May 16, 2013

Amy Worth, Chair (by email: aworth@cityoforinda.org)
Metropolitan Transportation Commission
Mark Luce, President (by email: mark.luce@countyofnapa.org)
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Re: Comments on Draft Plan Bay Area

Dear MTC Chair Worth and ABAG President Luce:

Public Advocates, the California Affordable Housing Law Project, California Rural Legal Assistance and Urban Habitat submit these comments on the draft Plan and the regional planning process.

With MTC and ABAG’s study of the Equity, Environment and Jobs (EEJ) scenario as Alternative 5 in the draft EIR, it is clear that the three modifications it proposes – improving local transit service levels, distributing more housing growth to suburban job and transit hubs, and protecting vulnerable families from displacement – will dramatically boost performance in critical areas where the draft Plan falls short. We include three specific recommendations for relatively modest policy and investment changes that would dramatically improve the final Plan’s performance against our regional targets and performance measures, while delivering a fairer share of the Plan’s benefits to our region’s most disadvantaged families.

The analysis in the draft Plan and EIR demonstrates that the EEJ alternative – which MTC and ABAG have appropriately identified as the “environmentally superior alternative” – performs significantly better than the draft Plan on a host of performance measures tied to the targets and goals our region has chosen to pursue. By removing tens of thousands of cars from our congested roads and increasing transit ridership dramatically, the EEJ alternative will reduce daily VMT by 3.5 million miles and annual emissions by over half a million tons. The EEJ alternative will put tens of thousands fewer families at risk of flooding from sea-level rise and billions of dollars more into filling potholes on local streets and roads. And it will provide the greatest benefits to
disadvantaged families while protecting them the most from displacement.

The crucial elements of the EEJ alternative can easily be incorporated into the final Plan Bay Area. Three specific changes that build on the draft Plan in relatively modest ways will yield outsized benefits in meeting the goals and targets we identified as a region at the outset of the planning process:

- The draft Plan directs $220 billion to transit operations. The EEJ alternative achieves its benefits with an increase in that total of only 5 percent.
- The draft Plan puts 95 percent of new housing growth into fifteen cities. Reducing that concentration to 80 percent in the SCS brings enormous benefits if the remainder is shifted to places with good transit, lots of jobs, and/or high-opportunity neighborhoods – the “PDA-like places” which ABAG’s executive board agreed to emphasize in its unanimous July 2011 vote.¹ This corresponds to a shift of about 25,000 homes in the eight-year RHNA.
- The draft Plan devotes $320 million to the region’s innovative One Bay Area Grant program (OBAG), which has already demonstrated the power to incentivize local affordable housing plans consistent with the region’s goals. EEJ would incorporate into OBAG specific requirements to ensure strong local action to meet the region’s target of zero displacement.

These changes will boost the final Plan’s performance, including on measures essential to reaching Plan Bay Area’s important public health targets. If we also include policy recommendations to encourage project sponsors to pay their workers Area Standard Wages and to require the inclusion in the construction team of local apprentices enrolled in State of California approved Apprenticeship Programs, we not only get better health and environment outcomes, but improved economic outcomes, as well.

Two important points about the design of the EEJ alternative should be made at the outset. First, the EEJ alternative – unlike alternatives that MTC analyzed in past RTP cycles – is not only entirely fiscally-constrained, but plays by exactly the same rules as the draft Plan. It puts no funds toward transit operating purposes except those that MTC staff acknowledges are eligible for that use. And it includes all of the draft Plan’s “committed” projects.

Second, the VMT fee is not an essential part of the EEJ alternative. While it provides a useful placeholder for analyzing the benefits that a boost in transit operating revenue would bring to our region, we can enjoy the bulk of those benefits without a VMT fee. In fact, $3 billion in additional transit operating funds can readily be made available in the final Plan, as discussed below.

