

# Plan Bay Area 2040 Update

Citizens Advisory Committee  
Agenda Item 14



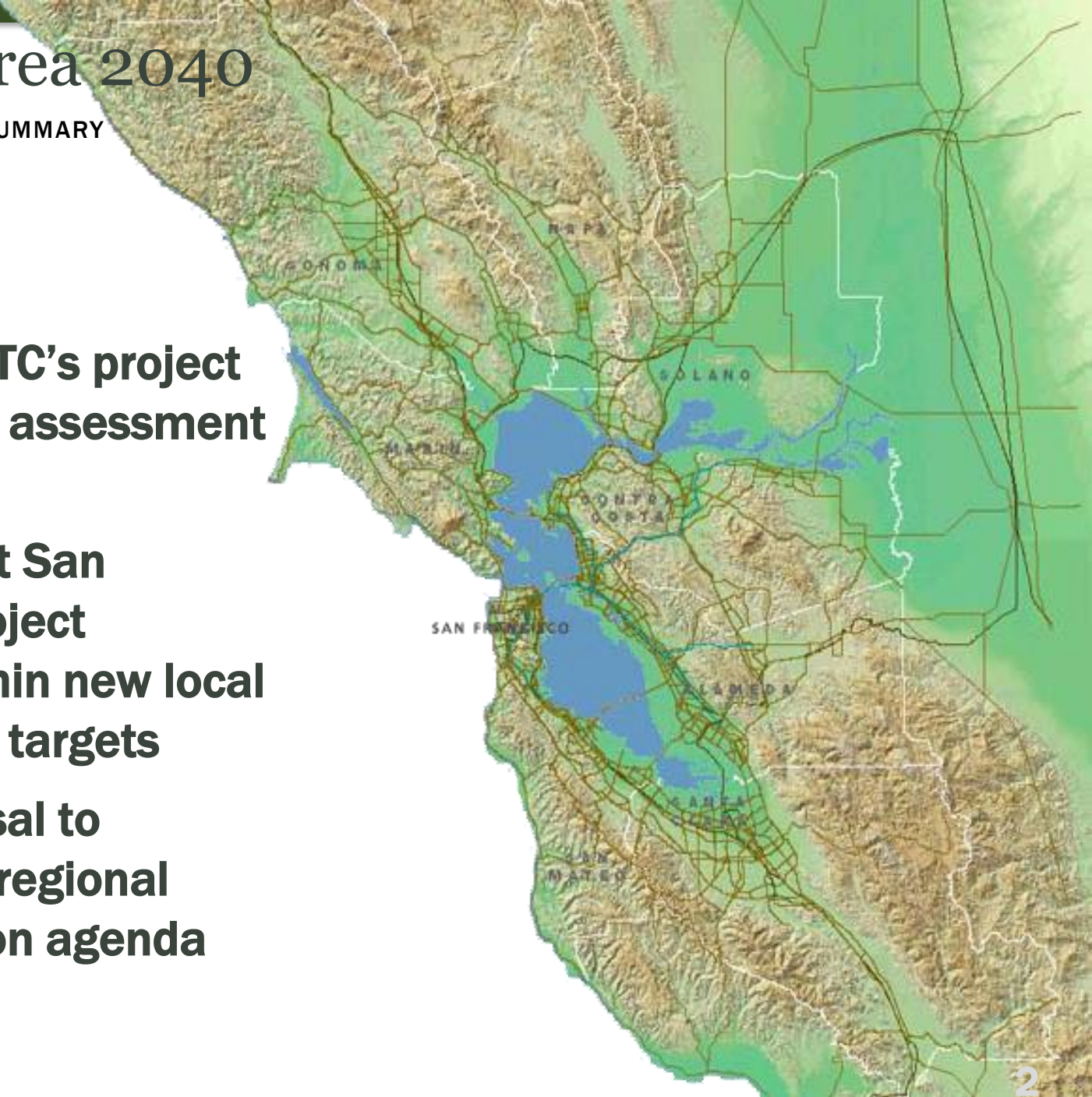
**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**  
**May 25, 2016**

# Plan Bay Area 2040

PLAN BAY AREA 2040 > SUMMARY

## Today's Update:

- ▶ Update on MTC's project performance assessment results
- ▶ Strategy to fit San Francisco project priorities within new local discretionary targets
- ▶ MTC's proposal to advance the regional housing action agenda

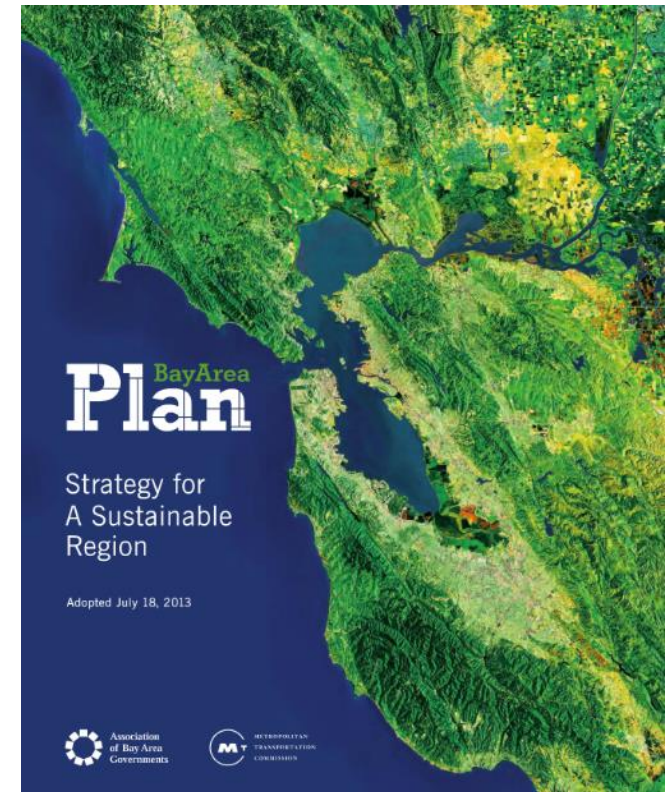


# What is Plan Bay Area 2040?



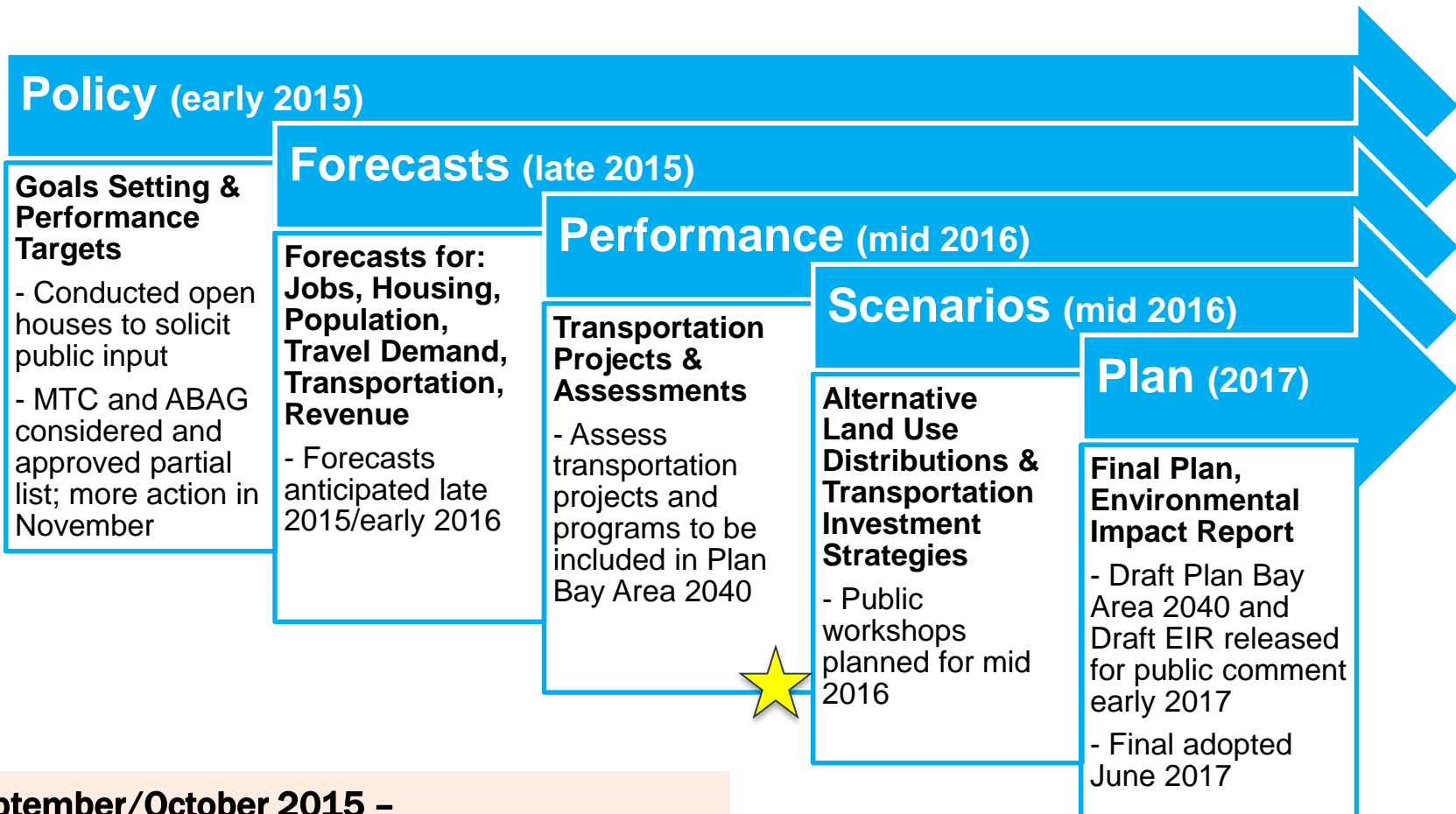
## PLAN BAY AREA 2040 > SUMMARY

- ▶ **Blueprint for the region's transportation investment for the 9 Bay Area counties through 2040**
- ▶ **Regional strategy to meet greenhouse gas reduction targets**
- ▶ **Plan to accommodate the need for new growth**



# Plan Bay Area 2040 Timeline

PLAN BAY AREA 2040 > SUMMARY



**September/October 2015 –**  
SFCTA approved list of projects and programs to submit to MTC for consideration for inclusion in PBA 2040

**May/June 2016 –**  
SFCTA revises project priorities to reflect modified discretionary funding target



# Investment Performance Assessment

PLAN BAY AREA 2040 > PROJECT PERFORMANCE ASSESSMENT



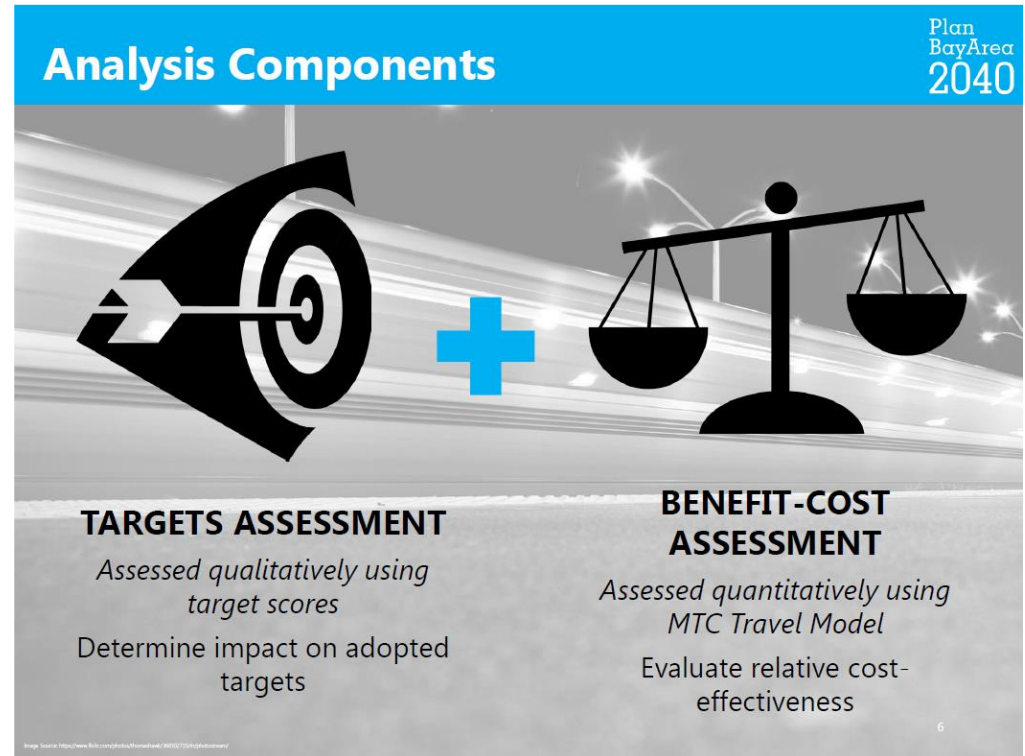
- ▶ **Projects - evaluate only largest capacity increasing projects that are seeking discretionary revenue**

- ▶ **Doesn't include:**

- ▶ **Projects under \$100 million**
- ▶ **Programmatic categories**
- ▶ **Committed projects**

- ▶ **Purpose: Identify outliers – both high and low performers**

- ▶ **High – Eligible for regional discretionary funding**
- ▶ **Low – Have to justify why to include in PBA 2040**



# San Francisco Project Performance

PLAN BAY AREA 2040 > PROJECT PERFORMANCE ASSESSMENT



- ▶ **San Francisco projects performed worse than prior plan but still have many high performers**
- ▶ **Projects performed much better in Target assessment than Benefit-Cost assessment**

## 2013 Plan Bay Area High Performers:

PROJECT	Quantitative Benefit/Cost ratio	Qualitative (out of 10)
1 BART Metro Program	> 60	8.5
2 Treasure Island Congestion Pricing	59	4.0
3 Congestion Pricing Cordon Pilot	45	6.0
4 AC Transit Grant—MacArthur BRT	18	5.5
5 Freeway Performance Initiative	16	4.0
6 ITS Improvements in San Mateo Co.	16	4.0
7 ITS Improvements in Santa Clara Co.	16	4.0
8 Irvington BART Station	12	5.5
9 SFMTA Transit Effectiveness Project	11	7.5
10 Caltrain Electrification and six trains per hour service	5	7.5
11 BART to San Jose, Phase 2	5	7.0
12 Van Ness Avenue BRT	6	6.5
13 Better Market Street	6	6.0

Source: Metropolitan Transportation Commission

## Plan Bay Area 2040 High Performers:

**BART Metro**

**Treasure Island Congestion Pricing**

**Downtown Congestion Pricing**

**Caltrain Modernization/Downtown Extension**

**NEW - Geary BRT**

**NEW – Rail and Bus Transit Rehabilitation and Maintenance**

# San Francisco Project Performance

PLAN BAY AREA 2040 > PROJECT PERFORMANCE ASSESSMENT



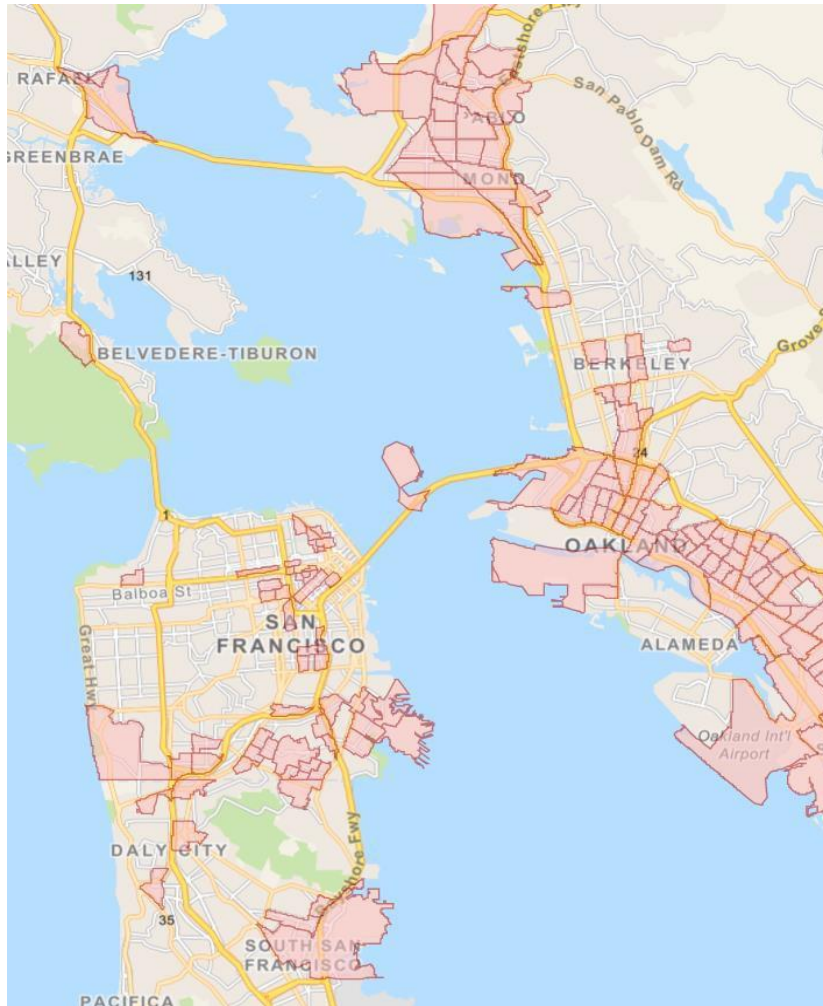
## San Francisco low performers\*:

