is also a key determinant of the quality of life enjoyed by citizens throughout America. Yet for too long — since substantial completion of the Interstate Highway System in the late 1980s — this country has lacked a clear, comprehensive, well-articulated and widely understood strategic vision to guide transportation policymaking at the national level.

In 2005, Congress created the National Surface Transportation Policy and Revenue Study Commission to undertake a thorough review of the nation's transportation assets, policies, programs and revenue mechanisms, and to outline a coherent, long-term transportation vision that would serve the needs of the nation and its citizens. After an intensive 20-month study period, in

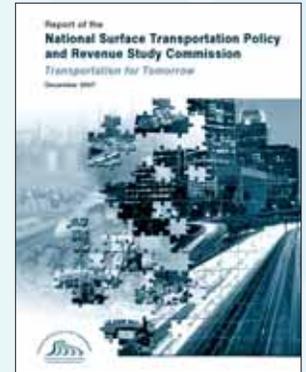


December 2007, the National Commission issued its *Transportation for Tomorrow* report urging the United States to “create and sustain the preeminent surface transportation system in the world.”

The principal recommendation of *Transportation for Tomorrow* is that the federal surface transportation program, scheduled to expire in September 2009, should not be reauthorized in its current form. Instead, Congress should make a new beginning and write the next transportation bill on a clean sheet of paper. The nation's future transportation policy is recommended to be organized along the 3 R's of **reform**, **restructuring** and **reinvestment**, as follows:

- We must **reform** how the nation upgrades and expands its transportation network, from how we pick the projects in the planning process to how we build them in the field. Federal investment should be guided by a national surface transportation strategic plan. The investment should be subject to benefit-cost analysis and performance-based outcomes, just as in the private sector. The time to complete environmental reviews must be shortened, in conjunction with other measures that speed the design and construction of new highway and transit capacity.

- We must **restructure** the federal transportation investment programs to concentrate on areas of genuine national interest. The 108 separate categorical surface transportation programs should be consolidated into 10 new initiatives, such as upgrading the nation's transportation infrastructure to a state of good repair; improving our global gateways and national goods movement system; and restoring mobility in congested metropolitan areas with populations of greater than 1 million.
- We must **reinvest** in our surface transportation and raise new revenue from the private sector as well as all levels of government (federal, state and local). The additional public funding should come primarily from users of the transportation system who will benefit the most from its improvement, whether in the form of higher fuel taxes and truck weight charges, a new fee on passenger rail tickets and container cargo, or tolling and congestion pricing to fund new capacity on the Interstate System. No one likes higher taxes or fees, but a better transportation system will require us to pay for it.



This is a critical moment in planning for equitable development. Growing recognition about climate change – and the role of land use and transportation patterns in reducing greenhouse gas emissions – has refocused attention on the need for coordinated regional planning. SB 375 has the potential to dramatically redirect growth toward existing urban centers and transit lines, creating the opportunity to expand transit access for Bay Area residents.

At the federal level, there is renewed interest in coordinated housing, transportation, environmental, and economic development planning and policymaking. The recently-launched Sustainable Communities Partnership between the U.S. Department of Housing and Urban Development (HUD), the U. S. Department of Transportation (DOT), and the U.S. Environmental Protection Agency is an important mechanism for realizing this goal.

The Bay Area contains many innovative examples of equitable development, and is a national leader in developing new policy and programmatic efforts to build “communities of opportunity” throughout the region. Local leaders and the regional agencies should exhibit, and continue to build, their leadership in these areas to demonstrate what can be done and position themselves for federal funding streams related to coordinated planning efforts, climate change emissions reductions, green jobs development, and other national goals.

Actions Moving Forward

As a part of the Development Without Displacement project, PolicyLink developed the following recommendations regarding what regional agencies (particularly ABAG and MTC) can do over the next several years to prevent displacement and to build inclusive, transit-oriented neighborhoods in the Bay Area. These recommendations are being considered by ABAG Regional Planning Committee.

- 1) Develop an online *Equitable Development Indicators System* to track, monitor and evaluate equity outcomes in PDAs and other geographies in the region over time.
- 2) Establish *specific equity-focused performance measures for Priority Development Areas* and include these measures as criteria for the receipt of capital infrastructure investments and station area planning grants.
- 3) *Continue to fund station area plans and strengthen community engagement* as a condition for receiving funds.
- 4) Promote a *regional affordable housing strategy* that emphasizes the retention and expansion of affordable housing and the prevention of displacement near transit.
- 5) Include an *Equity Innovations Forum* where practitioners can exchange best practices and resources as a part of its new web platform.
- 6) Convene an *Equity Caucus* to engage elected officials representing the PDAs to discuss how to meet equitable development goals.
- 7) *Evaluate current regional investment policies and make recommendations* for how to ensure equitable development and prevent displacement.
- 8) *Modify parking fee structures and policies* to benefit existing communities.
- 9) *Incorporate affordability, transit access, walkability and displacement prevention* in regional sustainable communities planning.