The agencies’ study of the EEJ alternative shows that, taken together, the modest changes we propose bring enormous and crucial benefits to the Bay Area. These benefits are individually significant, resulting in hundreds of thousands of tons in emissions reductions compared to the draft Plan, well over one hundred thousand added transit riders and more than 15,000 fewer families at high risk of displacement, and benefits on many other targets the region adopted to ensure progress toward our shared goals. Cumulatively, the increment in additional benefits is massive. And the sooner we invest in reaping those benefits, the larger they will grow as they compound over time.

Our comments are organized as follows:

**Section A** addresses the process, with reflections on what worked and what could be improved next time. It shows that if we do not incorporate a “trade-offs” decision point at which elements of the EEJ can be discussed and put to a vote, then much of what was good in the process will have been for naught.

**Section B** summarizes the enormous benefits that the elements of the EEJ alternative could bring to improving the draft Plan.

**Section C** addresses transportation issues, demonstrating several examples of how staff can make over $3 billion in additional transit operating revenue available. It also notes some troubling discrepancies in the draft Plan’s analysis of transit operating shortfalls.

**Section D** addresses the irrationality, infeasibility and unfairness of loading 95 percent of the housing allocation into just fifteen cities, while allocating insufficient housing to high-opportunity suburban job centers and transit hubs with thousands of low-wage workers who commute long distances to work.

**Section E** addresses the issue of community disruption and displacement due to the gentrification that PDA-focused housing growth will bring.

**Section F** concludes with a description of the three policy and investment changes that MTC and ABAG’s governing boards should include in the final Plan.

### A. Reflections on the Process

We are just months from the end of a regional visioning and planning process that began in earnest three years ago. That process saw many voices come together for a discussion that, at its best, was thoughtful, respectful and inclusive. It was not always at its best. Both to reflect on what worked, and to learn what should be improved in the next round, we begin with an evaluation of the process.

Early on, a crucial decision point was the adoption of a federally-required Public Participation Plan. Already at this early stage, a broad spectrum of groups involved themselves in the process, recognizing the importance of equitable long-range planning. Those groups include many community-based membership organizations, and represent overlapping concerns with social and environmental justice, public health, affordable housing, transit service, environment and economic issues. Fifty of them commented on MTC’s draft participation plan, asking above all
that the process “start with the needs.”\(^2\) Specifically, they asked for “an early process for assessing and prioritizing the critical transportation needs of the region as a whole, and of low-income communities and communities of color in particular.”

It was a shortcoming of the process that this needs assessment never took place. Instead, the starting point was lists of pet projects that counties put together in processes that were scarcely public, much less inclusive. As MTC/ABAG bring this planning cycle to a close and begin looking to the next one, they will benefit from an early discussion that can inclusively identify and prioritize the needs of the region. A related request that was not honored sufficiently this time, and must be improved in the next round, was that MTC “ensure transparency in the CMAs and the Partnership Board.”

By contrast, a highlight of the process was the adoption of targets and performance measures in early 2011. The agencies should commit to issuing an annual report card of performance against these targets, equity metrics and others performance measures.\(^3\) In addition, the translation of goals into targets and metrics can be done better next time. We recommend as an early step that the agencies commission a “state of the research” study on the ways in which progress toward meeting our region’s equity, economic and environmental goals can be measured, in triple-bottom-line fashion, and that this research inform the selection and measurement of targets.

Another positive change was the creation of a Regional Equity Working Group and the preparation of equity analyses at earlier stages of the decision-making process, rather than at the end, after the preferred alternative has already been selected. Too often, however, the agencies ignored the strong and constructive recommendations of the REWG and other advisory groups. One key recommendation that should be implemented next time is to measure equity by first identifying gaps in key indicators between demographic groups in the base year, then designing scenarios with policies and investments specifically targeted to closing those gaps, and then measuring the extent to which the gaps are indeed closed.\(^4\)