- ▶ **Southeast Waterfront Transportation Improvements**
- ▶ **Geneva BRT and Corridor Improvements**
- ▶ **Regional projects serving SF:**
  - ▶ **Bay Bridge West Span Pathway**
  - ▶ **Bay Bridge Express Bus Contraflow Lane**
  - ▶ **San Francisco – Redwood City Ferry**
  - ▶ **Antioch – Martinez – Hercules – San Francisco Ferry**

**\*All projects have low benefit-cost scores, but medium performance target scores.**

# Strategy to Advance Low Performers

PLAN BAY AREA 2040 > PROJECT PERFORMANCE ASSESSMENT



- ▶ **Meet MTC’s “compelling case” threshold if:**
  - ▶ **Benefits not captured by the travel model**
  - ▶ **Cost-effective means of reducing carbon dioxide, particulate matter, or ozone precursor emissions**
  - ▶ **Improves transportation mobility/improves air quality in Communities of Concern (CoCs)**
- ▶ **Both of SF low performers improve mobility in a CoC**



# Finalizing San Francisco's PBA 2040 Project Priorities



PLAN BAY AREA 2040 > FINANCIALLY CONSTRAINED SF PROJECT PRIORITIES

- ▶ **What projects need to be called out as stand-alone projects in PBA 2040?**
  - ▶ Any project seeking federal, state, or regional funding before 2021
  - ▶ Any project seeking a federal action before 2021
  - ▶ Large and/or capacity changing projects
- ▶ **Most projects bundled into programmatic categories**
- ▶ **May - September 2015: PBA 2040 call for projects**
  - ▶ Coordinated with project sponsors, regional agencies, members of the public
  - ▶ Initial local discretionary funding target: \$8.4 billion (in anticipation of lower final target)

# Initial SF Project Priorities

PLAN BAY AREA 2040 > FINANCIALLY CONSTRAINED SF PROJECT PRIORITIES



- ▶ **October 2015: Board approved list of project priorities within our discretionary funding target**
- ▶ **Final list included:**
  - ▶ **58 San Francisco projects**
  - ▶ **24 regional projects**
  - ▶ **13 programmatic categories**
- ▶ **Total discretionary funding request:**
  - ▶ **Local discretionary: \$8.4 billion**
  - ▶ **Regional discretionary: \$1.4 billion**



# Revised Final Local Discretionary Funding Targets

PLAN BAY AREA 2040 > FINANCIALLY CONSTRAINED SF PROJECT PRIORITIES



- ▶ **May 2016: MTC released revised local discretionary targets**
- ▶ **Two scenarios in case voters approve November 2016 transportation revenue measure**

	<b>2015 Local Discretionary Funding Requested</b>	<b>2016 Revised Target</b>	<b>2016 Revised Target and New Revenue Measure</b>
Local Discretionary Target Provided by MTC	\$8.4 billion	\$4.2 billion	\$4.2 billion
Additional Local Revenue (estimated)	n/a	\$2.1 - \$2.9 billion	\$2.1 - \$2.9 billion
New Revenue Measure			\$4.0 billion
<b>Total</b>	<b>\$8.4 billion</b>	<b>\$6.3 - \$7.1 billion</b>	<b>\$10.3 - \$11.1 billion</b>

# Strategy to Finalize San Francisco Project Priorities



PLAN BAY AREA 2040 > FINANCIALLY CONSTRAINED SF PROJECT PRIORITIES

- ▶ **Finalize revenue estimates, match to eligible uses**
- ▶ **Make reasonable assumptions about additional regional discretionary funds available for projects**

	<b>2015 Request</b>	<b>2016 Request</b>
<b>Additional Regional Discretionary Funding</b>	<b>\$1.4 billion</b>	<b>TBD</b>

- ▶ **Consider phasing projects that:**
  - ▶ **Have a significant request for discretionary funding**
  - ▶ **Likely won't enter construction before 2021**
  - ▶ **Haven't formally been declared a City priority through a planning or strategy process**
- ▶ **Make a reasonable adjustment to programmatic categories**

# Trade-Off Discussion for a Final Preferred Investment Scenario

PLAN BAY AREA 2040 > FINANCIALLY CONSTRAINED SF PROJECT PRIORITIES



- ▶ **Assignment of remaining regional discretionary funding must consider investment trade-offs:**
  - ▶ **High priority regional projects**
  - ▶ **State of good repair (highways, local streets and roads, transit)**
  - ▶ **Regional programs (e.g. Clipper, Lifeline Transportation Program)**
  - ▶ **Other investments (e.g. regional housing program)**
  - ▶ **Local priorities**
- ▶ **July – MTC releases draft preferred investment scenario**
- ▶ **September – MTC/ABAG approves final preferred transportation and land use scenario for PBA 2040**



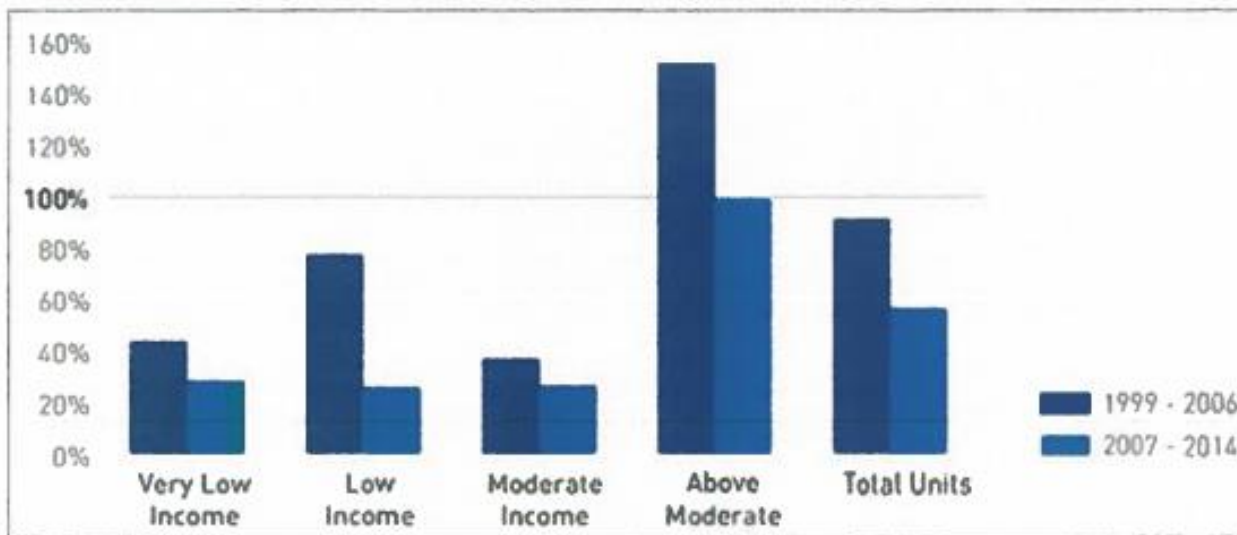
# Regional Housing Crisis

PLAN BAY AREA 2040 > REGIONAL HOUSING ACTION AGENDA



- ▶ **Most expensive housing market in the country**
- ▶ **Since 2010 region has added 1 housing unit for every 5 new jobs**
- ▶ **\$1.2 billion/year housing funding gap**

**Chart 2: Share of Regional Housing Needs Allocation Permitted 1999-2014  
San Francisco Bay Area (Source: ABAG)**



# Broad Strategies to Address Crisis

PLAN BAY AREA 2040 > REGIONAL HOUSING ACTION AGENDA



- ▶ **Build new housing**
  - ▶ **Special attention to low- and moderate-income housing**
- ▶ **Protect existing affordable units at risk of displacement through programs and/or policies, e.g.**
  - ▶ **Rent control**
  - ▶ **Inclusionary housing**
  - ▶ **Direct subsidies**
- ▶ **Advocate for new funding**
  - ▶ **Local self-help strategies (e.g. San Francisco's \$300 million bond)**
  - ▶ **New/replacement state and federal resources**

# Near Term Strategy – OBAG 2

PLAN BAY AREA 2040 > REGIONAL HOUSING ACTION AGENDA



- ▶ **One Bay Area Grant Program (OBAG) Cycle 2**
  - ▶ **\$790 million over 5 years**
  - ▶ **Program adopted in November 2015**
  - ▶ **\$72 million in additional funds available through federal transportation bill**
  
- ▶ **Possible investment proposals**
  - ▶ **Housing-related programs**
  - ▶ **Core capacity transportation investments**
  - ▶ **County programs**



# OBAG 2 Housing Program Options

PLAN BAY AREA 2040 > REGIONAL HOUSING ACTION AGENDA



- ▶ **Reward Jurisdictions**  
Bonus for cities/counties (2015 – 2019)
- ▶ **Direct Investment**  
Pilot preservation loan fund
- ▶ **Regulatory Approach**  
Additional funds conditioned on adopted housing policies, affordable housing production, and/or current affordability



Photo: Bridge Housing, Armstrong Place

- ▶ **MTC Action in July 2016**

# Proposed Medium Term Strategies

PLAN BAY AREA 2040 > REGIONAL HOUSING ACTION AGENDA



- ▶ **Infrastructure finance fund**
  - ▶ **Similar to existing Transit Oriented Affordable Housing (TOAH) program**
  - ▶ **Could include new Naturally Occurring Affordable Housing (NOAH) program**
  - ▶ **MTC has existing authority, just needs funding**
- ▶ **Regional jobs-housing linkage fee**
- ▶ **Regional housing bond/fee and trust fund**





# What's Next? (Estimated Schedule)



## PLAN BAY AREA 2040 > NEXT STEPS

<b>May 2016</b>	ABAG releases draft scenario performance assessment
<b>May CAC / June Plans and Programs (anticipated)</b>	SFCTA revises project priorities according to new discretionary funding target
<b>June 14, 2016 6:30-8:30pm</b>	<b>Plan Bay Area 2040 San Francisco Open House</b> Hotel Whitcomb (1231 Market St)
<b>June 2016</b>	MTC approves final list of high and low performing projects
<b>June CAC / July Plans and Programs</b>	SFCTA information item evaluating progress toward meeting PBA 2040 goals and objectives and advocacy strategy for preferred scenario
<b>July 2016</b>	MTC/ABAG release draft preferred scenario, approves OBAG 2 funding distribution
<b>September 2016</b>	MTC/ABAG adopt preferred transportation investment and land use scenario
<b>September 2016 through June 2017</b>	MTC/ABAG perform environmental review of preferred scenario
<b>June 2017</b>	MTC/ABAG adopt Plan Bay Area 2040

# Questions?

For more information:

Amber Crabbe, Assistant Deputy Director

[amber.crabbe@sfcta.org](mailto:amber.crabbe@sfcta.org)

[www.sfcta.org/rtp](http://www.sfcta.org/rtp)



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY



RESOLUTION APPROVING THE SAN FRANCISCO ADVOCACY GOALS AND OBJECTIVES AND PROJECT LIST FOR PLAN BAY AREA 2040

WHEREAS, Every four years, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) lead development of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), which sets policy and transportation investment priorities in the nine Bay Area counties; and

WHEREAS, This cycle the RTP/SCS under development is known as Plan Bay Area (PBA) 2040; and

WHEREAS, Transportation Authority staff, in consultation with partner City agencies and its Technical Working Group, developed the goals and objectives shown in Attachment 1 to guide its regional PBA 2040 advocacy through the plan's adoption in mid-2017; and

WHEREAS, Inclusion in the financially constrained portion of PBA 2040, either as an individual project listing or by inclusion in a programmatic category, is mandatory for all projects seeking state or federal funds or a federal action; and

WHEREAS, A project must be shown as an individual project listing in PBA 2040 if it increases capacity (e.g., roadway widening, operational improvements that increase throughput, and new transit services) so that MTC can model air quality conformity impacts; and

WHEREAS, As a Congestion Management Agency (CMA), the Transportation Authority coordinates San Francisco's local project and program priorities for PBA 2040 and submits these to the MTC; and

WHEREAS, In its role as a CMA, on May 26, 2015, the Transportation Authority issued a joint call for projects to public agencies and members of the public for consideration for inclusion in San Francisco's local project list for PBA 2040; and



WHEREAS, The CMA call for projects is just one of several inputs (e.g., MTC-led local streets and roads rehabilitation needs, transit capital rehabilitation needs, baseline transit operating needs, highway maintenance and operating needs, regional transit operator project priorities) that MTC and ABAG will consider when developing the preferred investment scenario for PBA 2040; and

WHEREAS, As part of the PBA 2040 call for projects process, the Transportation Authority conducted countywide outreach to public stakeholders, seeking community input in the project nominating process and the development of advocacy goals and objectives; and

WHEREAS, From this initial list of suggestions and project proposals, and drawing from the adopted San Francisco Transportation Plan, the Transportation Authority worked with City agencies to develop a list of San Francisco projects and programs shown in Attachments 2 through 5 that fits within San Francisco's assigned (initial) local discretionary funding budget of \$8.4 billion, which is not a guaranteed level of funding for San Francisco and is subject to downward revision by MTC; and

WHEREAS, The proposed project priorities also identifies projects for which San Francisco seeks regional discretionary funding through PBA 2040, reflecting projects that in staff's judgement best align with PBA 2040 goals and objectives and are anticipated to perform well in the regional project performance evaluation; and

WHEREAS, The Transportation Authority will work with MTC, ABAG, project sponsors, and other stakeholders, to participate in the regional project evaluation and policy discussions leading to development of a final list of San Francisco and regional priorities to be included in the fiscally constrained element of PBA 2040; and

WHEREAS, At its September, 2015 meeting, the Citizens Advisory Committee was briefed on the advocacy goals and objectives and project list, and adopted a motion of support for the staff



recommendation; and

WHEREAS, At its October 20, 2015 meeting, the Plans and Programs Committee reviewed the subject request and unanimously recommended approval of the staff recommendation; and

WHEREAS, At its October 27 meeting, at Commissioner Campos' request, the Transportation Authority Board unanimously approved a motion amending San Francisco's Goals and Advocacy Objectives to provide greater clarity related to housing/anti-displacement policy objectives, as shown in Attachment 1; now, therefore, be it

RESOLVED, That the Transportation Authority hereby approves the attached advocacy goals and objectives and project list for PBA 2040.

Attachments (4):

1. San Francisco Goals and Advocacy Objectives
2. Final Draft List of San Francisco Projects
3. Final Draft List of Regional Projects
4. Final Draft List of San Francisco Programmatic Categories





The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 27th day of October, 2015, by the following votes:

**Ayes:** Commissioners Breed, Campos, Christensen, Cohen, Farrell, Kim, Tang, Wiener and Yee (9)

**Nays:** (0)

**Absent:** Commissioners Avalos and Mar (2)

*Scott Wiener*

Scott Wiener  
Chair

10/28/15

Date

*Tilly Chang*

Tilly Chang  
Executive Director

11/3/15

Date

ATTEST:

**Attachment 1**  
**Plan Bay Area (PBA) 2040 – San Francisco Goals and Objectives**

**FINANCIAL**

**1. Ensure all San Francisco projects and programs that need to be in the 2017 PBA are included.**

This includes:

- Projects that need a federal action (e.g. NEPA approval) or wish to seek state or federal funds before 2021 when the next PBA will be adopted.
- Projects that trigger federal air quality conformity analysis (e.g., projects that affect demand and/or change transit or roadway capacity and can be modeled).
- Note: most projects can be included in programmatic categories.

**2. Advocate strongly for more investment in transit core capacity and transit state of good repair.**

- Reach out to the “Big 3 Cities” accepting most of the job and housing growth in PBA and to the largest transit operators to develop a unified set of advocacy points and funding strategies for existing and new revenue sources (e.g. advocate for transit’s inclusion in new revenue measures being considered in the Extraordinary Legislative session).
- **Core Capacity Transit Study (CCTS)** - Advocate for regional discretionary funds to advance planning and evaluation of recommendations that emerge from the CCTS. Examples of projects under consideration include HOV lanes on the Bay Bridge for buses and carpools; BART/Muni tunnel turnbacks, crossover tracks or other operational improvements; and a second transbay transit crossing.
- **Cap and Trade** – Advance San Francisco priorities through a revised regional cap and trade framework that accounts for higher than anticipated revenues and insights gained from first programming cycles. Support SFMTA’s efforts to secure funds from the Transit and Intercity Rail Capital Program (TIRCP) to pay back light rail vehicle loans/advances from MTC.
- Seek confirmation of existing regional endorsements for Federal Transit Administration **New Starts/Small Starts/Core Capacity funds** (e.g. Downtown Extension) and new endorsements (e.g. Geary BRT).
- **Prioritize transit SOGR and core capacity for new revenue sources** (See #3).
- **Blended High Speed Rail (HSR)/Caltrain Service** – Continue to advocate for platform height compatibility and for the extension of Caltrain to the Transbay Transit Center, the northern terminus of HSR. Coordinate with San Mateo, Santa

**Attachment 1**  
**Plan Bay Area (PBA) 2040 – San Francisco Goals and Objectives**

Clara, Caltrain and the California High Speed Rail Authority to plan and prioritize the Blended HSR/Caltrain project for federal, state and regional funds.