Recommendation 1: Develop an online regional Equitable Development Indicators System to track, monitor and evaluate equity outcomes in PDAs and other geographies in the region over time.

ABAG could leverage its role as the regional Census Data Center and its research and data expertise to develop and maintain an Equitable Development Indicators System: a comprehensive, region-wide online GIS database. This database could both make available a wide array of data already collected and maintained by the agency and serve as a repository for data collected by local governments or community groups.

The Bay Area contains many innovative examples of equitable development, and is a national leader in developing new policy and programmatic efforts to build “communities of opportunity” throughout the region.

The system could incorporate Web 2.0 functionalities to enable users to provide feedback, verify data, and contribute their own data. It could be used for multiple purposes, including but not limited to:

- Tracking and monitoring a set of equity indicators in PDAs and other geographies;
- Measuring the agency’s own progress on equity performance goals;

- Providing data to support local governments and advocacy groups in developing and implementing housing, TOD and other strategies; and
- Fostering regional collaboration and data-sharing.

Long-term Goal

A longer-term goal should be to develop a parcel-level regional data system. Parcel-level indicators – land value, ownership, zoning, tax liens, vacancy status, etc. – are essential for understanding neighborhood change. Such a system could distribute agency data and gather an array of local datasets including property files generally maintained by local assessors and make this data available to the public, local governments and other regional agencies.

Local governments are increasingly making their property data available online and several regional systems have been developed. Efficiency is a prime reason for developing larger-scale data systems. The City of Portland decided to develop an institution-wide GIS system (www.PortlandMaps.com) after a business analysis documented the inefficiencies of running multiple GIS systems. The city’s initial \$7 million investment now saves \$1 million per year. Several regions have already developed such systems and are using them to effectively guide their planning and community development efforts:

- In Minneapolis-St. Paul, the MetroGIS (www.metrogis.org/) regional data-sharing platform has served as a one-stop shop for information in the Twin Cities since 1995 and has supported a wide variety of community development efforts. MetroGIS secured data-sharing agreements with each of the region’s seven counties to create a regional parcel layer with a set of common attributes.
- Chicago’s regional planning agency (Chicago Metropolitan Agency for Planning) manages a regional parcel data system and engages communities in regional planning through its

Full Circle Community Mapping Project. Full Circle provides wireless data capture devices to communities to undertake their own data collection and mapping. There have been dozens of application, but the system has been particularly useful for groups working to improve commercial corridors.³⁸

One of the signature products and uses of the regional data system could be an Equitable Development Indicators project that would monitor equitable development goals in the PDAs and other geographies in the region. Community indicators are a widely used tool for tracking positive and negative community trends and assessing how well a place is doing. Successful indicators projects lead to community action, policy change and progress toward goals.

Coalition for a Livable Future's Regional Equity Atlas Project (www.equityatlas.org), for example, developed a set of equity indicators, shared them with community members and engaged them in the search for solutions, and developed an Equity Action Agenda. One of the actions to come out of the process was the development of the Affordable Housing NOW! Collaborative, which led a campaign that established a 30 percent set aside for the development, preservation, and rehabilitation of affordable housing in the city's urban renewal zones – the equivalent of \$125.5 million over five years.

Indicators

A regional Equitable Development Indicators project undertaken by the regional agencies in collaboration with other stakeholders and residents could provide an ongoing analysis of the state of the region and serve as a roadmap for directing energy and investments in a way that creates more equitable and sustainable communities. A set of equitable development indicators would need to be developed and vetted in partnership with communities and other regional advocacy groups. The

equity indicators would cover critical areas, such as affordable housing, transit service, public investment, access to jobs, gentrification/displacement, healthy communities measures (access to healthy food and safe streets), etc.

Given the unique concerns and conditions across the PDAs, there might be PDA/community-specific indicators in addition to a common set of indicators. Indicators such as those developed by CCI³⁹ could potentially be incorporated into this data system, providing users with easy access to the information and the ability to analyze gentrification in relation to other data such as public investment. Adding public investments into the system (not only regional agency investments but federal, state and local investments as well) would allow communities to track their equity impacts.

To share the indicators with the public and support decision making and policy debate, regional agencies could regularly produce Scorecards or Progress Reports on the region as a whole, on particular PDAs, or on particular topics of relevance. The system could track development in air quality districts, for example, or evaluate the creation of quality jobs associated with development projects. This system could also be incorporated into the Sustainable Communities planning connected with SB 375 that the regional agencies will undertake over the next several years. A sustainability indicators system for the PDAs that prioritizes equity indicators could serve the same purposes as an equitable indicators system.