MTC’s decision to conduct a project performance assessment of uncommitted transportation projects proposed for inclusion in Plan Bay Area was the right decision. But that evaluation should affect the outcome. As far as we can tell, no poor-performing projects were eliminated from the draft Plan on the basis of this assessment. The draft Plan includes 194 projects that would increase freeway lane-miles, at a total cost of $5.4 billion in uncommitted funds. Nearly all of them – 171 – scored “low” (meaning less than 1) on MTC’s benefit-cost measure. By


\(^3\) For an example of an annual monitoring report from another MPO, see http://www.dvrpc.org/asp/pubs/publicationabstract.asp?pub_id=13044.

contrast, strong and medium-strong projects scored 5 or greater. And measured against MTC’s targets, many of these highway expansion projects also performed poorly, with 81 having a “minimal impact” at best, and many having adverse impacts. In addition, the draft EIR indicates that 11 of these projects, with a total capital cost of $1.25 billion, are located within the mid-century sea level rise zone, while another 6 (capital cost $1.28 billion) are within the mid-century low-lying zone.

The performance assessment will continue to have contributed no value to the outcome unless the process of final adoption includes the opportunity to trade off poor performance in favor of better-performing alternatives. The time in the process for that opportunity is now.

The question at this moment, more broadly, is whether the performance of both projects and alternatives against the targets and metrics the region adopted earlier will inform the final stage of the decision making process.

The development of scenarios and selection of some for study was a low point in the process. Many participant groups had repeatedly asked to be involved in that process from the start; instead, five scenarios developed by staff without public input appeared on the scene in June 2011. A community-developed scenario, the Equity, Environment and Jobs scenario (EEJ), was quickly brought forward for discussion – and ultimately studied in the current draft EIR. The EEJ scenario reflected an unusually broad consensus of community and policy groups across the region, and excited the interest of a number of MTC/ABAG policy board members. But the agencies’ failure to bring this scenario forward as part of the original group of staff scenarios meant that it was not incorporated in discussions that led to selecting a “preferred” alternative. This was a deep flaw in the process that can be remedied in part only by having a substantial discussion about modifying the draft Plan now that EEJ has been studied.

That said, we commend the agencies for their decision to study the EEJ scenario as an EIR alternative under CEQA. Whether the EEJ scenario was analyzed against the preferred alternative in a proper and comparable manner (it was not) is discussed in our separate comments on the DEIR, attached and incorporated herein. Whether its study, and its numerous and cumulative performance benefits, will result in an improved final Plan is the subject of this letter.

In sum, the process to date has had its high and its low points, resulting in a draft Plan that, despite some strong potential, falls far short of its goals. The test for the process, and for the substance of the outcome, is whether we take this opportunity to make the relatively modest changes that the process to date has shown will result in a much better final Plan.

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5 The projects are those listed as deleted in the EEJ in Appendix C to the draft EIR. Project scores are from the online project database at [http://www.bayarea2040.com/](http://www.bayarea2040.com/). Groupings of scores (e.g., “low” benefit-cost, or “minimal impact” on targets) come from MTC’s Summary of Benefit-Cost Ratios and Target Scores (App. A-1), dated Jan. 24, 2012.

B. The EEJ Alternative Significantly Outperforms the draft Plan.

The performance charts in chapter 5 show that, on target after target, the EEJ outperforms the draft Plan. While the differences are misleadingly represented as seemingly small percentage point differences, they are in fact significant both individually and cumulatively.\footnote{As noted in the attached memorandum of Sustainable Systems Research, LLC, the actual performance of the EEJ relative to the preferred alternative would have been even greater had the modeling inputs and methods been comparable and had displacement impacts been modeled. Sustainable Systems Research, LLC “Technical Memorandum: Review of the Draft Environmental Impact Report for Plan Bay Area” May 15, 2013, p. 12. (Attachment C, hereinafter “SSR Memorandum”)}