3. **Increase share of existing revenues going toward San Francisco priorities** (bigger pie wedge)
  - **OBAG** – Advocate to put greater weight on actual housing production and on planned and produced affordable housing within the existing OBAG formula (consistent with initial MTC staff proposal for OBAG Cycle 2).
  - Revisit **Transit Performance Initiative** program focus (e.g. consider including medium-scale transit projects such as crossovers in addition to small-scale improvements it currently funds) and advocate for better integration with the Freeway Performance Initiative (e.g. build into definition of Managed Lanes Implementation Plan (MLIP)).
  - Press for multimodal corridor approach to **Freeway Performance Initiative** and inclusion of San Francisco freeway managed lanes projects in the MLIP, as well as inclusion of SFgo and Treasure Island tolling infrastructure in MTC's Active Operations Management Program, Target **regional discretionary funds** for high performing projects and regionally significant San Francisco projects (e.g. Better Market Street, express lanes, late night transportation services, regional express bus)
4. **Advocate for new federal/state/regional revenues through PBA** (grow the pie)
  - Regional Gas Tax
  - RM3 – bridge toll
  - BART 2016 measure
  - State Extraordinary Legislative Session
  - State Road User Charge
  - Federal surface transportation bill advocacy

**POLICY**

1. **Vision Zero** - Increase eligibility of Vision Zero projects (including local streets and roads and San Francisco freeway segments/ramps) and project elements in existing and new fund programs and elevate as a funding priority within regional fund programs.
2. **Continue to support performance based decision-making** – This includes continuing to advocate for establishing a transit crowding metric or otherwise better capturing transit crowding in Plan Bay Area's performance evaluation, given that transit crowding is a significant transit core capacity issue.
3. **Economic Performance** –Provide San Francisco input to shape and lead on regional policy on economic performance, including goods movement. Build off of Bay Area Council

**Attachment 1**  
**Plan Bay Area (PBA) 2040 – San Francisco Goals and Objectives**

Institute's work on this goal area, which is also related to the Prosperity Plan and MTC's work on goods movement.

4. **Equity issues** ~~– (Develop San Francisco policy recommendations related to address the following equity issues in PBA, many of which overlap.)~~
  - **Access to transportation** – Build off of Late Night Transportation Study, Prosperity Plan
  - **Affordability** – Build off of MTC study on a means-based regional pass/discount; BART university pass/discount and identify sustainable fund sources
  - **Communities of Concerns** – Advocate for money to continue MTC's Community Based Transportation Planning grant program; support more funds for the Lifeline Transportation Program
  - **Housing/Anti-Displacement** – ~~How should concerns about displacement be reflected in PBA goals, objectives, and policy? Should we push for PDA and PDA-like areas region-wide to take on more of a fair share of growth? There is also an argument that non-PDA areas should also take on more housing for fair access to schools, etc.~~ Work with Mayor's Office of Housing, San Francisco Planning Department and housing community groups to develop recommendations to support planning/production of affordable housing and to prevent/mitigate displacement. Recommendations may touch on all aspects of PBA from goals and performance targets, to program guidelines to policy and advocacy decisions. Examples include: establishing a performance target to measure displacement risk, increasing funding for the Transit Oriented Affordable Housing (TOAH) fund, prioritizing regional PDA planning funds for jurisdictions that want to develop and implement anti-displaced policies and programs, advocate for MTC/ABAG to offer technical assistance to develop/implement supportive policies and programs.
5. **Project Delivery** – Seek legislative changes to support Public Private Partnerships, CM/GC and tolling authority and to streamline project delivery.
6. **Sea Level Rise/Adaption** – Support the City's ongoing Sea Level Rise Resiliency Program, which includes a suite of planning and implementation efforts coordination with regional and local partners. Help shape the regional policy framework.
7. **Shared Mobility** – To the extent PBA address this topic, provide San Francisco input to shape and lead on regional policy on shared mobility.

**Attachment 2**  
**Plan Bay Area 2040 - List of San Francisco Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
1	BART	Rail Capacity Long Term Planning and Conceptual Design - BART	Planning and conceptual engineering for study of major corridor and infrastructure investments along existing and potential expansion rail corridors that either expand the system or provide significant increases in operating capacity to the existing rail system. Will be informed by the Core Capacity Transit Study.	citywide	\$ 30.0	\$ -	\$ 30.0		
2	Caltrain	Rail Capacity Long Term Planning and Conceptual Design - Caltrain	Planning and conceptual engineering for study of major corridor and infrastructure investments along existing and potential expansion rail corridors that either expand the system or provide significant increases in operating capacity to the existing rail system (e.g. grade separations, Caltrain Modernization Phase 2). Will be informed by the Core Capacity Transit Study.	citywide	\$ 10.0	\$ -	\$ 10.0		
3	Port of San Francisco	Establish new ferry terminal at Mission Bay 16th Street	Establish new Ferry terminal to serve Mission Bay and Central Waterfront neighborhoods	10	\$ 17.0	\$ 0.1	\$ 16.9		Regional service-O&M costs assumed to be covered by WETA
4	SF Planning	Balboa Reservoir Street Network	Includes a new street network throughout the Balboa Reservoir site. Exact street alignments TBD.	7	\$ 16.0	\$ 16.0			Fully Funded
5	SF Planning	Central SoMa Plan Street Network Changes	Includes significant changes to roadway configurations for Howard, Folsom, Harrison, Bryant, Brannan, 3rd and 4th Streets, including sidewalk widening, addition of new signalized mid-block crosswalks, reduction in general auto lanes, creation of dedicated transit lanes, addition of bicycle lanes, and other changes.	6	\$ 140.0	\$ 140.0			Fully Funded
6	SF Planning	Central Waterfront/Pier 70 Street Network	Includes a new street network throughout the adjacent Pier 70 and Potrero Power Plant sites – combined 50+ acres east of Illinois Street --, including traffic calming pedestrian and bike network, and transit/shuttle stops.	10	\$ 58.0	\$ 58.0			Fully Funded
7	SF Planning	Great Highway/Sloat/Ocean Beach Circulation Changes: Southern Portion	Reroute the Great Highway behind the zoo via Sloat and Skyline Boulevards: Close the Great Highway south of Sloat and replace it with a coastal trail; Reconfigure Sloat and key intersections to create a safer, more efficient street; Consolidate street parking, and bicycle access along the south side of Sloat.	4, 7	\$ 28.0	\$ -	\$ 28.0		
8	SF Planning	HOPE SF (Sunnydale and Potrero) Street Networks	Includes new and realigned street networks throughout the two remaining HOPE SF sites (Sunnydale and Potrero), including traffic calming pedestrian and bike network, and transit/shuttle stops.	10	\$ 31.0	\$ -	\$ 31.0		

**Attachment 2**  
**Plan Bay Area 2040 - List of San Francisco Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
9	SF Planning	India Basin Roadway Transportation Improvements	Includes potential realignment and improvements on Innes Avenue, Hudson Ave., Hunters Point Boulevard, and Jennings St. to calm traffic and improve pedestrian, transit, and bicycle safety and connectivity. Also includes segments of Bay Trail.	10	\$ 16.0	\$ 5.0	\$ 11.0		
10	SF Planning	Mission Rock (SWL 337) Street Network	Includes a new street network throughout the Seawall Lot 337 development site, including traffic calming pedestrian and bike network, and transit/shuttle stops, as well as consolidation and replacement of the existing 2,300 car parking on site into a single garage.	6	\$ 58.0	\$ 58.0			Fully Funded
11	SF Planning	Railyard Alternatives and I-280 Boulevard Program - Planning and Conceptual Design	This program studies the SE quadrant of San Francisco marrying land use and transportation needs for both existing and future scenarios. The study evaluates potential realignment of the Caltrain Downtown Extension, tear down of I-280 and associated local street network improvements, relocation or reduced footprint of the Caltrain rail yard at 4th and King, and associated land use opportunities.	6, 10	\$ 4.0	\$ 1.8	\$ 0.4	\$ 1.8	Strong PDA linkage. Regionally significant.
12	SF Planning	Rincon Hill Street Plan Network Changes	Includes significant changes to roadway configuration for Harrison, Spear, Main, Beale, Fremont, & 1st Streets - sidewalk widening, addition of new signalized mid-block crosswalks, reduction in general auto lanes, addition of bike lanes, conversion of one-way streets to two-way operation, and other changes.	6	\$ 37.0	\$ 15.0	\$ 22.0		
13	SF Planning	Schlage Lock Development Street Network	Includes a new street network throughout the Schlage Lock site, setting up possible future connections south to Brisbane Baylands.	10	\$ 28.0	\$ 28.0			Fully Funded
14	SF Planning	Transit Center District Plan and Transbay Redevelopment Plan Street Network Changes	Includes significant changes to roadway configurations for Mission, Howard, Folsom, Spear, Main, Beale, Fremont, 1st, Essex, and Hawthorne Streets, including sidewalk widening, addition of new signalized mid-block crosswalks, reduction in general auto lanes, creation of dedicated transit lanes, addition of bicycle lanes, conversion of one-way streets to two-way operation, and other changes.	6	\$ 209.0	\$ 209.0			Fully Funded
15	SF Public Works	Bayview Transportation Improvements	Implement direct access routes from US 101 to the Hunters Point Shipyard. Improvements will include repaving existing roadway and adding new curbs, curb ramps, sidewalks, street lighting, trees and route signage.	10	\$ 39.0	\$ 10.9	\$ 28.1		

**Attachment 2**  
**Plan Bay Area 2040 - List of San Francisco Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
16	SF Public Works	Better Market Street - Transportation Elements	Improve Market Street between Steuart Street and Octavia Boulevard. Includes resurfacing, sidewalk improvements, way-finding, lighting, landscaping, transit boarding islands, transit connections, traffic signals, transportation circulation changes, and utility relocation and upgrade.	3, 5, 6	\$ 415.0	\$ 225.0		\$ 190.0	High performer in Plan Bay Area
17	SF Public Works	Hunters Point Shipyard and Candlestick Point Local Roads Phase 1	Build new local streets within the Hunters Point Shipyard and Candlestick Point area.	10	\$ 501.0	\$ 455.7	\$ 45.3		
18	SF Public Works	Mission Bay New Roadway Network	New roads, extensions and widening of existing roads within the Mission Bay neighborhood, completing the street grid.	6	\$ 118.0	\$ 96.4	\$ 21.6		
19	SF Public Works	Re-build and widen Harney Way	Re-build existing Harney Way and widen to 8 lanes; add bike lanes and sidewalks. Supports the Geneva-Harney Bus Rapid Transit Project. Project limits: US 101 to Jamestown.	10	\$ 27.0	\$ 25.0	\$ 2.0		
20	SF Public Works	Southeast Waterfront Transportation Improvements - Phase 1	Create a 5 mile multi-modal corridor of streets, transit facilities, pedestrian paths, and dedicated bicycle lanes to link the Candlestick/Hunters Point Shipyard project area to BART, T-Third light rail, Caltrain, local bus lines and future ferry service. A BRT system would use exclusive transit right-of-way, station and shelter facilities, and transit signal priority infrastructure.	10	\$ 271.0	\$ 245.8	\$ 25.2		
21	SFCTA	Balboa Park Station Area - Closure of Northbound I-280 On-Ramp from Geneva Avenue	This project will study and implement closure of the northbound I-280 on-ramp from Geneva Avenue to improve safety. Closure of the ramp would initially be done as a pilot project, if possible, depending on the results of traffic studies. The linked on-ramp from Ocean Avenue would remain open.	11	\$ 6.0	\$ 0.1	\$ 5.9		
22	SFCTA	Balboa Park Station Area - Southbound I-280 Off-Ramp Realignment at Ocean Avenue	This project will realign the existing uncontrolled southbound I-280 off-ramp to Ocean Avenue into a T-intersection and construct a new traffic signal and crosswalk on Ocean Avenue to control the off-ramp.	11	\$ 11.0	\$ 0.7	\$ 10.3		
23	SFCTA	Downtown Value Pricing/Incentives - New Transportation Infrastructure to Support Congestion Pricing	A set of street improvements to support to support the anticipated mode shift to walking, bicycling, and transit with the implementation of congestion pricing.	3, 6	\$ 84.0	\$ 84.0			Fully Funded



Attachment 2  
Plan Bay Area 2040 - List of San Francisco Projects  
All numbers in \$YOE millions.

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
24	SFCTA	Downtown Value Pricing/Incentives - Pilot	Implementation of a demonstration value pricing (tolls and incentives) program in the San Francisco downtown area	3, 6	\$ 132.0	\$ 50.2	\$ 27.8	\$ 54.0	High performer in Plan Bay Area
25	SFCTA	Downtown Value Pricing/Incentives - Transit Service Package	Increased frequencies of transit service to support value pricing pilot	3, 6	\$ 572.0	\$ 572.0			Fully Funded
26	SFCTA	HOV/HOT Lanes on U.S. 101 and I-280 in San Francisco	Phase 1: Convert an existing mixed traffic lane and/or shoulder/excess ROW in each direction to HOV 3+ lanes on US 101 from SF/SM County line to I-280 interchange and on I-280 from US 101 interchange to 6th Street offramp to enhance carpool and transit operations during peak periods. Phase 2: Convert Phase 1 HOV lanes to HOT/Express Lanes Express transit to be funded with HOT lane revenues.	5, 6, 8, 9, 10, 11	\$ 43.0	\$ 0.3	\$ 21.4	\$ 21.3	
27	SFCTA	Presidio Parkway	Reconstruct Doyle Drive with standard lane widths, shoulders, and a median barrier. Reconstruct interchange at State Route 1 and State Route 101 and add an auxiliary lanes between this interchange and Richardson Avenue. The typical lane width of the roadway will be increased to 11 feet, with an outside lane width of 12 feet to accommodate buses. Usable outside shoulders will be added to improve emergency response and provide a refuge for disabled vehicles. Transit access will be improved through the provision of extended bus bays near Gorgas Avenue to accommodate multiple transit providers, and well defined pedestrian routes.	2	\$ 1,595.0	\$ 1,595.0			Fully Funded
28	SFCTA	Regional/Local Express Bus to Support Express Lanes in SF	A 5-year regional/local express bus pilot to provide service to/from downtown San Francisco to/from San Francisco neighborhoods, Marin, Contra Costa, Alameda, San Mateo and Santa Clara counties to complement other freeway corridor management strategies. Some service to be funded with HOT lane revenues. See HOV/HOT Lanes on U.S. 101 and I-280 in San Francisco project. Includes vehicles.	citywide	capital: \$ 23.0 operating: \$ 114.0	\$ 50.0	\$ 17.4	\$ 69.6	Expected high performer. Supports MTC managed lanes focus.

**Attachment 2**  
**Plan Bay Area 2040 - List of San Francisco Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
29	SFCTA	San Francisco Late Night Transportation Improvements	New routes and increased frequency for all-night regional and local bus service, including Muni, AC Transit, Golden Gate Transit, and SamTrans routes.	citywide	\$ 52.0	\$ -	\$ 10.4	\$ 41.6	Supports MTC equity targets. Regionally significant.
30	SFCTA	San Francisco Transit Performance Initiative	Capital improvements to improve transit efficiency and performance at key intersections or choke points in San Francisco's transit network. Improvements or enhancements could include rail or bus operational and efficiency improvements (e.g. passing tracks, intersection reconfiguration).	citywide	\$ 95.0		\$ 95.0		San Francisco portion to serve as local match to regional TPI funds.
31	SFCTA	Southeast San Francisco Caltrain Station	Caltrain infill station to replace Paul Ave Station in Southeast San Francisco (e.g. Oakdale).	10	\$ 45.0	\$ 5.6	\$ 39.4		
32	SFCTA	Treasure Island Mobility Management Program: Congestion Toll	Introduce a new congestion toll on the entrances to, and exits from, Treasure Island and the San Francisco-Oakland Bay Bridge consistent with development plan.	6	\$ 118.0	\$ 107.0	\$ 3.0	\$ 8.0	High performer in Plan Bay Area
33	SFCTA	Treasure Island Mobility Management Program: Expanded Transit Service	New ferry service between San Francisco and Treasure Island; AC Transit service between Treasure Island and Oakland; shuttle service on-Island; bike share on-Island; priced-managed parking on-Island; Travel Demand Management program.	6	\$ 846.0	\$ 846.0			Fully Funded
34	SFCTA	Treasure Island Mobility Management Program: Transit Capital	New ferry terminal, bus transit vehicles, and shuttle vehicles to serve Treasure Island and Yerba Buena Islands.	6	\$ 65.0	\$ 42.0	\$ 5.0	\$ 18.0	High performer in Plan Bay Area
35	SFCTA	Vision Zero Ramp Improvements	This project would improve safety for all users on freeway ramps and at ramp intersections within San Francisco county, focusing on the intersections with the highest numbers of collisions, especially severe and fatal collisions. This may include lower cost signal timing and striping treatments at certain locations as well as major ramp reconfigurations at others.	5, 6, 8, 9, 10, 11	\$ 43.0	\$ -	\$ 15.0	\$ 28.0	Supports MTC managed lane focus. Regionally replicable.