³⁸ See case studies of Chicago and the Twin Cities in *Transforming Community Development with Land Information Systems*, available at http://www.policylink.org/atf/ctf/%7B97c6d565-bb43-406d-a6d5-eca3bbf35af0%7D/TRANSFORMINGCOMMDEVELOPMENT_FINAL.PDF.

³⁹ See Karen Chapple, *Mapping Susceptibility to Gentrification: The Early Warning Toolkit, 2009*. Available from: <http://communityinnovation.berkeley.edu/reports/Gentrification-report.pdf>.

Community Indicators Project in Jacksonville, Florida

Since 1985, the Jacksonville Community Council, Inc (JCCI), commonly described as a citizen think tank, has tracked quality of life indicators in the five-county Northeast Florida region. JCCI has been a pioneer in developing and using indicators to measure community progress and is recognized around the world for its work. A community progress report is produced annually with data and technical assistance from the region's MPO. The report includes over 100 indicators that reflect trends in nine areas: education, economy, environment, social wellbeing, arts, culture, and recreation, health, government, transportation, and safety. JCCI is widely recognized for moving the needle on key issues in the region including racial income disparities, pollution, and workforce training. Numerous public-private partnerships have developed out of its activities. Blueprint for Prosperity,⁴⁰ for example, was created after JCCI released its annual community progress report which described persistent racial income disparities in the region. The Chamber of Commerce, the local workforce agency, and the City of Jacksonville joined to advance a 15-year effort with the goal of increasing per capita income for all residents.

Recommendation 2: Establish specific social equity performance goals for Priority Development Areas and incorporate these goals into criteria for the receipt of capital infrastructure investments and station area planning grants.

The FOCUS program already has a number of goals to support equity, including limiting displacement, revitalizing neighborhoods, and improving public health and safety. In concert with this and the recommended equity indicators project, ABAG and the other regional agencies (in collaboration with local agencies and organizations working within the PDAs) should define a set of social equity “performance goals” for the PDAs. The establishment of performance goals for the allocation of capital infrastructure funds is already being discussed by MTC, which recommended a 10 percent reduction

in housing and transportation costs as a target for the Regional Transportation Plan.

These goals should be factored into the Sustainable Communities planning process, in addition to its emissions reductions goals. Given the overlap between PDAs and “communities of concern” identified by MTC (more than 70 percent non-white, low-income, or both), it is critical that social equity considerations are not only included as performance measures but also prioritized, as plans for infill development and investment move forward.

Equity goals would need to be determined through a community process, possibly including measures such as: improvements in bus service, change in housing and transportation burden, affordable housing development and preservation targets, community engagement, anti-displacement strategies, and commercial revitalization or stabilization. ABAG's existing knowledge of the PDA communities could be used to create an initial list of equity goals.

Using measures of housing market demand, (the gentrification indicators developed by CCI and transportation/land use characteristics such as the TOD place types in MTC's station area planning manual), it might be possible to create a typology that divides the PDAs into 4-6 community types and indicates the equity issues they are likely to face. This would provide a useful tool for further discussions about equity indicators. A complementary tool would clearly highlight the policy mechanisms or strategies that enable progress in a particular equity indicator. This information could be taken from the PolicyLink Equitable Development Toolkit, the Great Communities Collaborative TOD Toolkit, HousingPolicy.org, and other existing resources.

Equity goals for PDAs should be developed as a part of the SCS process and should include, when possible, “climate

⁴⁰ <http://www.coj.net/Mayor/Blueprint+for+Prosperity/default.htm>.

equity” and “green jobs” measures in order to position localities and the agency for federal funding streams related to climate change emissions reductions (for example, EPA’s “Climate Showcase Communities” grants), and green jobs development. Once these equity goals are established, ABAG could encourage innovative efforts to meet these equity goals through:

- Allocating planning funds, technical assistance and capital infrastructure funds based on the ability of a project or a community to make progress on these equity issues.
- Working with MTC to include these equity goals in its Regional Transportation Plan (RTP).
- Encouraging local governments to insert these goals in their general plans, zoning ordinances, and design guidelines, and to adopt, strengthen, or retain policies that promote these equity goals.
- Collaborating with local governments to create incentives for developers to meet goals, for example, creating expedited permitting and processes for development projects that incorporate high levels of affordable housing.

In addition to these particular equity goals, community engagement is an equity component that is essential for all planning processes and should be required as a part of station area planning grants. The process could be made part of a “Diversity” component of the grant application, requiring a solid scope of work that includes working with at least one other partner that is not under the jurisdiction of the Planning Agency.

Recommendation 3: Continue to fund station area plans and strengthen community engagement as a condition for receiving funds.

