

Lila Toleafoa - OBAG Comments on Affordable Housing and Neighborhood Stabilization

From: Sam Tepperman-Gelfant <stepperman-gelfant@publicadvocates.org>
To: "aflemer@mtc.ca.gov" <aflemer@mtc.ca.gov>, "abockelman@mtc.ca.gov" <aboc...
Date: 4/9/2012 4:46 PM
Subject: OBAG Comments on Affordable Housing and Neighborhood Stabilization
CC: Lindsay Imai <lindsay@urbanhabitat.org>, Belen Seara <belen@urbanhabitat...
Attachments: OBAG Comments on AffordableHousing and Neighborhood Stabilization 4-9-12.pdf

We appreciated the opportunity to discuss staff's OneBayArea Grant proposal with you on March 27, and we have reviewed the revised OBAG and PDA Growth strategy proposals released on April 4. As we expressed in our meeting, we continue to have serious concerns about the proposal's failure to tie grant money to local affordable housing production and to require affordable housing and/or anti-displacement policies to be in place now. That said, we are committed to helping ensure that the OBAG program is as strong as possible within the constraints that have been laid out.

The attached document offers constructive feedback on the staff memo and PDA Growth strategy released on April 4, 2012. These recommendations would substantially improve these proposals so that they respond, at least in part, to the concerns about housing affordability and displacement that have been raised by many MTC Commissioners and ABAG Executive Board Members and dozens of diverse stakeholder groups.

We hope that you will bring these recommendations into the discussion at the Equity Working Group, PAC, and MTC Planning/ABAG Administrative committee meetings that will take place later this week. We also look forward to further conversations with you about our suggestions prior to the release of the next draft of the OBAG proposal, which we understand will be in late April or early May.

Sincerely,

Peter Cohen, Parisa Fatehi-Weeks, Lindsay Imai, Vivian Huang, Sam Tepperman-Gelfant, Miya Yoshitani

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 Sam Tepperman-Gelfant
 Staff Attorney
 131 Steuart Street | Suite 300 | San Francisco CA 94105
 415.431.7430 x324
stepperman-gelfant@publicadvocates.org

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Draft OneBayArea Grant Proposal
Comments Regarding Affordable Housing and Neighborhood Stabilization
April 9, 2012

We note at the outset that we continue to have serious concerns about the current structure of the OneBayArea Grant Program. For a program whose primary purpose is supporting *regional* sustainability and equity, the current proposal delegates too much decision making authority to the county CMAs and does not go far enough to reward and incentivize local jurisdictions that are making critical decisions about housing and land use. Moreover, failing to require that strong affordable housing and anti-displacement policies be in place now in all jurisdictions receiving OBAG funds will worsen the already serious crises of housing affordability and displacement in the region. The OBAG program is arguably the most important tool MTC and ABAG have to advance the core social equity mandates of the SCS, and it must be used effectively and fully. That said, we are committed to helping ensure that the OBAG program is as strong as possible, so we wish to offer constructive feedback on the staff memo and PDA Growth strategy released on April 4, 2012.

Within the framework that staff has laid out we have a few important recommendations that would substantially improve the OBAG program proposal so that it responds, at least in part, to the concerns about housing affordability and displacement that have been raised by many MTC Commissioners and ABAG Executive Board Members and dozens of diverse stakeholder groups.

- 1) MTC should establish *now* some core requirements for the FY 2015-16 distribution of OBAG money. This will set clear expectations for CMAs and jurisdictions so that they can tailor PDA Growth Strategies and other planning and legislative activities toward meeting these requirements. These include:
 - a) Distributing funding to reward *local* affordable housing production,
 - b) Requiring local adoption of policies from a flexible, but clearly articulated, menu of housing and community stabilization policies that correspond to those to be studied and considered in the PDA Growth Strategies [see edits to PDA Growth Strategy guidelines below, which are based on the suggested menu of policies in the December 23, 2011, letter from the large cities and transit operators]
- 2) Use the PDA Growth Strategy as a targeted tool to guide and assist local jurisdictions and CMAs toward meeting these established criteria in time for the FY 2015-16 OBAG funding cycle.
- 3) Clarify the priorities that should be considered by CMAs in distributing the current (FY 2012-13) cycle of OBAG funding.
- 4) Set housing element adoption deadlines that conform more closely to state statutes:
 - a) Establish an earlier deadline for adoption of an HCD-approved housing element for the 2007-2014 period (the proposed deadline is *4 years* after the statutorily required adoption date of June 30, 2009),
 - b) Require all OBAG recipients to timely adopt housing element updates for the 2014-2022 planning period, within 18 months of final SCS adoption.