Attachment 2  
Plan Bay Area 2040 - List of San Francisco Projects  
All numbers in \$YOE millions.

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
36	SFCTA	Yerba Buena Island (YBI) I-80 Interchange Improvement	Includes two major components: 1) On the east side of the island, the I-80/YBI Ramps project will construct new westbound on- and off- ramps to the new Eastern Span of the Bay Bridge; 2) On the west side of the island, the YBI West-Side Bridges Retrofit project will seismically retrofit the existing bridge structures.	6	\$ 168.0	\$ 168.0			Fully Funded
37	SFMTA	Arena Transit Capacity Improvements	Identifies transit improvements needed to accommodate growth in Mission Bay. Improvements might include track crossovers to allow for trains to be staged; a 6-inch raised area along existing tracks; a platform extension to accommodate crowds; other trackway modifications; and a traction power study to ensure that the power grid can accommodate a large number of idling vehicles.	6	capital: \$ 45.0 operating: \$ 92.0	\$ 137.0			Fully Funded
38	SFMTA	Bayshore Station Multimodal Planning and Design	Planning, Preliminary Engineering, and Environmental Review to relocate the Bayshore Caltrain station. The project would also include inter-modal facilities and additional supporting structures and utilities.	10	\$ 13.0	\$ -	\$ 13.0		
39	SFMTA	EN Trips: 16th Street Corridor Improvements	Implement transit priority treatments for the 22-Fillmore route along 16th Street between the intersection of Church and Market Streets and a new terminal in Mission Bay. Treatments include transit-only lanes, transit stop optimization, bus bulbs, boarding islands, and traffic and turn lane modifications, and pedestrian safety improvements in support of Vision Zero. Previously part of RTP project 240158.	6, 8, 9, 10	\$ 69.0	\$ 47.0	\$ 22.0		
40	SFMTA	EN Trips: 7th and 8th Street Improvements	Streetscape improvements that would remove one travel lane on 7th and 8th Streets between Harrison and Market Streets in order to add pedestrian improvements and buffered bicycle lanes. Previously part of RTP project 240158.	6	\$ 9.0	\$ -	\$ 9.0		

Attachment 2  
Plan Bay Area 2040 - List of San Francisco Projects  
All numbers in \$YOE millions.

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
41	SFMTA	EN Trips: Folsom and Howard Street Improvements	Implement streetscape improvements on Folsom Street between 5th and 11th Streets and on Howard Street between 4th and 11th Streets. On Folsom Street, a bi-directional cycle track, new transit bulbs and bus bulbs at intersections, and new signals would be implemented. Howard Street would be restriped from 4 to 3 car lanes, with a buffered bicycle lane. Previously part of RTP project 240158.	6	\$ 44.0	\$ 25.0	\$ 19.0		
42	SFMTA	Expand SFMTA Transit Fleet	This project entails expansion of the SFMTA transit fleet and needed facilities to house and maintain transit vehicles. The purpose is to meet projected future transit demand, as indicated in the SFMTA Transit Fleet Plan. It will facilitate the future provision of additional service through the procurement of transit vehicles as well as the development of needed modern transit facilities.	citywide	capital: \$ 1,093.0 operating: \$ 584.1	\$ 398.0	\$ 959.1	\$ 320.0	
43	SFMTA	Geary Boulevard Bus Rapid Transit	Implement Geary Bus Rapid Transit (BRT) to improve service between Market Street and Point Lobos Avenue. This proposal includes dedicated bus lanes, enhanced platforms, new bus passing zones, adjustments to local bus stops, turn lane restrictions, new signalization with Transit Signal Priority, real-time arrival information, low-floor buses, and safety improvements in support of Vision Zero.	1, 2, 3, 5, 6	capital: \$ 300.0 operating: \$ 174.0	\$ 57.0	\$ 342.0	\$ 75.0	Assumes \$75 million in FTA Small Starts
44	SFMTA	Geneva Light Rail Phase I: Operational Improvements	Extend light rail track 2.7 miles along Geneva Avenue from the Green Railyard to Bayshore Boulevard and then to the existing T-Third terminus at Sunnydale Station. Project would deliver increased operational flexibility, system resiliency, and provide southern east west connection for the rail system. Project phase shown is for non-revenue service. Revenue service will be evaluated separately as part of the proposed Rail Capacity Long Term Planning and Conceptual Design project.	citywide	\$ 270.0	\$ -	\$ 270.0		

Attachment 2  
Plan Bay Area 2040 - List of San Francisco Projects  
All numbers in \$YOE millions.

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
45	SFMTA	Geneva-Harney Bus Rapid Transit	Provides exclusive bus lanes, transit signal priority, and high-quality stations along Geneva Avenue (from Santos St to Executive Park Blvd), Harney Way, and Crisp Avenue, and terminating at the Hunters Point Shipyard Center. The project includes pedestrian and bicycle improvements in support of Vision Zero and connects with Muni Forward transit priority improvements west of Santos Street.	10, 11	capital: \$ 104.0 operating: \$ 152.0	\$ 49.0	\$ 207.0		
46	SFMTA	Historic Streetcar Extension - Fort Mason to 4th & King	The project would extend historic streetcar service by extending either the E-line or the F-line service from Fisherman's Wharf to Fort Mason, using the historic railway tunnel between Van Ness Ave. and the Fort Mason Center. The project will seek non-transit specific funds and will seek to improve the historic streetcar operation as an attractive service for tourists and visitors.	2, 3, 6	capital: \$ 61.0 operating: \$ 26.0	\$ 4.0		\$ 83.0	Seeking non-transportation funding for project (e.g. National Park Service).
47	SFMTA	Muni Forward (Transit Effectiveness Project)	Includes transit priority improvements along Rapid and High Frequency transit corridors, service increases, transfer and terminal investments, overhead wire changes, and street improvements in support of Vision Zero. Transit priority treatments include bus-only-lanes, bus bulbs, queue jumps, transit stop optimization and other treatments described in the Transit Preferential Streets Toolkit.	citywide	capital: \$ 382.0 operating: \$ 134.0	\$ 208.0	\$ 268.0	\$ 40.0	High performer in Plan Bay Area.
48	SFMTA	Muni Metro/M-Line/19th Avenue Core Capacity Project	Increase the capacity and reliability of the Muni Metro subway by transforming the M-Ocean View into a high-capacity 4-car train line. Includes grade-separation between West Portal and Parkmerced; line re-alignment to serve Parkmerced TOD; re-design of 19th Ave (Eucalyptus to Junipero Serra) with multimodal improvements in support of Vision Zero; and capacity improvements to Muni Metro Subway.	3, 4, 5, 6, 7, 8, 9, 10, 11	\$ 1,150.0	\$ 76.0	\$ 644.4	\$ 429.6	Likely high performer, will be vetted through Core Capacity Transit Study.

**Attachment 2**  
**Plan Bay Area 2040 - List of San Francisco Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
49	SFMTA	Parkmerced Street Network	To improve transit, walking, automobile circulation and biking to serve a new mixed-use development. Project includes: a new street network, traffic calming, pedestrian improvements, biking improvements, streetscape improvements, and transit/shuttle stops.	7	\$ 60.0	\$ 60.0			Fully Funded
50	SFMTA	Rail Capacity Long Term Planning and Conceptual Design - SFMTA	Planning and conceptual engineering for study of major corridor and infrastructure investments along existing or planned rail corridors of the Muni light rail system (e.g. T-Third rail extension to Fisherman's Wharf, Geneva Avenue rail service, Geary Avenue Light Rail Transit, Upper Market to Mission Bay/SOMA Light Rail Transit, under-grounding existing rail lines).	citywide	\$ 245.0	\$ -	\$ 245.0		
51	SFMTA	Road Diets for Bike Plan (includes conversion of traffic lanes for bicycle network improvements)	Conversion of travel lanes from automobile use for enhanced bicycle network improvements and traffic calming efforts.	citywide	\$ 1.0	\$ -	\$ 1.0		
52	SFMTA	SFgo Integrated Transportation Management System	SFgo is San Francisco's Citywide ITS program. It identifies signalized and non-signalized intersections located along arterials and the Muni transit system and prioritizes them for ITS upgrades, such as controllers, cabinets, transit signal priority, fiber optic or wireless communications, traffic cameras, and variable message signs. Also improves arterial safety and pedestrian safety.	citywide	\$ 89.0	\$ 55.0	\$ 6.8	\$ 27.2	SFgo received regional discretionary funds in Plan Bay Area because of its managed lanes link.
53	SFMTA	SFpark Project Expansion	Expand the SFpark parking management program to strategic areas in San Francisco with cutting edge occupancy sensors, additional signage, marketing and information resources, and with expanded parking management software and database technology.	citywide	\$ 26.0	\$ -	\$ 26.0		
54	SFMTA	Treasure Island Intermodal Terminal	Terminal and layover facilities for Treasure Island SFMTA bus service.	6	\$ 3.0	\$ 3.0			Fully Funded
55	SFMTA	Treasure Island/Yerba Buena Island Street Network	To improve transit, walking, automobile circulation and biking to serve a new mixed-use development. Project includes: a new street network, traffic calming, pedestrian improvements, biking improvements, streetscape improvements, and transit/shuttle stops.	6	\$ 56.0	\$ 56.0			Fully Funded

**Attachment 2**  
**Plan Bay Area 2040 - List of San Francisco Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	District	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	SF's Proposed Regional Discretionary Funds Ask	Notes
56	SFMTA	T-Third Mission Bay Loop	Connect the rail turnouts from the existing tracks on Third Street at 18th and 19th Streets with additional rail and overhead contact wire system on 18th, Illinois and 19th Streets. The loop would allow trains to turn around for special events and during peak periods to accommodate additional service between Mission Bay and the Market Street Muni Metro.	10	\$ 7.0	\$ 7.0			Fully Funded
57	SFMTA	T-Third Phase II: Central Subway	Extends the Third Street Light Rail line north from King Street along Third Street, entering a new Central Subway near Bryant Street and running under Geary and Stockton Streets to Stockton & Clay Streets in Chinatown. New underground stations will be located at Moscone Center, Third & Market Streets, Union Square, and Clay Street in Chinatown. Includes procurement of four LRVs.	3, 6	\$ 1,578.0	\$ 1,578.0			Fully Funded
58	SFMTA	Van Ness Avenue Bus Rapid Transit	Implement Van Ness Avenue Bus Rapid Transit (Van Ness BRT) to improve approximately two miles of a major north-south urban arterial in San Francisco. Project would include a dedicated lane for BRT buses in each direction between Mission and Lombard Streets. There will be nine BRT stations, with platforms on both sides for right-side passenger boarding and drop-off.	2, 3, 5, 6	\$ 215.0	\$ 215.0			Fully Funded
			<b>Total</b>		<b>\$ 13,047.1</b>	<b>\$ 8,085.7</b>	<b>\$ 3,554.4</b>	<b>\$ 1,407.1</b>	



**Attachment 3**  
**Plan Bay Area 2040 - List of Regional Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	Regional Discretionary Funds Requested by Sponsoring Agency	Notes
59	AC Transit	Bay Bridge Contraflow Lane	This project would convert an existing lane on the Bay Bridge to a contraflow lane and add associated infrastructure. This would improve transbay bus travel times as well as reliability	\$ 167.0			\$ 167.0	See SFCTA's Core Capacity Implementation - Planning and Conceptual Engineering project
60	BART	BART Metro Program	Investments in support of the region's Sustainable Communities Strategy, potentially including core system trackway and route service enhancements, capacity improvements at stations and facilities, integrated transit service and expansion of high capacity transit lines. This includes studies of a future Transbay Corridor Rail Crossing.	\$ 1,900.0	\$ -	\$ 25.0	\$ 1,875.0	High performer in Plan Bay Area.
61	BART	BART Rail Vehicle Replacement Program	Purchase 775 rail cars to replace existing aging fleet.	\$ 2,584.0	\$ 2,584.0			
62	BART	BART Security Program	Program will improve or enhance BART security to protect patrons and the BART system. Projects to be implemented include: 1) Emergency Communications; 2) Operations Control Center; 3) Locks & Alarms; 4) Public Safety Preparedness; 5) Structural Augmentation; 6) Surveillance - CIP Track Two Portion; and 7) Weapons Detection Systems.	\$ 250.0	\$ 206.0		\$ 44.0	Funded under programmatic categories.
63	BART	BART Station Access Improvements	Project combines parking, smart growth/TOD, transit connectivity, bicycle, pedestrian, signage and other access modes to meet growing demand for BART services.	\$ 800.0			\$ 800.0	Funded under programmatic categories.
64	BART	BART Station Modernization Program	Investments include systemwide improvements (e.g., wayfinding, lighting, communications, security, surface refinishing, pigeon mitigation, etc.), station modernization (paid area and platform expansion, new restrooms, upgraded systems and communications, lighting, intermodal expansion and upgrades, new elevators, escalators and other vertical circulation, etc.).	\$ 3,733.8			\$ 3,733.8	Funded under programmatic categories.
65	BART	BART Transbay Corridor Core Capacity Project	This project includes new train control system (\$915 million); 306 additional train cars (\$1,622 million); and necessary traction power upgrades (\$100 million).	\$ 2,806.0	\$ 1,306.0	\$ 75.0	\$ 1,425.0	

**Attachment 3**  
**Plan Bay Area 2040 - List of Regional Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	Regional Discretionary Funds Requested by Sponsoring Agency	Notes
66	BART	Hayward Maintenance Complex Phase 1	This project will include acquisition and use of four warehouses outside of the current west boundary of the yard. Three of these four existing warehouse structures are proposed for Component Repair, Central Warehouse, and Maintenance & Engineering use would be seismically upgraded and retrofitted for BART use, and the fourth would be demolished and a new overhaul shop would be constructed in its place. The existing vehicle inspection area would be enlarged from one bay to four bays. South of Whipple Road work will include additional connecting track, track crossovers, and switches.	\$ 409.2	\$ 409.2			
67	Caltrain	Caltrain At-Grade Crossing Improvements	This project will involve work to improve at-grade crossing safety, signalization, crossing guards, striping, and signage. Project may include but is not limited to the installation of four quad gates at intersections, video monitoring and alarm management systems.	\$ 3.0	\$ 3.0			See SF Planning's Railyard Alternatives and I-280 Boulevard Program project and Caltrain's Rail Capacity Long Term Planning and Conceptual Design project.
68	Caltrain	Caltrain Modernization (Electrification) Phase 1	Improve performance, reduce pollutants, improve operations, capacity, service and reduce dwell time through electrified/modernized trains and station improvements including: Santa Clara County's share of EMU conversion with longer EMUs, level boardings, and longer platforms.	\$ 224.0			\$ 224.0	
69	Caltrain	Caltrain Modernization (Electrification) Phase 2	This project will be implemented after the PCEP and includes the procurement of additional EMU rolling stock to replace all of Caltrain's diesel fleet with EMUs and to expand all EMU trains to 8-car consists. Diesel service will be maintained between San Jose and Gilroy. The project also includes platform and station modifications to achieve level boarding at 32 Caltrain stations.	\$ 727.0			\$ 727.0	See Caltrain's Rail Capacity Long Term Planning and Conceptual Design project.
70	Caltrain	Caltrain Systemwide Access and Station Improvements	Implementation of access improvements throughout the Caltrain system including bicycle, pedestrian, bus and shuttle improvements as well as parking enhancements. Project also includes station improvements and reconfiguration to remove the "holdout" rule and / or provide (or improve) ADA access at 22nd Street, South San Francisco, Broadway, Atherton and College Park, and other stations.	\$ 221.0	\$ 104.0		\$ 117.0	Funded under programmatic categories.