Station area planning is a critical stage for addressing displacement and ensuring that new development aligns with neighborhood aspirations and goals. Additional funding for

good station area planning that incorporates authentic and meaningful community participation would translate to more thoughtful processes and plans. The Development Without Displacement case studies demonstrate the key roles played by community-based organizations in gathering resident perspectives, including diverse voices in planning processes, and devising new and innovative solutions. Station Area Planning Grants already include a requirement for community engagement and the inclusion of a housing strategy that minimizes displacement, but these requirements should be strengthened by incorporating more explicit standards for community participation (for example, demonstrated involvement of community-based groups in the planning process) and incorporating the equity performance measures described above.

Recommendation 4: Promote a regional affordable housing strategy that emphasizes the retention and expansion of affordable housing and the prevention of displacement near transit.

The 2007 evaluation of RHNA goals and outcomes shows the stark housing affordability issues in the region. Between 1999 and 2006 the region produced only 35% of needed very low-income housing and 72 percent of needed low-income housing. Despite the nationwide foreclosure crisis, the Bay Area continues to have extremely high housing prices and can expect this to be the case for the foreseeable future. Precedent and the CCI data analysis have shown that communities with transit access are likely to experience rising property values and an influx of wealthier residents. This situation requires a strong regional strategy to promote affordable housing near transit.

This strategy should include not only affordable housing development targets, which are already established through RHNA, but also targets to preserve existing affordable units near transit. Research by Reconnecting American and the National Housing Trust shows there is a strong connection between the location of many subsidized and unsubsidized affordable units and the proximity to public transportation options.

There is an urgent need to preserve existing affordability, as a majority of these units that have government contracts will be expiring over the next five years. In addition, it should seek to ensure permanent affordability through nonprofit rental housing and shared equity homeownership strategies (deed restrictions, community land trusts, or limited equity housing cooperatives).

The strategy could include several components:

- Provide capital funds for transit infrastructure based on the construction or preservation of affordable housing near transit.
- Develop agency capacity (through partnerships with housing groups) to acquire and transfer land for the purposes of affordable housing development or to develop a regional community land trust.
- Provide localities with information and technical assistance about affordable housing and anti-displacement strategies (including sharing the lessons learned from the Development Without Displacement partnerships).
- Encourage and reward localities for adopting measures to increase affordable housing near transit and prevent displacement such as adopting “no net loss” policies, inclusionary requirements, and putting in place value capture mechanisms to link TOD value increases with permanent affordability strategies such as Austin’s Homestead Preservation District (*see text box, above*).
- Develop a housing preservation inventory to guide and track preservation efforts as a part of the Equity Indicators Project described above.
- Promote regional employer engagement in workforce housing strategies.

TOD “Value Capture” in Hot Markets

TOD adds value to a place by increasing the value of nearby land and properties, generating additional tax revenues.

Localities can implement strategies such as tax-increment financing (TIF), business improvement districts, and developer agreements to capture this value and use it to finance additional features that make TOD projects successful, such as streetscape improvements, parks, and historic preservation.

In hot housing markets like the Bay Area, higher home values spurred by TOD can counter community goals for housing affordability and lead to gentrification and displacement. In such markets, TOD value capture strategies can fund efforts to preserve housing affordability or build new permanently affordable housing. Maine, Massachusetts, Portland, and San Antonio have all used TIF to support affordable housing.

Austin, Texas passed legislation in 2007 to enable the creation of Homestead Preservation Districts in TODs that use tax increment financing, land trusts, and land banks to provide affordable housing opportunities to residents. The first tax increment district was approved by the city council in December 2008 and is currently being debated by the county, which is required as an equal funding partner.

Recommendation 5: Include an Equity Innovations Forum where practitioners can exchange best practices and resources as a part of its new web platform.

The Bay Area includes some of the highest-capacity equity advocates in the country who have decades of experience working to implement equitable development strategies. At the same time, there are other jurisdictions that have few organizations and little capacity. A web-based platform for sharing best practices, resources, and other information would enable them to exchange information with each other and would also provide ABAG and other regional agencies with a space for gathering feedback and ideas from the field. This forum should have a user-friendly design and sort conversations by equitable development strategy areas (e.g. protecting renters, inclusionary zoning, equitable infrastructure investment, etc.).

Preservation Inventories

The early identification of at risk communities can help prevent the loss of subsidized and unsubsidized affordable rental housing units by giving city officials, nonprofits, and others the opportunity to act quickly and offer incentives to private owners who agree to maintain a habitable building and keep all or a portion of units affordable to low- and moderate-income households. Databases that include characteristics about an area's housing stock, including subsidized and unsubsidized units, allow communities to take stock of their preservation challenges and prioritize where action is needed. Data on high-risk properties can be linked to mapping technology, allowing identification of areas where the risk of loss is the greatest.