First, by boosting transit operating funding by just 5 percent, the EEJ alternative showed that we can dramatically increase transit service levels,\footnote{SSR Memorandum, Appendix A.} providing:

- 12.5% more local transit service (bus and light rail)
- 13% more express bus service, and
- 6.5% more BART service

Adding transit service close to housing and jobs will mean:

- 83,500 fewer cars on the roads
- 3.5 million fewer miles of auto travel per day.
- 108,000 fewer people traveling by car each day
- 165,000 more people riding transit each day\footnote{Id.}

Dramatically reduced levels of driving, in turn, not only translate into less congestion on our roads, but also result in dramatic public health and environmental benefits over the draft Plan Bay Area, including these:

- 1,900 fewer tons of CO\(_2\) emissions per day and 568,000 fewer tons of GHG emissions per year
- 6.4 fewer tons of Toxic Air Contaminants (TACs) per year
- 1,290 fewer tons of carbon monoxide emissions per year
- Daily energy savings of 68 billion BTUs, the equivalent of burning 600,000 fewer gallons of gasoline each day.\footnote{Id.}

It will also provide the public health benefits associated with

- 250 more hours of active transportation (biking and walking) per day.\footnote{Id.}

EEJ also would avoid wasting scarce public funds – \$2.5 billion worth – on building highway expansions in places that are expected to be at risk of flooding by 2050.\footnote{SSR Memorandum, Table 3.}
residents at risk of flooding. By moving some of our housing growth and transportation investment out of these risky areas, it would:

- Put 30,000 fewer residents in neighborhoods subject to flood risk due to sea level rise by 2050, and
- Have enough money left over to repave more than 4,400 miles of local streets and roads.13

EEJ would also be fairer to the region’s most disadvantaged communities and families: it would
- Put 15,800 fewer struggling families at high risk of displacement, and
- Save low-income families $79 million a year in rent.14

In short, the EEJ alternative offers the Bay Area substantial impacts across a wide range of benefits.15

Moreover, the additional benefits of increasing non-auto mode share will compound over time, as land uses will follow ridership, creating a virtuous cycle.16

Since the three adjustments the EEJ alternative proposes will bring our region so much closer to the outcomes we set our sights on when we set regional goals and targets, and will do so more fairly than the draft Plan, the appropriate question for thoughtful consideration at this stage of the process is: What can we learn from the EEJ alternative that can improve the draft Plan?

The remainder of these comments addresses what we have learned so far, and fleshes out the three recommendations that would strengthen the final Plan while retaining what is strong in the draft.

C. The Final Plan Should Use Existing Operations-Eligible Funds to Boost Local Transit Service, and Commit to a “Regional Transit Operating Program.”

Two-thirds of all transit boardings in the Bay Area today occur on local bus lines.17 Local bus service not only provides a vital lifeline for low-income families, youth and seniors, it is also our most adaptable mode of transit and our most cost-effective means of reducing driving and GHG emissions. Yet the history of local bus operations in the Bay Area is a history of service cuts and

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13 The EEJ alternative includes additional revenue of $3.4 billion to put toward closing the Local Street and Road maintenance shortfall. SSR Memorandum, p. 9.

14 SSR Memorandum, Appendix A.

15 Modeling results state that EEJ performs 1% worse than the draft Plan on gross regional product. But Cambridge Systematics, commissioned by the agencies to prepare an analysis of economic impacts, calls the methodology used “notoriously unreliable.” Economic Impact Analysis at 5. Despite repeated public requests, no other job or economic measures were studied in the draft Plan and EIR.