**Attachment 3**  
**Plan Bay Area 2040 - List of Regional Projects**  
**All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	Regional Discretionary Funds Requested by Sponsoring Agency	Notes
71	Caltrain	Caltrain Terminal Improvements	This project includes planned improvements to Caltrain's North and South Terminals. The South Terminal project includes the addition of new mainline track and signal controls both north and south of Diridon Station. The North Terminal project includes the reconfiguration of Caltrain's North Terminal to enhance capacity and improve the efficiency of both rail operations and passenger movements.	\$ 297.0	\$ 1.2		\$ 295.8	Funded under programmatic categories.
72	Caltrain	Caltrain Vehicle Procurement Program	tbd	tbd	tbd	tbd	tbd	We would like to see the rest of Caltrain's fleet electrified to replace diesel vehicles. Supports Core Capacity and could be funded under that entry/program.
73	Caltrain	Peninsula Corridor Electrification Project	The Peninsula Corridor Electrification Project (PCEP) includes the electrification of the Caltrain corridor between San Francisco and San Jose, the procurement of new, Electric Multiple Unit rolling stock, and an increase in the Caltrain service levels.	\$ 1,963.0	\$ 793.2	\$ 20.0	\$ 1,149.8	Existing San Francisco RTIP commitment beyond current \$60 million local SF commitment. Amount tentative pending ongoing MOU discussions.
74	GGBHTD	Gangways and Piers	Golden Gate Ferry facilities in Sausalito, Larkspur and San Francisco are 30 years old and require major rehabilitation. The Gangways and Piers project will replace and rehabilitate fixed guideway connectors, including floats, floating barges, fenders, ramps and gangways, throughout the Golden Gate Ferry system. Total estimated cost is \$112M (2017 dollars)	\$ 112.0			\$ 112.0	\$27.2 million represents San Francisco's share of the project.
75	GGBHTD	Golden Gate Bridge Moveable Median Barrier	Installation of a moveable median barrier on the Golden Gate Bridge to provide a physical separation between opposing directions of traffic.	\$ 45.0	\$ 45.0			Fully funded
76	GGBHTD	Golden Gate Bridge Physical Suicide Deterrent System	The Project proposes to construct a physical suicide deterrent system on the Golden Gate Bridge. It will consist of a horizontal marine-grade stainless steel netting installed along the west and east sides of the Bridge.	\$ 98.0	\$ 98.0			Fully funded
77	GGBHTD	Golden Gate Bridge Rehabilitation Projects	Rehab of the Golden Gate Bridge to maintain a state of good repair. Includes: South Tower access and paint rehab; suspension bridge superstructure/North Tower paint; suspension bridge under deck recoating; floor beam and bracing replacement/rehab; Bridge pavement repair.	\$ 1,002.0	\$ 441.0		\$ 561.0	

**Attachment 3  
Plan Bay Area 2040 - List of Regional Projects  
All numbers in \$YOE millions.**

	Sponsoring Agency	Project Title	Project Description	Project Cost	Committed Funding	Proposed SF Local Discretionary Funds	Regional Discretionary Funds Requested by Sponsoring Agency	Notes
78	GGBHTD	Golden Gate Bridge Seismic Retrofit Phase 3B	Seismic Retrofit of the Golden Gate Bridge. Phase 3B, which includes the 4,200 foot-long main span, two 1,125 foot-long side spans, the two 746 foot-tall towers, and the south tower pier of the Suspension Bridge and two undercrossing structures at the Bridge toll plaza.	\$ 891.0	\$ 212.0		\$ 679.0	
79	MTC	San Francisco-Oakland Bay Bridge West Span Bicycle, Pedestrian, and Maintenance Path	This project will construct a bicycle, pedestrian, and maintenance path from downtown San Francisco to Yerba Buena Island. The project is from approximately PM 5.5 to 7.8 on I-80.	\$ 691.0	\$ 10.0		\$ 681.0	
80	SFCTA	Core Capacity Implementation - Planning and Conceptual Engineering	Advance planning and evaluation of recommendations that emerge from the Core Capacity Transit Study. Examples of projects under consideration include HOV lanes on the Bay Bridge for buses and carpools; BART/Muni/Caltrain tunnel turnbacks, crossover tracks, grade separations, or other operational improvements; and a second transbay transit crossing.	\$ 575.0	\$ -	\$ 75.0	\$ 500.0	San Francisco will advocate for MTC to fund core capacity next steps.
81	TJPA	Implement Transbay Transit Center/Caltrain Downtown Extension (Phase 1 - Transbay Transit Center)	New Transbay Transit Center built on the site of the former Transbay Terminal in downtown San Francisco serving 11 transportation systems.	\$ 1,899.4	\$ 1,899.4			Subject to change pending outcome of MTC Cost Review.
82	TJPA	Implement Transbay Transit Center/Caltrain Downtown Extension (Phase 2 - Caltrain Downtown Extension)	Extension of Caltrain commuter rail service from its current San Francisco terminus at 4th & King Streets to a new underground terminus.	\$ 2,596.0	\$ 639.0	\$ 367.9	\$ 1,589.2	Subject to change pending outcome of MTC Cost Review. Existing San Francisco RTIP commitment of \$17.85 million
83	Transit Operators (all)	Routine Transit Needs	State of good repair, operations, and maintenance programming for transit operators.	To be determined by MTC	To be determined by MTC	See programmatic category for Transit Preservation/Rehabilitation	To be determined by MTC	MTC is evaluating SOGR needs through separate process. Local and regional discretionary amounts will be refined through Plan Bay Area 2040 process.
				\$ 23,994.3	\$ 8,751.0	\$ 562.9	\$ 14,680.6	

<sup>1</sup> Regional transit operator projects and regional projects are submitted directly to MTC. This list includes both existing Plan Bay Area projects and proposed new Plan Bay Area 2040 projects.

**Attachment 4**  
**Plan Bay Area 2040 - List of San Francisco Programmatic Categories**  
All numbers in \$YOE millions.

	<b>Purpose</b>	<b>Programmatic Category</b>	<b>Project Cost</b>	<b>Committed Funding</b>	<b>Local Discretionary Funds</b>
1	Operations	Routine Local Road Operations and Maintenance	\$ 52.0	\$ 52.0	\$ -
2	Preservation	Local Road Preservation/Rehabilitation <sup>1</sup>	\$ 909.0	\$ -	\$ 909.0
3	Preservation	Transit Preservation/Rehabilitation <sup>1</sup>	\$ 2,125.0	\$ -	\$ 2,125.0
4	System Management	Emission Reduction Technology (e.g. Transportation Fund for Clean Air projects)	\$ 2.0	\$ 2.0	\$ -
5	System Management	Local Road Intersection Improvements	\$ 141.0	\$ 70.3	\$ 70.7
6	System Management	Local Road Safety and Security	\$ 165.0	\$ 86.2	\$ 78.8
7	System Management	Minor Transit Improvements	\$ 201.0	\$ 35.9	\$ 165.1
8	System Management	Multimodal Streetscape Improvements	\$ 293.0	\$ 91.5	\$ 201.5
9	System Management	Planning	\$ 47.0	\$ 15.0	\$ 32.0
10	System Management	Transit Management Systems	\$ 8.0	\$ 6.0	\$ 2.0
11	System Management	Transit Safety and Security	\$ 98.0	\$ 6.3	\$ 91.7
12	System Management	Travel Demand Management	\$ 65.0	\$ 15.0	\$ 50.0
13	Expansion	New Bike/Pedestrian Facility <sup>2</sup>	\$ 644.0	\$ 110.0	\$ 533.0
			\$ 4,750.0	\$ 490.2	\$ 4,258.8

<sup>1</sup>This row shows proposed local discretionary funds for transit and local streets and roads state of good repair. MTC is conducting a separate needs assessment and compiling information on committed funding by operator and by jurisdiction.

<sup>2</sup>Generally projects that change transit or roadway capacity and can be modelled have to be called out as individual project in Plan Bay Area for air quality conformity purposes. Minor bike and ped expansion projects can be included in programmatic categories.



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

*Memorandum*

TO: MTC Commission

DATE: April 22, 2016

FR: Executive Director

RE: Advancing the Regional Housing Agenda

**Background**

The Bay Area's current housing crisis reflects the cumulative impacts of both its robust job market and its abject failure to keep pace with housing construction, especially near growing job centers, over the last 40 years. Since 2010, the Bay Area has added almost 500,000 jobs but only 50,000 new housing units. In addition, significant cuts to federal and state housing programs have further limited the ability of public agencies to meet the growing needs of low- and moderate-income renter households given median wage deflation from 2000-2013. Annual housing funding shortfalls to meet the region's Regional Housing Needs Allocation for 2014-22 and for the Plan Bay Area period exceed \$1 billion annually, while households are faced with the most expensive housing market in the nation. These housing challenges and rapid job growth have been accompanied by record levels of freeway congestion, and increased crowding on many regional transit systems. More information on the Bay Area's chronic housing challenge can be found in the brief white paper in Attachment A.

Addressing housing affordability and neighborhood stability in the Bay Area is not only critical to ensuring that all residents have access to decent and safe living conditions but also the ability of the region to continue to add jobs and attract skilled workers, achieve Plan Bay Area's sustainable growth objectives by reducing greenhouse gas emissions from transportation, and meet its equity goals through a stronger link between the locations of jobs and housing.




MTC has historically played a limited, but growing role related to housing, providing incentives and direct grants to local jurisdictions and transit agencies to support market rate and affordable infill development in transit-accessible neighborhoods. Since 1998, MTC has provided planning and capital grants, adopted the Resolution 3434 TOD policy, invested in the Transit Oriented Affordable Housing (TOAH) revolving loan fund, and created the OBAG housing incentive program among other initiatives, as outlined in the timeline in Attachment B.

In the transportation sector, when faced with growing demand and similar funding shortfalls in the 1980's and 1990's, transportation agencies throughout the region initiated self-help transportation programs. By 2010, these programs, including county sales tax and vehicle registration fees as well as Regional Measure 2, raised almost \$1 billion annually to supplement stagnant state and federal transportation funding. MTC has also developed a comprehensive legislative advocacy program related to transportation funding and policy. The key question addressed in this memo is whether the region in general – and MTC in particular – should follow

a similar self-help model to rapidly expand the production and preservation of affordable housing in the Bay Area.

Based on Commission direction in fall 2015, MTC and the Association of Bay Area Governments (ABAG) convened a regional forum, *Calling the Bay Area Home*, on February 20, 2016, to further consider the role of regional agencies in addressing displacement and affordable housing. Approximately 300 residents, business organizations, elected officials, and other stakeholders attended the forum. A recap of the forum, including videos and position papers, is available on the MTC website: <http://mtc.ca.gov/whats-happening/news/february-forum-jumpstarts-conversation-housing-policy>.

The event was structured around the three potential policy approaches, recognizing that there is no singular solution to the housing crisis:

-  ***Build new housing including market-rate and affordable units.*** The Bay Area has not produced an adequate number of housing units for its growing population for decades. While there are a number of reasons why this has occurred in the past, the region needs new tools and resources to fund and deliver both market-rate and affordable housing near transit and job centers in the future. Higher production of new housing near transit and job centers will, in the long-term, improve housing affordability and neighborhood stability at a regional level.
-  ***Protect existing affordable units and low- and moderate-income households that are at risk of displacement.*** Both preservation of at-risk deed-restricted units near transit as well as acquisition and protection of existing market-rate rental units as affordable housing are key strategies to maintain affordability in neighborhoods where rents are rising faster than incomes. Without subsidies though, the market is unable to provide housing for low- and moderate-income households. Even though some public subsidies are available for low-income housing, there are no dedicated sources of funding available to support moderate-income housing.
-  ***Advocate for self-help solutions as well as increased state and federal resources.*** The lack of adequate funding for state and federal housing programs and infrastructure funding to support transit-oriented infill housing has coincided with a significant increase in demand for rental and affordable housing production subsidies, thereby creating the perfect storm. Similar to the “self-help” approach for transportation projects, the region needs to raise more of its own revenue to address the growing housing and affordability crisis. In the case of some new regional approaches to housing funding (such as a multi-county tax or bond measure), state legislative authorization will be needed.

Outlined below are short and medium-term initiatives that the Commission could choose to pursue to increase housing and support long-term affordability throughout the region. These initiatives are not intended to represent all of the possible actions that can be taken regionally and no one initiative will be sufficient to address the long-term housing challenges the Bay Area is facing. Instead, the options present a range of approaches in terms of timing, ease of implementation, and magnitude of potential impact in addressing the housing crisis – to jumpstart the discussion and to consider in the context of the institutional question to be discussed in your next item on MTC and ABAG integration. Staff seeks Commission direction on which housing action alternatives to pursue further.



## Housing and the One Bay Area Grant Program – Near-Term

As previewed in a December 2015 report to the Commission, preliminary estimates indicate that the Bay Area’s share of One Bay Area Grant funds – federal highway dollars known as Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) – will increase by approximately \$72 million through the end of the OBAG 2 funding cycle as a result of the enactment of higher authorization levels in the Fixing America’s Surface Transportation (FAST) Act. Although the housing forum did not focus specifically on OBAG, the funding program was discussed as a possible strategy to incentivize jurisdictions to tackle the housing affordability challenge.

Staff outlined three initial investment concepts at the recent March 2016 Partnership Board meeting including a distribution of the additional revenues according to the adopted OBAG 2 framework with 45% being directed to the county programs through the existing housing incentive formula (\$32 million) and the remaining 55% being directed to various regional programs (\$40 million), as well as Options A and B described in more detail below. Since these funds were unexpected and present an opportunity to address critical challenges facing the Bay Area, staff recommends the Commission focus its consideration on Options A and B below rather than the “stay the course” option:

- A. Invest the increase on near-term regional transportation priorities that can deliver congestion and transit crowding relief in key corridors. This is similar to previous Commission actions that focused federal augmentation funds toward a key safety investment in the Golden Gate Bridge suicide barrier or bailed out the State Transportation Improvement Program during a prior state funding trough.
  - ***Bay Bridge Core Capacity Project:*** The San Francisco-Oakland Bay Bridge Corridor is the most congested in the region and is the workhorse of the seven State-owned toll bridges, carrying nearly 160,000 vehicles westbound across the bay. Transbay peak transit service is also at capacity – with BART, buses and ferries all experiencing crush loads. However, there are opportunities to add a second or third person to many solo vehicles, thus moving more people in fewer cars and buses to make better use of the bridge’s capacity. Implementation of near-term, cost-effective operational improvements that offer travel time savings, reliability and lower costs for carpooling and bus transit use will help us make significant progress.

Potential near-term operational strategies include: establish Bus/HOV lane on West Grand Ave. on-ramp, convert HOV lane to express lanes on Sterling Street on-ramp to facilitate carpooling in eastbound direction, facilitate casual carpooling opportunities in San Francisco and Oakland, provide more frequent, higher-capacity transbay express bus services, deploy arterial signal/transit signal priorities to improve bus speed and reliability, create more commuter parking facilities, offer flexible, on-demand transit serving markets in East Bay, San Francisco and further down the Peninsula, and deploy Intelligent Transportation Systems (ITS) strategies to better manage the entire

bridge corridor, including approaches at I-580, I-80 and I-880. The \$72 million in OBAG funds could fund these core capacity improvements as well as shore up transit funding for near-term capacity expansion projects within the Bay Bridge Corridor. Additional detail about this proposal can be found in Attachment C.

- B. Focus the increase on direct housing investments or a bonus for local jurisdictions that produce housing to help address the region's housing crisis. There are a number of different approaches to use OBAG funding to support housing, including a transportation grant reward, direct investment in housing preservation, or conditioning the receipt of OBAG funds on local housing policies.

Should the Commission choose to focus the OBAG augmentation on housing as outlined in Option B above, staff offers the three different short-term approaches described below for your consideration to support the production and preservation of affordable housing.

1. Reward Jurisdictions: Award the additional OBAG funding available via the FAST Act to cities and counties that produce the most low and moderate income housing in Priority Development Areas from 2015-2019. This would deviate from the current CMA county-based approach by providing direct rewards to local jurisdictions based on prospective housing production using some or all of the \$72 million in available funding, offering transportation grants to cities and counties that deliver desperately needed affordable homes.
2. Direct Investment: Invest in a revolving loan fund to convert apartment buildings to deed-restricted affordable units over time. This pilot-project would secure long-term affordability at a lower per-unit cost than constructing new affordable housing. This investment would complement MTC's TOAH investment with a "little brother" that might be called the Naturally Occurring Affordable Housing (NOAH) program. Like TOAH, these new loan funds could be returned to MTC, and MTC can require minimum leverage from other funding sources. This approach would require some exchange of funds to address eligibility limitations of FAST Act funds. MTC's investment could be leveraged by as little as 3:1 or as much as 7:1, preserving 200 – 2,000 homes in the process.
3. Regulatory Approach: Condition additional funding to cities based on what anti-displacement policies are in place, their recent affordable housing production, or their current level of affordability to low-wage workers. Current adopted city and county housing policies have been inventoried by ABAG and a menu of policies for consideration could include accessory dwelling units, by-right development, commercial-linkage fees, just-cause evictions, rent stabilization, or inclusionary zoning.

Attachment D provides more detail on how options 1 through 3 could be operationalized.

### **Housing Initiatives Beyond OBAG – Medium Term**

Under the merged planning department outlined in MTC Resolution 4210 – or the recently recommended Option 7 – there is an opportunity to mobilize new initiatives that are needed for the region to exceed its abysmal 35% RHNA performance for very low, low and moderate income units, while also supporting increased market rate supply. Based on the housing forum and subsequent discussions with stakeholders and city staff, MTC staff has identified three

regional initiatives that can further support housing construction for the Commission to consider. These initiatives are intended to have limited or no impact over the medium term on existing transportation funding streams while providing support to a range of communities across the region. As noted above, the Bay Area is a wealthy region with a track record of financing transportation, schools, and open space at the city, county and regional level. Housing should be no different. San Francisco has already adopted a \$300 million housing bond, with Alameda County and others considering a fall 2016 measure. These resources, coupled with the strategies below, will be required to put a dent in the annual \$1+ billion affordable housing funding shortfall. More details on these efforts can be found in Attachment E, and are summarized in the table below.