- In Washington DC, local agencies, nonprofit housing groups, and community developers partnered to track expiring Section 8 units and develop targeted preservation strategies.
- In Florida, administrators of the Florida Housing Data Clearinghouse regularly prepare reports on the characteristics of the state's assisted rental stock and households in need of affordable housing for the Florida Housing Finance Corporation. The 2007 report included a risk assessment based on data from the preservation inventory.
- New York City Mayor Bloomberg and New Jersey Governor Corzine have implemented broad affordable housing plans that include goals related to housing preservation. Preservation inventories provided data explaining why rental housing preservation may be needed to achieve city- and state-wide housing goals.

A nonprofit organization, the California Housing Partnership Corporation, already maintains a database of at-risk affordable properties using HUD data, and is a likely partner for regional agencies on housing preservation.

Recommendation 6: Convene an Equity Caucus to engage elected officials representing PDAs to discuss how to meet equitable development goals.

Regional agencies could improve relationships with local elected officials and discuss equitable development strategies and challenges to their implementation by regularly convening an Equity Caucus with these officials. The Equity Caucus could serve to inform the development of a Sustainable Communities Strategy with social as well as environmental goals.

Recommendation 7: Regional agencies should evaluate their current investment policies and make recommendations for how to ensure equitable development and prevent displacement.

Regional agencies can examine existing programs to see how they can explicitly incorporate goals or protections related to the displacement of residents. For example, Resolution No. 3434 (*described on page 52*) showcases MTC's commitment to a regional vision for an expanded transit network as well as the goal of developing affordable housing near transit. This policy should be evaluated for its contributions to equitable TOD and modifications that could increase affordability and prevent displacement.

Potential relevant policies include: using the PDA equity performance standards as suggested above; providing incentives for cities modifying existing land use zoning to zone for housing; setting minimum housing requirements for receipt of funds; and requiring an explanation of displacement issues and how they will be addressed in funding proposals. In addition to conducting this self-assessment, regional agencies can help standardize local actions to stabilize businesses and address displacement.

Recommendation 8: Encourage the use of parking fee structures and policies that benefit existing communities.

Parking policies are an important component of equitable transit-oriented development. The Bay Area regional agencies have provided resources (such as the *Parking Best Practices & Strategies For Supporting Transit Oriented Development In the San Francisco Bay Area Toolbox/Handbook*) and technical assistance to local jurisdictions to help them develop parking policies and fees that support their broader community planning goals.

Residents, property owners, and small businesses located in TOD areas may support mechanisms (such as “parking benefits districts”) that recirculate the revenues generated by parking fees in the community to fund neighborhood improvements. Regional agencies can encourage localities to invest their parking fees toward community priorities such as affordable housing or small business stabilization.

Recommendation 9: Incorporate housing affordability, transit access, walkability, and displacement prevention in regional sustainable communities planning.

Under SB 375, the California Air Resources Board will set regional greenhouse gas emissions targets for 2020 and 2035, and the state’s 18 regions will be developing Sustainable Communities Strategies to meet these targets. This process will provide an opportunity to promote compact development patterns that expand housing and transportation choices and create healthy neighborhoods while reducing climate impacts.

It is essential that Sustainable Communities Strategies explicitly promote community diversity and minimize the

potential for residential displacement. The lessons learned from the *Development Without Displacement* Program, the local policies presented in this report, and the strategies employed by the community partnerships, provide a starting point for discussions about which strategies will be effective in which community.

While it is still early in the process of implementing the legislation (and therefore difficult to make specific recommendations) the following guidelines are offered for consideration by the regional agencies:

- 1) Identify communities that are particularly vulnerable including those that are or have been:
 - Disproportionately impacted by greenhouse gas emissions (e.g., environmental justice communities);
 - At risk of residential or employment displacement and loss of community diversity through higher density development near transit (e.g. San Francisco’s Mission District); and
 - Historically left out of planning processes (e.g., unincorporated communities).
- 2) Incorporate broad and meaningful community participation in developing the Sustainable Communities Strategy and related local plans.
- 3) Identify and prioritize mechanisms and policies to minimize negative impacts, such as displacement or loss of affordable housing units, and maximize co-benefits, such as transit access and walkability.

IV. Creating Opportunity for Bay Area Students, Families, and Schools: Recommendations for Co-Benefits in SCS Planning

Bay Area regional planners and school districts already have a range of policy, programming, and funding levers that if utilized more strategically could structure better outcomes for families, schools, *and* communities. The following sections details strategies in three areas – Policy and Planning, Processes and Practice, and Research and Tool Development. These recommendations will increase opportunities for co-benefits at both the local and regional levels.

Policy and Planning

Realizing co-benefits largely hinges on strategic collaborative planning between local municipalities and school districts. The planning divide between cities and schools seen in regions throughout the state appears to also be the norm in the Bay Area region.³⁴ A key factor contributing to this division is the unaligned geographic boundaries of school districts and other local planning entities such as transit agencies and city government.³⁵ Fortunately, some local entities have been overcoming these barriers to create successful working partnerships, many of which focus on coordinated transportation, Safe Routes to School programs, or joint use of school facilities. Still, the jurisdictional misalignment remains particularly challenging for issues such as land use, school siting, and impacts on school populations and enrollment from new developments. Further, city-school collaboration too often exists in a relative vacuum; limited formal policy apparatus that requires or incentivizes school districts and other local governments to work together to plan school infrastructure as part of larger urban development or redevelopment exists at the local, regional, or state levels.