The following edits to key sections of the staff memo and PDA Growth Strategy sheet would help to accomplish these goals (~~strikethroughs~~ indicate proposed deletions, and underlines

indicate proposed insertions). We cannot emphasize enough how important an opportunity the OBAG program is to begin integrating equity into the disbursement of funding to local jurisdictions. Failing to act on the clear direction you've heard from the public and elected officials on this issue would be squandering this critical opportunity, leaving in doubt the overall effectiveness of the SCS as something more than a paper plan without tools to leverage its implementation on the ground.

Suggested revisions to OBAG Program and PDA Growth Strategy

4. Affordable Housing Production and Preservation: Concerns were expressed that the proposed OBAG fund distribution at the county level does not explicitly recognize an individual jurisdiction's performance in producing affordable housing. Further, MTC was asked to consider specific requirements for local jurisdictions to adopt policies to encourage affordable housing production and preservation, as well as policies that protect against displacement in at-risk communities.

Recommended revision: MTC will expect CMAs to distribute funds at the county level in a way that balances a variety of objectives, including rewards and prioritizes low-income housing production, in addition to recognizing other policy objectives for OBAG funding. The following three measures are intended to support CMA decisions related to low-income housing production and protection of affordable housing.

a) In order to facilitate a discussion among the constituent jurisdictions within a county as part of the project selection process, MTC is publishing data for each county, showing each jurisdiction's contribution to the county's fund distribution based on a formula which includes low-income housing factors (See Attachment 3). For future cycles beginning in FY 2015-16, staff recommends that OBAG funding be linked directly to the most up-to-date jurisdiction-level affordable housing production data ~~be revised to incorporate the most up-to-date jurisdiction information .~~

b) CMAs would be required to develop and approve a PDA Growth Strategy that addresses affordable housing and neighborhood stabilization strategies (see Attachment 4 for a list of proven strategies and policies from which cities could choose). The PDA Growth Strategy will be due to MTC and ABAG by October 2012. By that date, CMAs will have completed an inventory of affordable housing policies currently enacted by each local jurisdiction. By October 2013, CMAs would work with their respective jurisdictions to formulate affordable housing and neighborhood stabilization strategies and identify which, ~~if any,~~ policies/ordinances are recommended to promote and preserve affordable housing in PDAs. To support the CMAs and local jurisdictions in these efforts, MTC and ABAG will coordinate with related work conducted through the Housing and Urban Development (HUD) grant awarded to the region in fall 2011. Based on this information and recommendations in the PDA growth strategy, MTC ~~would consider~~ will linking the release of future cycle funding (subsequent to beginning in FY 2015-16) ~~on to demonstrated local progress performance to enact the locally developed affordable housing policies in the PDA Growth Strategy.~~ MTC ~~expects will increase~~ the share of funding attributable to affordable housing production and housing preservation ~~to increase~~ in future cycles.

c) MTC and ABAG's PDA Planning Grant Program will place an emphasis on creating locally enacted affordable housing production, and preservation policies in funding agreements with grantees.

5. Performance and Accountability:

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b) A jurisdiction is required to have its general plan housing element adopted and approved by HCD for 2007-14 RHNA prior to ~~July 1, 2013~~December 31, 2012. If a jurisdiction submits its housing element to HCD on a timely basis but is facing obstacles in the HCD review process, a waiver may be given by the Joint MTC Planning/ABAG Administrative Committee based on a consideration of the circumstances involved.

c) All jurisdictions receiving OBAG funds shall be required to adopt an HCD-approved housing element for the 2014-2022 period within 18 months of the adoption of the SCS in compliance with statutory requirements.

Attachment 4

PDA Growth Strategy

The purpose of a PDA Growth Strategy is to ensure that each CMA's transportation investments will support and encourage sustainable and equitable development in the region's PDAs. Some of the planning activities noted below may be appropriate for CMAs to consider for jurisdictions or areas not currently designated as PDAs if those areas are still considering future housing and job growth. CMAs should incorporate necessary planning, infrastructure and funding for PDAs, as described below:

(1) Engagement with Local Jurisdictions and Communities – CMAs are to develop a process to regularly engage local planners, public works staff and encourage community participation throughout the planning process and in determining implementation priorities. CMAs should be accountable for inclusive outreach and public participation in their project-selection process, with special emphasis on the low-income and minority participants, as required by Title VI of the Civil Rights Act.¹

(2) Planning - Review existing plans and participate in new planning work.