<i>Potential Regional Housing Strategies</i>	<i>Potential for Regional-Level Impact on Housing</i>	<i>Timeframe for Implementation</i>
<b>Within MTC's Existing Authority</b>		
Infrastructure Finance Fund	Medium	1 – 3 years
<b>Outside MTC's Existing Authority, requires State Legislation and Voter Approval</b>		
Regional Jobs-Housing Linkage Fee	High	2 – 5 years
Regional Housing Bond/Fee Program and Trust Fund	Medium	2 – 4 years

### **Required Legislation**

To implement a self-help approach to the region's housing crisis, MTC, ABAG, and their city and county partners will need to secure legislation that allows for multi-county bonds or fees to support housing construction and housing related infrastructure similar to the legislation authorizing a regional gas tax. The region needs both a regular and substantial source of housing funding to address the \$1+ billion shortfall and a means to administer those funds through a joint powers agreement or another mechanism.

Staff consultation with affordable housing providers, market-rate developers, foundations and equity stakeholders suggests that there is strong interest in developing a Bay Area housing affordability advocacy platform that advances policy and funding mechanisms specific to the Bay Area and its needs.

MTC has regularly supported bills that will increase the supply of housing and will continue to support key legislative initiatives that can help the region achieve its Plan Bay Area housing objectives. However the region should not count on the state or the federal government suddenly changing course after years of disinvestment in housing. Staff strongly believes that the region must tackle the housing crisis head-on as if the Bay Area's economy and livability depend on it – because they do. We look forward to your discussion about MTC's proper role in that ambitious undertaking.

  
 \_\_\_\_\_  
 Steve Heminger

## Attachment A: Key Challenges for Bay Area's Housing

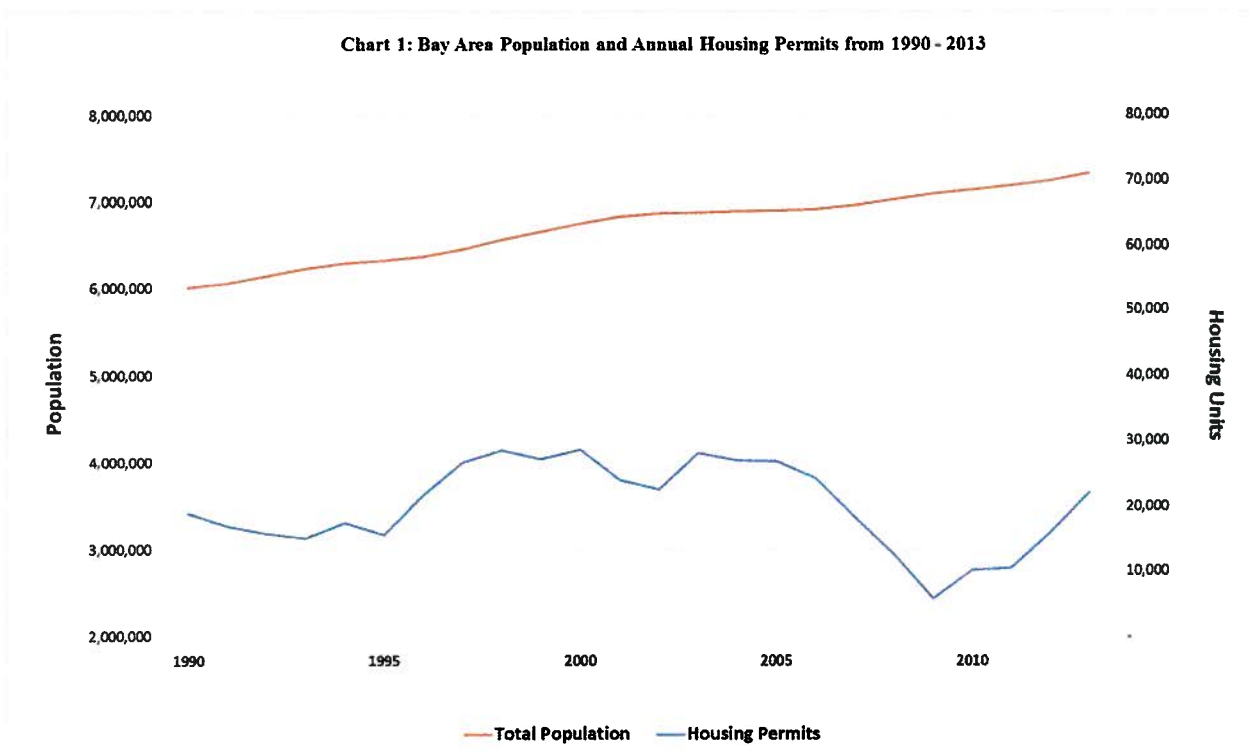
### Overview

The Bay Area's housing affordability and neighborhood stability crisis has been decades in the making. It is the cumulative outcome of numerous local, regional, state and federal legislative and regulatory actions (or inactions) over the last 40 years, arguably all the way back to the mid-1970s, when the rate of housing construction in the Bay Area first started to lag behind the rest of the country<sup>1</sup>.

Since there are multiple perspectives among various stakeholders on the root causes of and solutions to the current housing crisis, staff has developed this white paper in an attempt to capture these various perspectives on key challenges for review and consideration by the MTC Commission as it develops proposals for regional action. While this paper presents the key findings from staff research, it does not represent a comprehensive account of all the housing issues in the region.

### Key Housing Challenges

1. **Housing production in the Bay Area has lagged growth in jobs and residents for decades** – The region has consistently failed to build an adequate number of housing units to accommodate the growing number of jobs and residents in the region. For example, *since 2010, the region has added only 1 new unit for every 5 new jobs*. Chart 1 compares the 25-year population and annual housing permits, noting the region adding population every year during that period. Lack of adequate supply to meet our growing population is a major contributor to high housing costs in the region.



While the cost of housing has increased significantly for both owner and renter households, the level of support and protections for homeowners is far higher than for renters<sup>2</sup>, leading to a higher risk of displacement for renters during periods of growth and expansion. If housing production consistently lags demand, a housing crisis, especially for renters during a jobs boom, is unavoidable.

<sup>1</sup> See CA Legislative Analyst's Office Report, 2016, at <http://www.lao.ca.gov/Publications/Report/3345>

<sup>2</sup> Homeowners benefit from Proposition 13, which limits increases to their property taxes, and from federal tax policies, which allow tax deductions on mortgage interest.

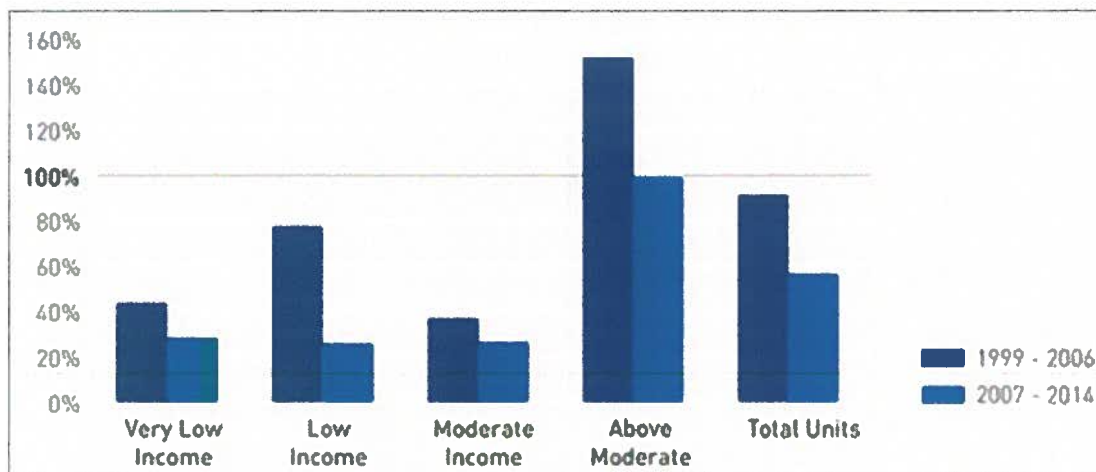
“Our goal is not to stop all development. Our goal is to stop incredibly large development that focus exclusively on market-rate housing.”

– Edwin Lindo, Vice President for External Affairs for the San Francisco Latino Democratic Club, in an interview with the San Francisco Business Times referring to a proposed moratorium on building new housing in the Mission District (July 2015)

Typically, as market-rate rental housing ages, it becomes more affordable to a wider range of households. For example, as shown in the chart below, market-rate rental housing built in the high-cost cities of Los Angeles and San Francisco between 1980 and 1985 were high in 1985 (rents were over 80%), but the same units were more affordable (rents were close to median of all rental units) in 2011, a 1% increase in affordability year-over-year.

- Affordable housing production in the Bay Area has lagged even further behind market-rate units** – Since 1999, the region has built less than a third of the units needed to meet the needs of vulnerable populations such as low- and moderate-income households, seniors and the homeless. *The private market hasn't been able to provide housing for even middle-income households*, especially since the cost of land and construction in the Bay Area has increased faster than the rate of inflation. As illustrated in Chart 2, the Bay Area has struggled to meet all of its Regional Housing Needs Targets, issuing permits for about 35% of the needed low and moderate income housing. This left over 100,000 affordable units unbuilt from 1999-2014. The region exceeded its above moderate (market rate) housing targets over the same period, but too often those homes were far from established job centers. Looking forward, the strong housing market and fewer affordable housing resources are likely to result in similar results going forward.

**Chart 2: Share of Regional Housing Needs Allocation Permitted 1999-2014  
San Francisco Bay Area (Source: ABAG)**



In fact, housing production for moderate income households (the region’s middle class) has been lower than any other income category since the 1990s<sup>3</sup>. The market provides a diminishing number of homes for non-affluent buyers and subsidies for moderate income households are largely nonexistent.

“We can’t build our way out of the housing crisis . . . but we won’t get out without building.”

– Rick Jacobus in an article, *Why We Must Build* – <http://www.shelterforce.org> (March 2016)

<sup>3</sup> See Regional housing Needs Allocation Report for 1999-2014, ABAG



3. **Even the housing that is built is not “location-efficient”** – Much of the recent housing production has occurred in East Bay jurisdictions while much of the job growth in high-growth industries is concentrated in the West Bay. This has led to longer commutes, more congestion on highways and local streets, higher environmental and health impacts, and higher transportation costs for all workers. These outcomes not only affect Bay Area residents’ quality of life, but also limit the economic growth potential of the region’s employers.

The lack of affordable housing close to low- and moderate-wage jobs, which are often co-located with the high-wage jobs, creates an even bigger imbalance for low- and moderate-income households. These households are unable to compete with higher-wage workers for the limited number of market-rate housing units in neighborhoods near jobs and transit. This jobs-housing mismatch has resulted in higher displacement risk, longer commutes and higher transportation costs for lower-wage workers<sup>4</sup>.

4. **Instead of facilitating planned development, strong local and state regulations often prevent all development** – Many local jurisdictions have laws that require developers to secure conditional use permits for housing developments that are consistent with adopted zoning codes and general plans furtherer delaying and restricting new housing construction. These requirements – essentially prohibiting “by-right” development, even affordable housing development – are largely non-existent in most other metropolitan regions (New York, Washington DC and Seattle, among others).

"It is long past time that we as an agency recognize the need. Will it drive some developers away? Probably. Those left standing will understand the requirements."

– *BART Director Joel Keller, City of Antioch, speaking after the agency adopted a policy that requires developers to provide 20% affordable housing units in projects built on BART station property (February 2016)*

Similarly, *state environmental protection laws inadvertently restrict higher-density, mixed-use, infill development*, leading to cost escalation due to delays and litigation. While SB226 and SB743 have attempted to address the issue, the impact of such laws relative to enabling infill development has been modest.

A report released by the law firm Holland & Knight in August 2015 found that projects designed to advance California’s environmental policy objectives are the most frequent targets of CEQA lawsuits: transit is the most frequently challenged type of infrastructure project (more than both highways and local roadways); renewable energy is the most frequently challenged type of industrial/utility project; and housing (especially transit-oriented housing) is the most frequently challenged type of private-sector project. *Almost 80 percent of all CEQA challenges were filed against infill development*. These outcomes can only be described as utterly perverse.

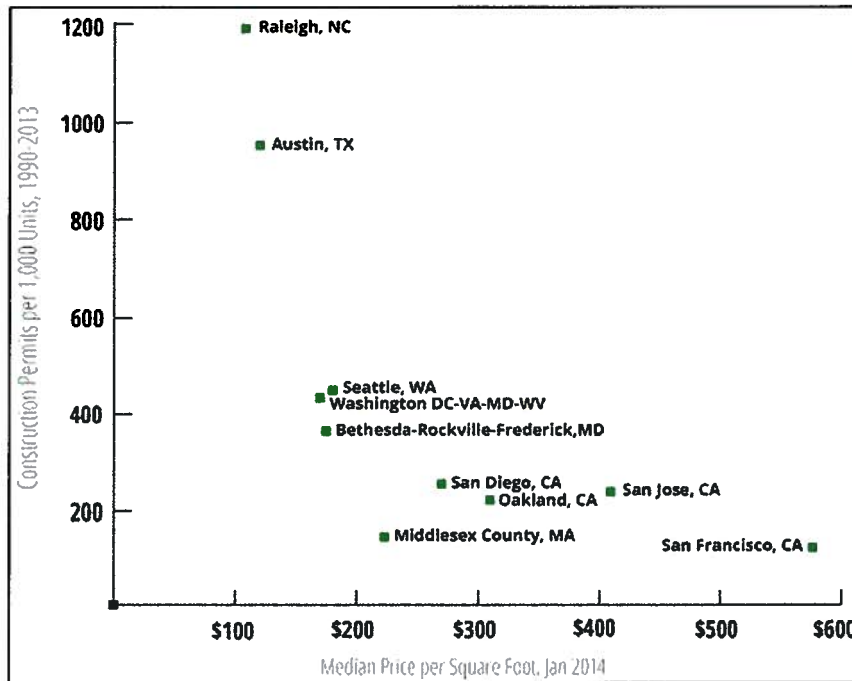
"An adequate supply of housing cannot be built in a day, but will be built faster if we work together and avoid the false and polarizing choice of affordable versus market-rate. We need both, and building new market-rate housing takes pressure off existing supply that serves residents from a wide range of incomes."

– *Dr. Micah Weinberg, President of the Bay Area Council Economic Institute and a renter in Oakland, in a guest commentary – Oakland housing crisis is a deep hole, but it must start digging – in Inside Bay Area (March 24 2016)*

<sup>4</sup> See: <http://interact.regionalchange.ucdavis.edu/roi/>

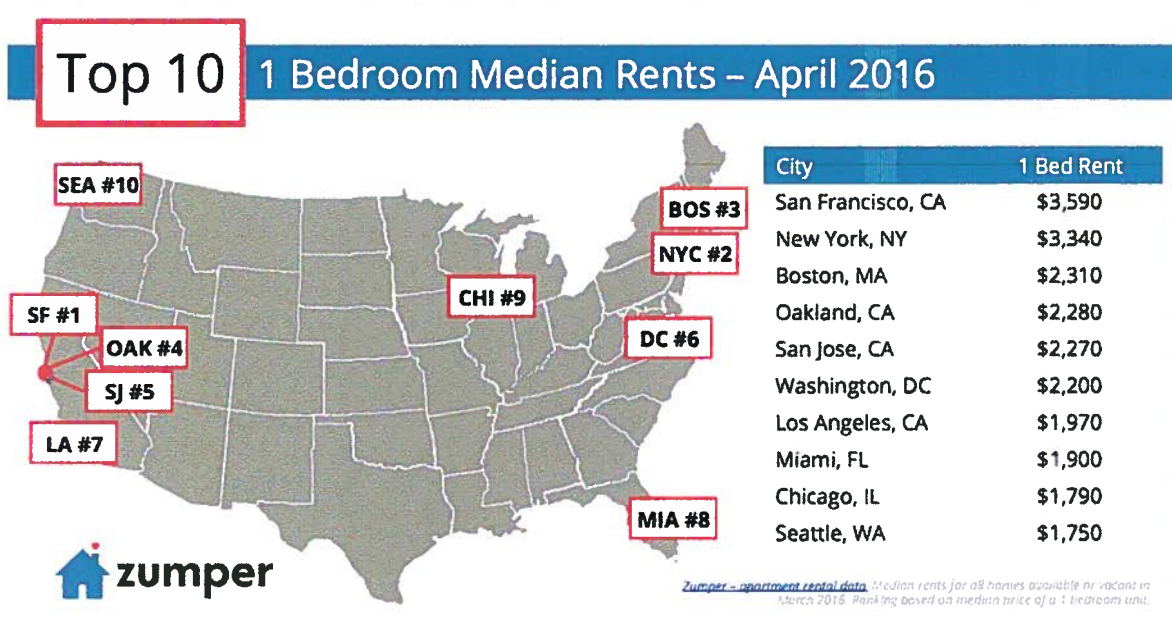
Chart 3 below compares housing cost per square foot in 2013 with housing permits per 1,000 homes in 1990. During that span, Seattle, WA issued construction permits at a rate of a little over 400 new permits for every 1,000 units that existed in 1990. During the same time, San Francisco, CA permitted just 117 units for every 1,000 units that existed in 1990. In 2014, home prices in Seattle, WA were a little under \$200 per square foot, compared to almost \$600 per square foot in San Francisco.