Policy & Planning Opportunities to Realize Co-benefits

- ❖ Consider metrics of educational quality and capacity in regional population projections and modeling
- ❖ Encourage and incentivize mixed-income developments and inclusionary zoning
- ❖ Leverage the programs and resources of the Metropolitan Transportation Commission to support access to educational opportunities

The tide is slowly shifting, however, with a number of Obama Administration initiatives, including the U.S. Department of Education’s *Promise Neighborhoods* and the U.S. Department of Housing and Urban Development’s (HUD) *Choice*

³⁴ McKoy, D.L., Vincent, J.M., & Makarewicz, C. (2008). Integrating Infrastructure Planning: The Role of Schools. *ACCESS*, 33(4), 18-26.

³⁵ A school district might cover several cities or encompass both incorporated and unincorporated areas (e.g., West Contra Costa Unified School District serves five cities and six unincorporated areas). Likewise, one city may have multiple school districts within its jurisdiction (e.g., the City of San Jose is served by 19 school districts). Furthermore, school districts range from elementary (K-5 or K-8) districts to high school districts (9-12) to unified (K-12) districts and may serve anywhere from a few hundred to thousands of students.

Neighborhoods and Sustainable Housing and Communities initiatives.³⁶ These federal programs promote place-based interventions that require cross-sector collaboration and alignment of funds and strategies across a range of entities. Given the current political climate, a few key areas of regional policy development and refinement include:

Consider metrics of educational quality and capacity in regional population projections, modeling, and the Regional Housing Needs Allocation

ABAG and its regional agency partners have developed sophisticated forecasting models for understanding future regional growth, shifts in population, and the optimal locations for the region to accommodate this pending growth. Currently these models consider transportation infrastructure and employment centers as major considerations. However, families base housing location decisions not merely by job location, but also school quality. This emphasis on job centers in a specific city can put disproportionate pressure on a single school district, when in fact jobs are going to households from a number of adjacent jurisdictions. For local jurisdictions, issues of school capacity are primary when considering how to manage new housing demand or allocation from ABAG. Incorporating some metric of school quality and local school district facility capacity in the projections and modeling at the regional level could better inform the distribution of housing growth in the region and provide an opportunity for engaging school districts in regional planning. Regional planners will need to work with each individual school district to assess enrollment capacity at the school and district level, as capacity formulas can vary from district to district.

Encourage and incentivize mixed-income developments and inclusionary zoning

Numerous studies demonstrate that low-income students perform better academically when they are not in high-poverty schools.³⁷ Mixed-income housing is a strategy for facilitating integrated neighborhoods and promoting greater economic integration in schools. Much mixed-income housing is developed through public-

³⁶ See Choice Neighborhoods Initiative:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn;

See Sustainable Housing and Communities Initiative:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities

³⁷ Numerous studies in recent years have measured the academic outcomes associated with increased student integration in schools and classrooms, which has typically been done by assigning low-income students to lower-poverty schools and/or through district- or region-wide school assignment programs. In general, these studies find improved academic outcomes for low-income children who transfer to lower poverty schools. For example, see: Turner, M.A., & Berube, A. (2009). *Vibrant Neighborhoods, Successful Schools: What the Federal Government Can Do to Foster Both*. Washington, DC: Urban Institute; Holme, J.J., Diem, S., & Mansfield, K.C. (2009). *Using Regional Coalitions to Address Socioeconomic Isolation*. Harvard: Charles Hamilton Institute for Race & Justice; Eaton, S. (2010). *How the Racial and Socioeconomic Composition of Schools and Classrooms Contributes to Literacy, Behavioral Climate, Instructional Organization and High School Graduation Rates*. Research Brief. The National Coalition on School Diversity and the Charles Hamilton Houston Institute for Race and Justice at Harvard Law School; and Engdahl, L. (2009). *New Homes, New Neighborhoods, New Schools: A Progress Report on the Baltimore Housing Mobility Program*. Baltimore: Poverty and Race Research Action Council (PRRAC) and The Baltimore Regional Housing Campaign.

private partnerships with nonprofit housing developers; inclusionary zoning policies are an important structural mandate for developers to include housing for a range of incomes. A recent study in Montgomery County, Maryland, found significant improvements in student achievement as a result of inclusionary zoning policies.³⁸

ABAG has a number of policies and programs in place to encourage and incentivize local jurisdictions to provide housing across the income spectrum. SCS efforts could provide guidance to local jurisdictions on implementing inclusionary zoning ordinances that help low-income students gain access to low-poverty schools. Coupled with these policies, ABAG and local jurisdictions could partner on developing outreach and/or marketing campaigns that educate families about the school options available in and near PDAs. Additionally, ABAG and local jurisdictions could focus outreach efforts on teachers and other school staff to ensure that this new and more affordable housing also serves the educational workforce in the region. Many cities already have mortgage assistance programs targeted for school district teachers and staff,³⁹ while others have explored developing teacher housing.⁴⁰ ABAG and local jurisdictions could leverage these existing efforts and coordinate when new moderate and affordable housing is planned and/or implemented.