- Review adopted land use plans - Specific, precise, or community plans for PDAs (or general plans with adopted transit-supportive zoning), particularly those with programmatic EIRs, contain details about circulation and access, pedestrian guidelines, parking and other development-related standards that can help to determine appropriate investments. These plans have undergone significant community involvement and have been adopted by Planning Commissions & City Councils.

¹ See Page 1, #2, on MTC's February 2011 Call for Projects Guidance to CMAs:
http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1612/1c_Call_for_Projects_Guidance.doc

- Take an inventory of transportation, infrastructure and implementation sections in land use plans for jurisdiction priorities and cost estimates for transportation infrastructure projects that serve or provide proximate access to PDAs. These may include streetscapes, bike, pedestrian, transit and road improvements, transit station improvements, connectivity projects and transportation demand management projects, including parking structures. For any TOD parking structure project, it is strongly recommended that a cost/benefit analysis be conducted using pricing, unbundling/cash-out, shared parking, shuttles and other locally appropriate TDM strategies to ensure it is built at an appropriate scale and well-managed.
- Inventory jurisdiction affordable housing policies, strategies, zoning and ordinances designed to encourage affordable housing production and/or preserve existing affordable housing in order to. ~~The three broad objectives for the housing policies are to promote housing production overall,~~ ensure that housing units (planned and built) are balanced across income levels, and to avoid displacement of existing residents of the PDAs. As a starting point, information should be gathered about local enactment of proven strategies and policies to promote affordable housing and avoid displacement, including: just cause eviction policies; condo conversion ordinances; acquisition and rehabilitation activities; inclusionary housing requirements; local funding sources for construction of affordable housing (in-lieu fees, jobs-housing linkage fees, etc.); dedication of publicly owned sites for affordable housing; land value recapture mechanisms; and land banking/acquisition strategies. Additional policies may be appropriate to review depending on local circumstances for each jurisdiction.
- Work with local jurisdictions to develop a specific plan for each PDA to update or adopt local policies and procedures as necessary to meet affordable housing production and preservation and neighborhood stabilization goals. The policies should be targeted to the specific circumstances of each PDA. For example, if the PDA currently does not provide for a mix of income-levels, the policies should be aimed at promoting affordable housing. If the PDA currently is mostly low-income housing, the policies should be aimed at community stabilization. Existing data about the overlap of communities of concern and PDAs can provide a useful starting point for determining what types of policies should be prioritized in each PDA.

Starting in October 2013 and for subsequent updates, PDA Growth Strategies will assess existing and future affordable housing needs and make appropriate recommendations to fill gaps in local policies to achieve these goals. This analysis will be coordinated with related work conducted through the Housing and Urban Development (HUD) grant awarded to the region in fall 2011.

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(3) Funding - Develop guidelines for evaluating OBAG projects that improve multi-modal transportation connections to housing, jobs and commercial activity, considering the following criteria:

- **Projects in High Impact Areas** - Assessment of the **project area** in which a project is located should be a key component for investment consideration. Key factors defining high impact project areas include;
 - a. Housing – PDAs taking on significant housing growth in the SCS (total number of units and percentage change), including and that have policies and programs in place to facilitate meeting RHNA household income affordability allocations,
 - b. Jobs in proximity to housing and transit (both current levels and those included in the SCS),
 - c. Improved transportation choices for all income levels (reduces VMT), proximity to quality transit access, including local transit, with an emphasis on connectivity (including safety, lighting, etc.)
 - d. Consistency with regional TLC design guidelines or design that encourages multi-modal access:
http://www.mtc.ca.gov/planning/smart_growth/tlc/2009_TLC_Design_Guidelines.pdf

- **Projects located in Communities of Concern (COC)** – ~~favorably consider~~ strongly favor projects located in a COC see: <http://geocommons.com/maps/110983>
- **Projects located in PDAs with high displacement risk (per MTC/ABAG’s Equity Analysis of areas with overburdened renters that will receive substantial growth under the SCS):** strongly favor projects in jurisdictions with policies to protect existing residents and stabilize neighborhoods.
- **PDAs with affordable housing preservation and creation strategies** – favorably consider projects in jurisdictions with affordable housing preservation and creation strategies or policies
- **PDAs that overlap with Air District CARE Communities and/or are in proximity to freight transport infrastructure** - Consider projects located in PDAs with highest exposure to PM and Toxic Air Contaminants. Employ best management practices to mitigate exposure and determine where nonmotorized investments would best support additional housing production.