**Chart 3: Home Prices and New Construction in Technology Hubs 1990-2013 (Source: Trulia)**



The cost of housing is not limited to home purchases. As seen in Chart 4, the Bay Area is now home for four of the five most expensive rental markets in the nation.

*Chart 4: Cities with the Highest Rents, 2016 (Source: Zumper Real Estate)*





- Low- and moderate-income renters face high displacement risk in almost every city** – As housing costs rise, lower-income renters are often forced to move to neighborhoods farther away from jobs, transit and amenities. The lack of adequate tenant protections, or availability of subsidized or “naturally affordable” market-rate units in the most “desirable” neighborhoods, has accelerated displacement of lower-income residents and businesses from the urban core.

"It made my heart sink and my stomach feel bad. We are not against affordable housing. We just want to see it done in a sensible, responsible, good way."

– *Marin resident and President of the Lucas Valley Homeowners Association, Maggie McCann, referring to filmmaker George Lucas’ proposal to use \$100 million of his own money to finance 224 low-income apartments on a piece of land he owns called Grady Ranch (June 2015)*

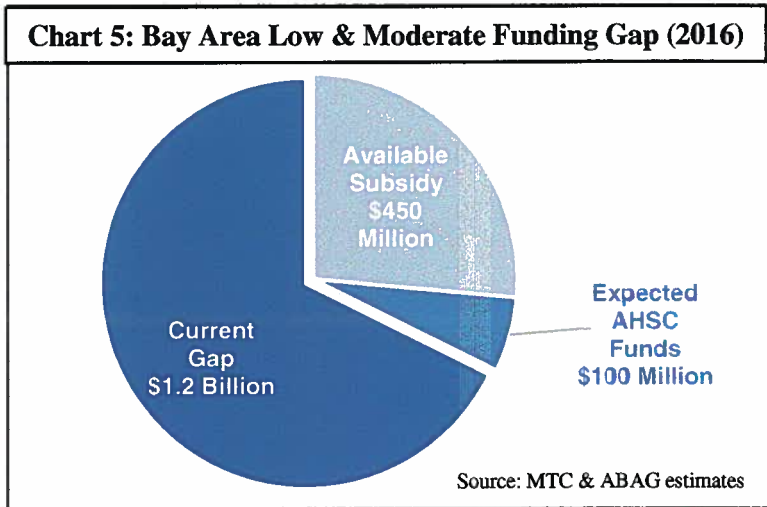
Without their strong rent stabilization and just cause provisions in place, cities such as San Francisco, East Palo Alto and Oakland would have been expected to lose even more lower-income renters. Despite the benefit of tenant protections many lower-income renters have relocated to more affordable neighborhoods in the suburbs, unintentionally displacing existing residents in these communities to locations farther from the region’s core and related employment centers. This domino effect is one reason why *even the most affordable cities in east Contra Costa and Solano County are experiencing displacement*. Communities that add jobs but not sufficient housing pose the highest risk of displacement to lower-income renters. Communities that have historically underbuilt market-rate and affordable housing have lost the largest percentage of lower-income renters since 2000<sup>5</sup>. These

- Elimination of Redevelopment Authorities has further restricted infill development and affordable housing production** – The dissolution of redevelopment agencies by the state has eliminated a large source of funding for infill and affordable housing projects, and restricted the ability of local jurisdictions to secure and assemble parcels, fund infrastructure improvements that support market rate and affordable housing development. *Redevelopment authorities in Alameda County contributed more than \$500 million for affordable housing between 2001 and 2011*<sup>6</sup>.

"The scale of the affordable housing crisis and the need for funding to address it over the next five years is much greater than \$250 million — more like twice that amount (in San Francisco). We appreciate the mayor’s commitment to a bond measure, and we urge him to push as far as possible."

– *Peter Cohen, Director of Council of Community Housing Organizations, referring to Mayor Ed Lee’s proposal for a bond issue to fund affordable housing in San Francisco (February 2016)*

- Declining state and federal resources have constrained the ability of public agencies to respond**  
As state and federal funding for housing programs has declined, the number of low- and moderate-income households that are rent burdened has increased significantly. Chart 5 shows the current annual funding gap to construct the low and moderate income units allocated to the Bay Area for the 2015- 2022 regional housing needs cycle. The lack of resources, in light of the dissolution of local redevelopment functions and the end of the Proposition 1C funding, creates a tremendous challenge to the region as it seeks to catch up with its past low and moderate income housing construction shortfall.



<sup>5</sup> See: [http://planbayarea.org/pdf/prosperity/research/REWS\\_Final\\_Report.pdf](http://planbayarea.org/pdf/prosperity/research/REWS_Final_Report.pdf)

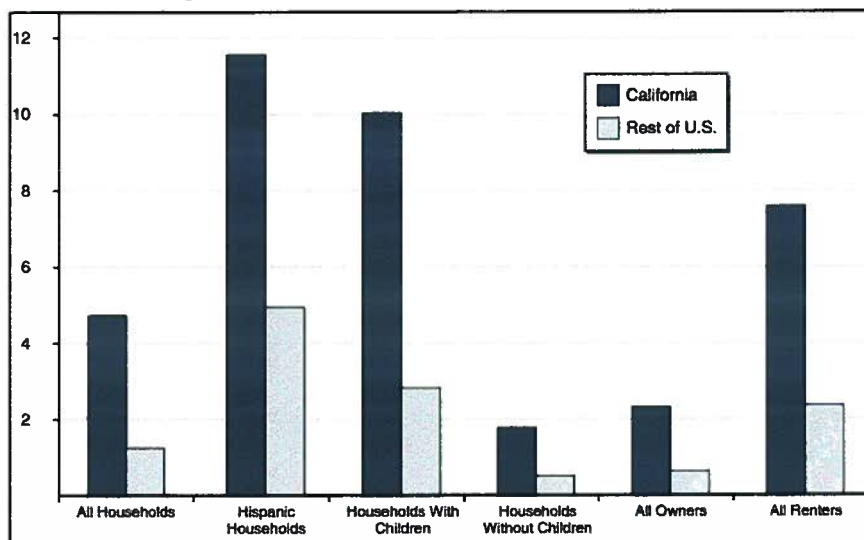
<sup>6</sup> See: <https://www.acgov.org/cda/hcd/documents/Lost-Redevelopment-funds-impact-Affordable-Housing.pdf>

8. **Availability of developable land is limited due to geography and strong land protections** – The Bay Area has done an excellent job of protecting large tracts of wetlands, agricultural land and open space compared to most other metropolitan areas. This effort has limited sprawl on “greenfields”, expanded recreational opportunities and preserved scenic and natural resources. However, the resulting constrained supply of developable land coupled with significant and multiple challenges to infill development has severely restricted housing production across the region.

As mentioned before, the lack of housing production, in the long term, creates conditions for significantly higher housing costs in later years. This dynamic has also led to the long-term trend of Bay Area workers commuting from nearby regions with comparably affordable housing. These long distance commutes to homes, often developed on former farmland, leads to higher per capita greenhouse gas (GHG) emissions and traffic congestion at the region’s gateways.

9. **Wages of low- and moderate-income households have lagged behind rising housing costs** – Even as housing costs rise and funding for housing programs decline, wages of low- and moderate-income households have not kept pace with the rate of inflation. Real wages for many renters have actually declined in terms of purchasing power, with 2013 median household income still below 2000 median household income though it is on the rise. Chart 6 shows a critical way wage and housing pressures manifests itself, with high crowding throughout the state at a rate nearly four-times the national average. California now has the highest share of overcrowded renters in the nation. *Nearly 30 percent of the country’s households living in overcrowded conditions are in California* (CHPC, 2014).

**Chart 6: Crowding Rates in California and the Rest of US, 2013 (Source: LAO Report, 2016)**  
**Percentage of Household Type Living in Crowded Housing**



10. **Proposition 13 has resulted in fiscalization of development decisions** – State law caps property tax increases for owners of residential and commercial property. While Prop 13 benefits long-term homeowners, it reduces the fiscal benefits of housing when compared to retail or commercial development, leading many jurisdictions to view housing as a “net loss”. *Homeowners also lack the motivation to allow new residential development in their neighborhoods*, since lower supply provides significant financial benefits in terms of higher housing values and increased equity.

*On the other hand, Owners of commercial property lack the motivation to develop vacant parcels* since the “cost” of holding these properties is relatively low, and a potential windfall from rising land values over time relatively high. Consequently, even in “hot” real estate markets, many parcels remain vacant and underutilized. Proposition 13 is another key aspect of the perfect storm of heavy regulation, limited subsidies and disincentives that together make the Bay Area unaffordable for many families in 2016. Peer metropolitan regions in other states do not have a comparable statute that provides extreme advantages for long-term homeowners and puts entry level households at a distinct disadvantage.

11. **A relatively large number of currently deed-restricted affordable housing units are at risk of conversion to market-rate units** – A recent report<sup>7</sup> published by the California Housing Partnership Corporation (CHPC) identified around 6,000 units in the region that are at risk of conversion. A large share of these units are located close to transit. All of these units currently house low-income renters. Preserving these units as permanently affordable housing is significantly cheaper than building new affordable units. Unfortunately, most cities in the region do not have a plan to systematically identify at-risk affordable units and prevent these units from being converted to market-rate units. State law also does not allow local jurisdictions to take full RHNA credits for preserved units.

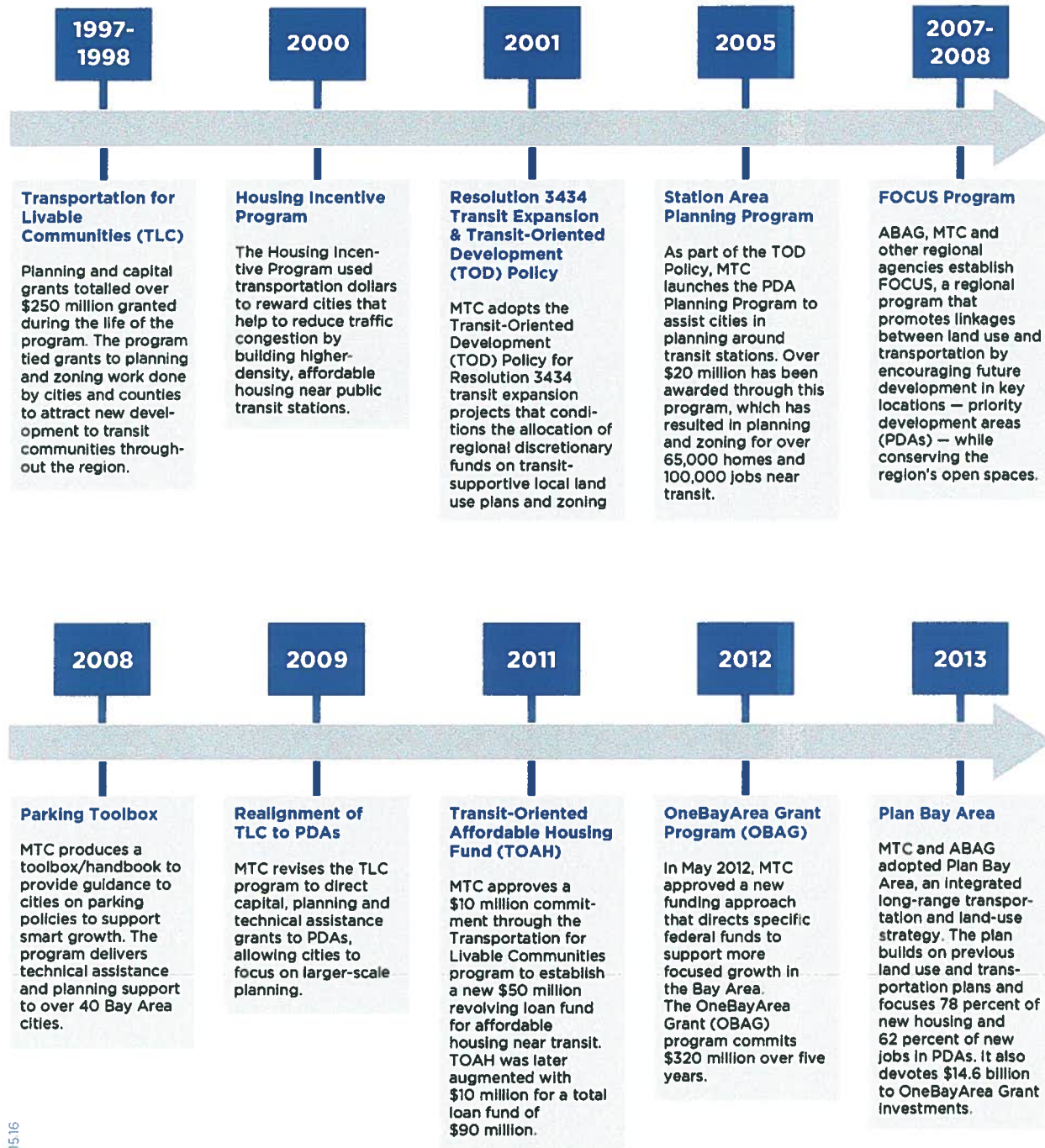
## **Conclusion**

Staff's analysis of the Bay Area' multi-decade housing affordability shortfall has made it clear that, like most chronic problems, the region's shortage of housing cannot be solved with a single solution. Effectively moving the needle on housing affordability in a manner that expands housing choices, reduces displacement pressures on our most vulnerable citizens and strengthens the connection between transit, jobs and housing requires a multi-pronged strategy. The region must pursue a multi-pronged strategy that emphasizes the construction of new homes for all incomes, the protection of the region's most vulnerable households, and the need to advocate for the ability to pursue local and regional solutions.

---

<sup>7</sup> See: <http://chpc.net/services/preservation-of-at-risk-housing/>. See also: [http://planbayarea.org/pdf/prosperity/Reconnecting\\_America\\_Preserving\\_Affordable\\_Housing\\_Near\\_Transit.pdf](http://planbayarea.org/pdf/prosperity/Reconnecting_America_Preserving_Affordable_Housing_Near_Transit.pdf)

# MTC Land-Use Initiatives: 1997-2016





## Attachment C: Transportation Focus: Bay Bridge Core Capacity Project Problem Statement

Auto demand on the San Francisco-Oakland Bay Bridge exceeds vehicle capacity. With future population and job growth, congestion will only worsen over time. But we can move many more people in the same number of vehicles that exist today, making better use of the bridge’s capacity by increasing the number of carpools, shuttles and buses traversing the bridge corridor. Less than half of the seats are currently filled by passengers so carpooling alone could potentially double person throughput. Traffic operational improvements that reduce time spent in congestion compared to driving alone will make carpooling and transit more attractive. Furthermore, operational improvements that are implemented relatively quickly and at a low cost can be very effective in relieving congestion and increasing core capacity within the Bay Bridge corridor.