Leverage the resources of the Metropolitan Transportation Commission to support access to educational opportunities

Regional transportation investments play an important role in supporting high-quality education. As a partner in FOCUS, MTC holds significant data about the region's transit ridership and routes. Specific ways MTC could assert leadership include:

1. MTC could grow its support of school district-city collaboration through existing grant programs such as Transportation for Livable Communities (TLC) and Safe Routes to Schools.
2. By extending its program of providing reduced price or free student bus passes, the MTC would help students get to and from school and extracurricular activities.
3. MTC should continue collaborating with transit agencies and school district transportation offices in support of "win-win" schedule coordination; only when school bell schedules are aligned with transit routes is public transportation a viable option for students. Furthermore, this means a guaranteed ridership for transit providers.
4. MTC data could be used to develop local carpool and rideshares for parents.

³⁸ Schwartz, H. (2010). *Housing Policy Is School Policy: Economically Integrative Housing Promotes Academic Success in Montgomery County, Maryland*. New York: The Century Foundation.

³⁹ For example, the San Francisco Mayor's Office of Housing *Teacher Next Door Program* and *Down Payment Loan Program*.

⁴⁰ For example, the Pittsburg Unified School District had led a collaborative effort with Los Medanos College, California State College East Bay, and the Redevelopment Agency to build a teacher live-learn community. San Francisco Unified School District has also conducted a study (2010) assessing the feasibility of developing housing targeted for teachers.

Processes and Practices

Within a context of enabling policy and planning, the realization of collaboration comes in the day-to-day practice of city and school leaders. A focus on tangible projects and strategic tools will best support the transformation of practice from one of silo-ed isolation to one of collaboration

Processes & Practices Opportunities to Realize Co-benefits

- ❖ Explore ways to integrate key educational data into regional planning analysis and decision making
- ❖ Consider joint use of school facilities as an opportunity for city-school collaboration and a way to leverage public resources.

Explore ways to integrate key education data into regional planning analysis and decision making

Aligning data across agencies for a shared analysis and understanding is essential for moving forward on collaborative policies, planning, and programs. Incorporating education-related data into regional planning analyses is no easy task. While the California Department of Education and local school districts maintain vast amounts of publicly available educational data, coordinating these data is complicated; even more complicated is aligning these data with region-specific geographic data, such as demographics, housing, and PDA locations (see further description of this in the methodology Appendix 1). Regional agencies and local governments also have current data and future projections

that may not be readily understandable by external stakeholders. ABAG could explore methodologies for facilitating and integrating key educational data into regional planning analysis, planning, and decision making similar to those included in this report and those presented at FOCUS's Regional Advisory Working Group (RAWG).

Consider joint use of school facilities as an opportunity for city-school collaboration and a way to leverage public resources

Understanding public schools as place-based public infrastructure and community assets provides a unifying framework for identifying city and school district collaboration opportunities. Broadly defined, joint use is the practice of allowing use of public school buildings and/or grounds by non-school entities. Joint use typically occurs through an agreement between a public school district and another public (often a municipality) or private entity that addresses the use of facilities, land, utilities, or other common elements by two or more parties. "Joint use agreements" for the shared use of school buildings by city or nonprofit community partners can be a tangible starting point for collaboration. More evolved partnerships may see bricks-and-mortar "joint development" of shared facilities. Through joint development, two or more entities partner to plan, site, design, and/or build a new school or renovate an existing school to better support the joint use of the building and/or land. Joint use offers efficiency for the use of both public spaces and public dollars. Regional agencies, local jurisdictions, and school districts can continue to explore opportunities for joint use and available state funding, especially in light of increasing population growth and decreasing financial resources for all public agencies. However, schools will have varying capacities to accommodate joint use given variables such as enrollment, physical capacity, condition of facilities, and the

amount of current programming before and after school. Thus, planning agencies must work closely with school districts to be more sensitive to school site differences.

Research and Tool Development

Despite the progress made in regional policy and local practice, pieces of the puzzle of collaboration still require greater understanding. Only through finer grain analysis of specific policies, data, and shared outcomes can issues of education be fully integrated into the regional planning agenda. ABAG, other regional agencies, and research partners should investigate two specific issues in the future.