### Bay Bridge Core Capacity Project: \$40 Million Investment Package

Operational Strategy	Near-Term Operational Improvement	Cost* (\$M)
<b>Implement HOV improvements</b>	1. <b>West Grand Ave. HOV/Bus Only Lane:</b> Convert shoulder of West Grand Ave. on-ramp to Bus/HOV only lane to provide direct access to the I-80 Bus/HOV ramp on the right side of the toll plaza	<b>\$ 7</b>
	2. <b>Sterling Street On-Ramp Express Lane:</b> Convert on-ramp HOV lane to express lane and add occupancy detection technology to support CHP enforcement to provide time savings that attracts more carpooling during evening eastbound peaks	<b>\$10</b>
	3. <b>Casual Carpooling:</b> Establish casual carpooling pick-up locations at key locations in San Francisco and Oakland	<b>\$ 1</b>
	4. <b>Bridge Corridor Management Technologies:</b> Implement a suite of technology improvements – such as cameras, traffic detection loops, occupancy detection and signs – to operate and manage the Bay Bridge and its approaches from I-80, I-580, and I-880 as a unified network	<b>\$ 2</b>
<b>Improve transit core capacity</b>	5. <b>Higher-Capacity Express Bus Fleets:</b> Purchase double-decked buses to operate on most productive Transbay express bus routes for AC Transit and WestCat	<b>\$ 7</b>
	6. <b>Pilot Express Bus Routes:</b> Pilot new AC Transit Transbay routes to serve high demand inner East Bay markets	<b>\$ 6</b>
	7. <b>Transit-Focused Arterial Operational Improvements:</b> Improve arterial operations through adaptive signals and transit signal priorities technology to improve bus speed and reliability	<b>\$ 1</b>
	8. <b>Commuter Parking:</b> Establish commuter parking facilities in East Bay to encourage carpool and express bus ridership	<b>\$ 5</b>
<b>Facilitate shared mobility</b>	9. <b>Vanpooling:</b> Provide increased vanpooling opportunities in the Bay Bridge corridor	<b>\$ 0.2</b>
	10. <b>Flexible, On-Demand Transit:</b> Provide on-demand transit services between East Bay and San Francisco core and beyond	<b>\$ 0.8</b>
	11. <b>Shared Mobility:</b> Private companies such as Lyft, Scoop, Carma, Uber, RidePal, etc. to provide carpooling, vanpooling, shuttles, and buses, taking advantage of the bridge corridor operational and infrastructure improvements	<b>\$ 0</b>

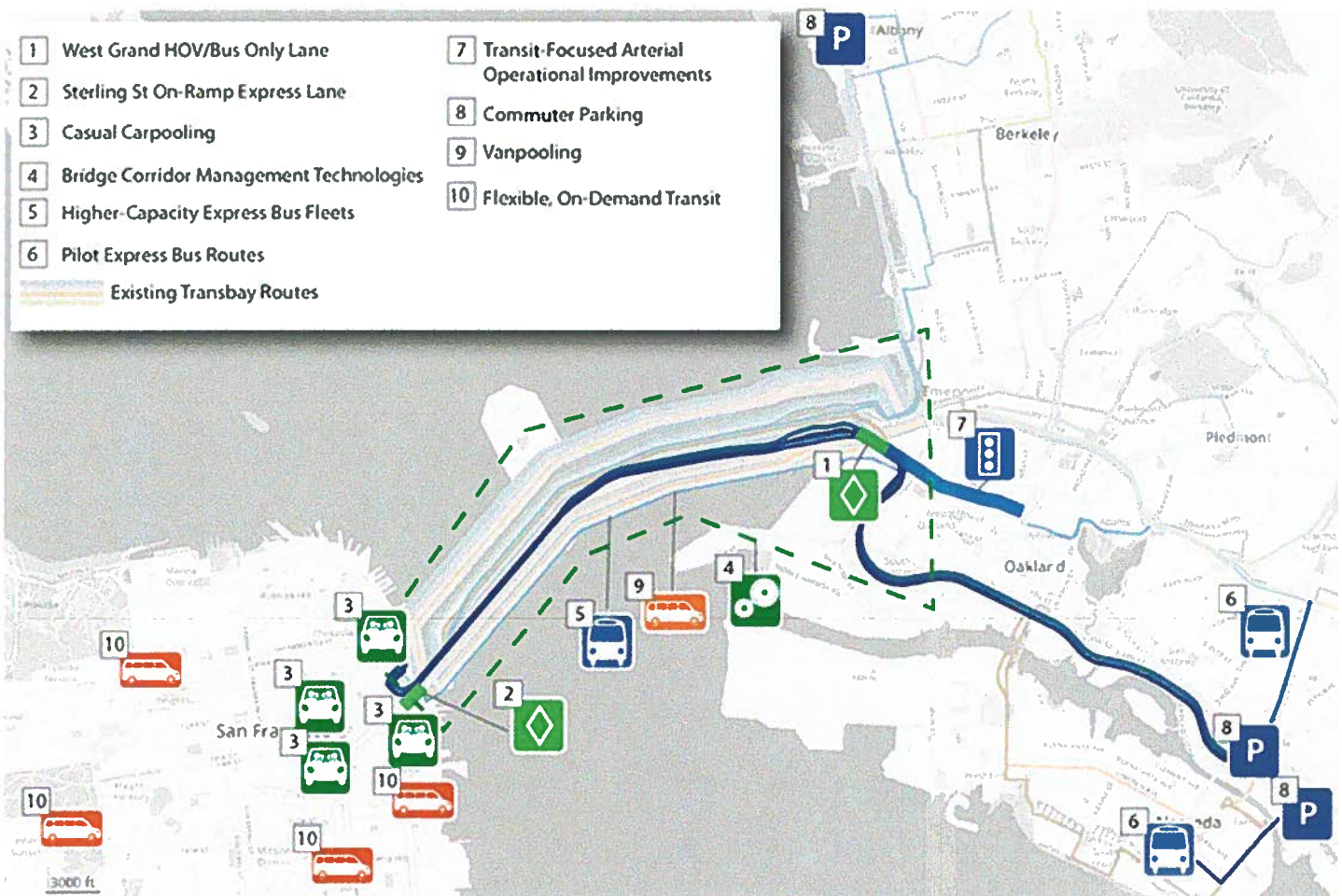
\*Preliminary estimates subject to further refinement

**Total: \$ 40 M**

## Core Capacity Guiding Principles

- ★ Moving more people in the same number of vehicles between San Francisco and the East Bay will result in more efficient operations and greater person throughput within the Bay Bridge corridor
- ★ Operational improvements designed to offer travel time savings and ease of access to carpooling and transit use will effectively encourage and support adoption of those modes
- ★ Regional investments that improve core capacity within the Bay Bridge corridor should be taken advantage of by public and private service providers alike, such as public transit operators and shared mobility companies that are releasing new services focused on carpooling

## Bay Bridge Core Capacity Project



**Other Opportunities.** In 2010, congestion pricing was implemented, charging \$2.50 for carpools and \$6 for all others during peak periods. As part of a potential Regional Measure 3, there may be an opportunity to reduce the HOV toll rate to create a greater differential between carpool and non-HOV toll rates to provide greater incentives to take transit or carpool.



## Attachment D: Short-term Housing Initiatives

### 1. Reward Cities and Counties: One Bay Area Grant (OBAG) Program

*Example:*

From 2015-19, a local jurisdiction has issued permits to about 60% of its allocation for low- and moderate-income units in its PDA. This program rewards the top 20 jurisdictions based on affordable units permitted between 2015 and 2019. The jurisdiction becomes automatically eligible for additional FAST Act transportation funds. Table 1 illustrates what a distribution would have looked like for the period from 2007-2014. The proposed program would be prospective and therefore distribution amounts are not yet known.

*Structure:*

MTC would set aside a portion or all of the additional revenue received through the FAST Act for a “bonus” program that rewards local jurisdictions that have permitted a significant share (threshold TBD) of their RHNA allocations in Priority Development Areas.

The Bay Area has permitted only about a third of all very low, low and moderate income RHNA allocations over the last 2 cycles. This program is intended to encourage jurisdictions in the Bay Area to permit new homes near transit and jobs and reward them with transportation funds. The local jurisdiction may count accessory dwelling units, micro units, and pre-fabricated dwellings toward their numbers, even if these units do not qualify for RHNA for some reason.

*Leverage:*

While the amount of “bonus” funds awarded may be limited, local jurisdictions would be eligible for them only if they permitted a significant number of affordable housing units.

*Table 1. Illustration of Possible Distribution for 2007-2014 Permitting Low and Moderate Housing*

Jurisdiction	Low & Moderate Income Units	Rank	Possible FAST Bonus
San Francisco	6,635	1	\$ 18,427,712
San Jose	2,956	2	\$ 8,209,844
Sunnyvale	2,178	3	\$ 6,049,067
Oakland	1,689	4	\$ 4,690,943
Santa Rosa	1,450	5	\$ 4,027,156
Oakley	1,307	6	\$ 3,629,995
San Leandro	973	7	\$ 2,702,361
Pittsburg	871	8	\$ 2,419,071
Antioch	862	9	\$ 2,394,075
Alameda Co	763	10	\$ 2,119,117
San Ramon	753	11	\$ 2,091,344
Vacaville	746	12	\$ 2,071,902
Santa Clara	721	13	\$ 2,002,469
Milpitas	709	14	\$ 1,969,141
Rio Vista	662	15	\$ 1,838,605
Santa Clara Co	620	16	\$ 1,721,956
San Bruno	596	17	\$ 1,655,300
Fremont	492	18	\$ 1,366,456
Contra Costa Co	471	19	\$ 1,308,131
Richmond	470	20	\$ 1,305,354
<b>TOTAL</b>	<b>25,924</b>		<b>\$ 72,000,000</b>

## 2. Direct Investment: Naturally Occurring Affordable Housing (NOAH) Pilot Program

*Example:* The owner of a 28-unit apartment building, which is located in a transit-accessible neighborhood experiencing rising rents, is selling the entire property. Among many potential buyers is a non-profit housing organization (NPHO) that wants to purchase the building, bring it up to code, and protect it as deed-restricted affordable housing for households earning less than 120% AMI. The NPHO is able to secure a low-interest loan through the NOAH program to purchase the property and keep it affordable for the long-term.

*Structure:* MTC would provide low-interest revolving loans to non-profit housing entities to purchase, rehabilitate and protect market-rate units as permanently affordable units for low- and moderate-income renters. The program would also be available to extend expiring protections on currently deed-restricted units and for major rehab.

*Leverage:* Potentially significant. The NOAH program is estimated to leverage from 3:1 to 7:1 times MTC's investment, depending on location, building type, and the availability of other funds. Acquisition, rehabilitation and protection is also a more cost-effective strategy compared to just building new affordable units. Total units preserved range from approximately 200 at 3:1 leverage up to roughly 2,000 for a \$72 million investment at 7:1.

## 3. Regulation: Conditioning OBAG Funding

*Example:* A city permitted over 50% of its low and moderate income RHNA from 1999-2014 and has over 10% of its housing affordable to low-wage workers. Based on this analysis, the city is eligible for additional OBAG funding since it already has a certified housing element and a complete streets resolution consistent with adopted Commission policy.

*Structure:* Based on an assessment of each city and county's displacement risk, low-income worker in-commuting, past RHNA performance and the current affordability of the community, some cities would be required to develop a Neighborhood Stability and Affordability Plan that complements their adopted housing policies to increase city/countywide affordability. Cities and counties meeting RHNA performance and/or current level of affordability would not be required to take any additional actions to be eligible for additional FAST funds.

MTC currently requires cities and counties seeking OBAG funding to have a certified housing element. Housing elements, however, do not require cities to approve zoning applications and in turn to produce housing to ensure affordability for a share of their residents. Housing elements also do not require a response to rapid rent escalations that most Bay Area cities and counties are experiencing.

*Leverage:* This approach is intended to increase short and long-term affordability in all cities seeking OBAG funding. This approach does not condition the release of FAST funds to jurisdictions based on a menu of adopted housing policies as presented by the Six Wins Coalition in fall 2015. Instead the process identifies communities with an above average displacement risk or high cost of housing and has them develop a response based on their community's needs.



# Attachment E: Medium-Term Initiatives

## 1. Within Existing Authority

### A. Infrastructure Finance Fund (IF2)

<i>Example:</i>	A 72-unit, mixed-income housing project with 20% affordable units at 80% AMI has secured a majority of its funding and financing. But it lacks equity to secure that extra funding for off-site infrastructure investments and tax credits. Fortunately, the local jurisdiction can secure an \$8 million low-interest infrastructure financing package via the IF2 to bridge this gap. The project now “pencils out.”
<i>Structure:</i>	Using BATA’s approved investment policy, the IF2 program would invest in instruments that provide low-interest infrastructure loans in relation to infill projects that are consistent with Plan Bay Area – TOD projects encompassing affordable housing in high-priority PDAs.
<i>Applicability:</i>	<p>The IF2 program would provide gap financing for transportation-related infrastructure associated with housing developments with a sizable affordability component in high-priority PDAs that would otherwise fail to “pencil out” due to high off-site infrastructure improvement costs.</p> <p>Senior staff at the cities of San Jose, Oakland and affordable and market-rate housing developers have indicated that the lack of such low-cost infrastructure financing is a key barrier to housing development ever since redevelopment agencies were eliminated.</p> <p>IF2 could be used as a “but for” funding for infrastructure improvements tied to new housing developments (including streetscape improvements, sewer/water infrastructure, bicycle/pedestrian improvements, etc.).</p> <p>Low-interest infrastructure financing could be a “game-changer,” especially in emerging transit-accessible PDAs in the East Bay and North Bay.</p>
<i>Leverage:</i>	Significant. The IF2 will make projects more attractive for financing to other lenders and if structured appropriately could serve as the local match for tax credits and other programs.
<i>Proposed MTC Funding Source:</i>	BATA funds, guided by BATA’s approved investment policy.
<i>Legislation Required:</i>	None
<i>Potential Impact:</i>	Significant. If of a sizable amount, even this one-time investment can jump start numerous projects in PDAs.

## 2. Outside Existing Authority

### B. Regional Jobs-Housing Linkage Fee

<i>Example:</i>	<p>A company is building its new facility in a location with limited transit access and where the number of existing jobs far outnumber existing housing units. Most workers in this sub-region already commute long distances by car resulting in a high level of VMT per capita.</p> <p>Irrespective of any development or impact fee charged by the local jurisdiction to the firm, the employer pays a regional jobs-housing linkage fee of \$5000 per employee to mitigate regional transportation impacts caused by adding 2,000 new workers in a “location-inefficient” zone that will significantly increase total VMT and GHG.</p>
<i>Structure:</i>	<p>The jobs-housing linkage fee would be based on a nexus study utilizing MTC’s travel model that estimates vehicle-related GHG emissions based upon geographic location. A portion of the funding would support demand management programs to reduce VMT and GHGs in the area where commercial development is occurring, and a portion would support affordable housing for low- and moderate-income households in high-priority PDAs.</p> <p>The jobs-housing linkage fee program is similar in design to the state’s Cap and Trade Program that is designed to charge a fee for emitting GHGs, and in turn invests these revenues in programs that reduce emissions.</p>
<i>Applicability:</i>	<p>This fee program would apply to any new commercial development of a certain size (threshold to be determined) anywhere in the nine-county region. It would not be applicable to housing developments.</p> <p>The fee program would directly address the housing and transportation impacts of new, regionally significant commercial development, without affecting local control over land use and development decisions. The fee program would also provide a mechanism for large employers and businesses to participate in solving the region’s housing and transportation crisis.</p> <p>Lastly, the fee program will encourage “location efficient” uses by providing for some leveling of the playing field between high-VMT zones (that have a skewed jobs-housing ratio) and low-priced and low-VMT zones (that are well served by transit, and have a better balance between jobs and housing) leading to a better fit between jobs and housing in the region over time.</p>
<i>Leverage:</i>	<p>Very Significant. The fee program would provide a significant new source of regional funding for workforce housing in “location-efficient” zones as well as transportation projects that serve these locations. It will also provide an effective tool to advance Plan Bay Area implementation.</p>
<i>Legislation Required</i>	<p>State legislation would be needed to provide the legal and regulatory basis for establishing the fee program.</p>
<i>Potential Impact:</i>	<p>Very Significant. The jobs-housing linkage fee program could be a potential “game changer,” which not only raises new revenue for needed housing and transportation investments but also promotes a more “location efficient” land use pattern without weakening local land use authority.</p>

### C. Regional Housing Bond/Fee and Trust Fund

- Example:* A local jurisdiction has purchased a parcel that can accommodate 65 rental units for households that earn less than 80% of the county AMI. The parcel is within a PDA and provides regional transit connections to multiple job centers. Unfortunately, the affordable housing developer has struggled to secure adequate subsidies for the project. The developer is short by \$6 million.
- The Regional Housing Trust Fund has raised \$700 million via a multi-county housing bond and pooled \$26 million from eight local jurisdictions through their respective housing programs. The regional housing trust fund entity allocates \$6 million to the project.
- Structure:* A regional entity, potentially MTC, would establish a regional housing trust fund that collects or aggregates revenue from existing inclusionary programs or other fee programs for affordable housing construction in transit-accessible locations. It would also raise funds via bond or fee with voter approval after securing needed state legislation to enable this function to address the \$1+ billion affordable housing shortfall.
- The approach will complement county housing bonds that have passed or are under development to substantially grow the pool of available funding for housing. For example, a regional 1/8 cent sales tax would generate almost \$200 million annually for housing in the Bay Area; a \$25 parcel tax could generate \$1 billion; a \$75 real estate recording fee based on AB 1335 could generate almost \$200 million annually.
- Applicability:* Many small- to medium-sized jurisdictions in the Bay Area require market rate housing developers to pay an inclusionary housing fee, which then funds low- and moderate-income housing construction. However, regardless of size, most local jurisdictions have not been able to approve over 50% of their RHNA.
- By aggregating these funds across jurisdictions and raising new funds, a regional housing trust fund can put these collected fees to use more readily and dramatically increase affordable housing funding. The trust fund could pool resources for a single project, or provide gap funding to multiple projects within the same county.
- Leverage:* Significant. Not only would the trust fund pool existing funding across multiple jurisdictions to fund affordable housing projects, but it could provide the mechanism for collecting new revenues through the Value Capture and Jobs-Housing Linkage Fee programs.
- Legislation Required:* Yes, MTC and participating cities / counties would need to seek state legislation to establish and operate a regional housing trust fund. Additional MOUs may be needed with each county.
- Potential Impact:* Substantial. With additional sources of funding of regular funding, the trust fund can make an immediate impact of financing more housing.