Partner on research to explore the relationship between state education funding, impact fees, and regional growth priorities

Many of the constraints and challenges identified in the region are rooted in issues much larger than FOCUS and the SCS, especially public education funding. Education financing in California is extremely complex (for a summary, see Box 3 on page 14). In California, public education is largely state-funded, and these funds have been cut in recent years. As a result, many school districts in the region are struggling to fund their programming, staffing, and facilities needs. This reality has a direct relationship to the changing demographics, land use, and housing to which school districts continually adjust. As neighborhood demographics change, so, too, do the needs of schools (e.g., different students bring different programmatic requirements). Neighborhood changes can also lead to periodic upticks or downturns in enrollment demands. Sometimes these enrollment changes are due to new development, whereas other times neighborhood demographics change regardless of new development. When development is involved, however, the developer fees that go to school districts come into play.

Based on interviews and focus groups with numerous school districts in the region, it appears that the relationship between developers and school districts is often contentious, in part because of disagreements on the number of students a given development will generate and the resulting development impact fees that should be charged. In California, impact fees are based on the square footage of newly developed or renovated land, not on a per student generation number; this formula results in a gap between the number of students generated by that development, and the funding districts actually will receive in development impact fees.

Additional research is needed to better understand the diverse funding constraints the region's school districts face, particularly in relation to the land use-related goals of FOCUS. Because FOCUS has targeted the majority of new growth to occur in existing areas through the PDAs, a number of important questions emerge: Can existing schools in these areas accommodate new growth? How are student generation rates calculated for infill development? What is an appropriate methodology for doing so? What level of impact fees is appropriate for infill

Research & Tool Development Opportunities to Realize Co-benefits

- ❖ Partner on research to explore the relationship between state education funding, impact fees, and regional growth priorities
- ❖ Work with researchers on the development of an educational opportunity index

development? Do existing development impact fees and other facility funds received by districts enable schools to accommodate new students generated by the Regional Housing Needs Allocation (RHNA)?

Work with researchers on the development of an educational opportunity index

FOCUS is striving towards high-quality complete communities with high-quality education – which is a function of in-school and out-of-school factors and the ongoing processes of collaboration among diverse stakeholders. As such, educational quality should be measured not only by the discrete results of a standardized test for academic achievement, but also by the range of in-school, out-of-school, and collaborative process benchmarks in a given jurisdiction.

Ideally, the Bay Area would utilize a region-wide Educational Opportunity Index (EOI), currently under development by the Center for Cities & Schools, that analyzes the diverse resources and inputs that support positive educational outcomes for all students. A proposed set of indicators (for more detail see Appendix 2) fall into five categories: Community Quality, School Resources, Student Characteristics, School Results, and Collaborative Policy Structures. Within these categories, the EOI includes output measures of test scores, but also other more specific inputs, such as curricular offerings like art and music classes, college preparation programs, and extracurricular activities that are available from local school sites and/or district offices. This set of indicators provides greater insight for and helps shape regional planners' analyses and efforts to understand how families make choices about where to live and what schools their children will attend.

CC&S's EOI builds on related work transpiring across the country, including Boston, Chicago, and Portland.⁴¹ For instance, a collaboration between the Urban Institute's Metropolitan Housing & Communities Policy Center, the Brookings Institution's Metropolitan Policy Program, and the 21st Century Fund has recently developed a tool for assessing school quality in relation to changing demographics and housing in Washington, DC.⁴² Other indices for data collation are also being proposed. For instance, prominent housing researcher David Rusk suggests metropolitan planning organizations use a "segregation index" to collate Census data and educational data to analyze issues of neighborhood segregation.⁴³ Considering the ways racial and socioeconomic segregation impact school quality and choices, this type of index could prove particularly useful in the Bay Area.

⁴¹ See: Center for Cities & Schools. (2011). *Opportunity-Rich Schools and Sustainable Communities: Seven Steps to Aligning High-Quality Education with Innovations in City and Metropolitan Planning and Development*. Washington, DC: Urban Institute, What Works Collaborative.

⁴² See: Filardo, M.; Allen, M.; Huvendick, N.; Ping, S.; Garrison, D.; Turner, M. A.; Comey, J.; Williams, B.; Guernsey, E. (2008). *Quality Schools and Healthy Neighborhoods*. Washington, DC: 21st Century School Fund, Brookings Institution and Urban Institute. Available at: <http://www.21csf.org/csf-home/publications/QualitySchoolsResearchReport/QualitySchoolsPolicyReport9-18-08.pdf>

⁴³ See: Rusk, D. (2010). *Building Sustainable, Inclusive Communities: How America Can Pursue Smart Growth and Reunite Our Metropolitan Communities*. Washington, DC: Poverty & Race Action Research Council (PRRAC). Available at: <http://www.prrac.org/pdf/SustainableInclusiveCommunities.pdf>