16 SSR Memorandum, p. 12.

fare hikes that have reduced service in many parts of the region to levels lower than they were years ago. For instance, in FY 2011 the region ran at least 10 percent less bus service than it did in FY 2003.\textsuperscript{18}

The draft Plan, according to the DEIR, will increase overall transit service levels by 27.3 percent over existing service levels.\textsuperscript{19} Yet while 66 percent of boardings are on local bus, fully three-quarters of the projected service increase in the draft Plan comes on modes (heavy rail, commuter rail and ferry) that tend to serve more affluent “choice” riders – those who have the choice to drive instead. Only 20 percent would benefit the riders of local bus and light rail systems, who are far more likely to be transit-dependent, and to be riders of color.\textsuperscript{20}

By contrast, the EEJ alternative not only improves existing transit service levels more dramatically – 37 percent overall – it also distributes that improvement more fairly, putting nearly 30 percent of its service increase into local transit.

And the EEJ alternative proves that boosting local service pays big dividends in increasing ridership, in agreement with the national research. The travel modeling data used in the draft EIR demonstrates that adding local transit service – and in particular, local bus service – is the most cost-effective way to build transit ridership. Of the 179,106 additional daily transit boardings that the EEJ alternative generates over the draft Plan on local bus, light rail and BART, local bus service accounts for 111,000, and light rail service for another 51,000, making a total of 162,000 additional boardings on local transit modes. By contrast, BART boardings account for under 17,000.\textsuperscript{21}

The contrast is significant because not only do local transit boardings account for 90 percent of the EEJ alternative’s increased boardings over the draft Plan’s, they do so much more cost-effectively than other modes of transit. We know this because the EEJ alternative devoted $3.2 billion to additional BART Metro service improvements (beyond those included in the draft Plan), while devoting $6.7 billion to mostly local transit service operated by AC Transit, VTA, SamTrans, and several smaller operators.\textsuperscript{22}

Dollar for dollar, the investment in local transit operations produced 4-1/2 times more ridership increase than the BART investment:

\textsuperscript{18} Revenue vehicle hours of service fell 13 percent, from 86,207,000 to 75,067,000. During the same period, revenue vehicle hours dropped 10 percent, from 7,175 to 6,453. \textit{Source:} MTC Statistical Summary of Bay Area Transit Operators, June 2012, p. 5; id., Mar. 2008, p. 5. Since these totals combine express and local bus service, the reduction in local service was likely greater.

\textsuperscript{19} DEIR Table 3.1-7 (data in seat-miles).

\textsuperscript{20} See Attachment D, based on data provided in DEIR Table 3.1-7.

\textsuperscript{21} See SSR Memorandum, Table 2.

\textsuperscript{22} The smaller operators are Marin Transit, Golden Gate Transit, LAVTA, County Connection, Santa Rosa CityBus, and Sonoma County Transit.
The EEJ alternative demonstrates that we get a huge bang for our buck by increasing our investment in local transit operations. To bring our transit service levels up to the levels in the EEJ alternative, we should put $3 billion more into local transit service in the final Plan, and make a high-priority commitment to find another $9 billion as new funding sources come available in the future.

1. **The Final Plan Should Boost Operating Revenue for Local Transit Service by $3 Billion.**

The EEJ alternative shows that we can dramatically boost local transit service levels, both immediately and in the long term. While EEJ includes a VMT fee as a placeholder for demonstrating the benefits of significant additional operating funding for local transit, much of the boost in transit service levels can be accomplished in this plan, today, using funds that MTC staff has identified as eligible for that purpose.

Staff has the expertise to make this happen. Simply to illustrate that it is well within the realm of feasibility, we provide three examples of how it could be done:

**First illustration:** Last June, an MTC staff report included a table entitled “Potential Shifts to Transit Operating” (Att. B) identifying $5.9 billion in operations-eligible funding sources that were proposed for uses other than transit operations (such as OBAG and the Freeway Performance Initiative (FPI)). By using some of that, and shifting savings from low-performing freeway projects to backfill OBAG and FPI, we can immediately boost bus service levels by $3.3 billion without reducing transit capital replacement funding, as shown in this chart:

<table>
<thead>
<tr>
<th>Mode</th>
<th>Dollars invested in EEJ operations</th>
<th>Ridership increase in EEJ over draft Plan</th>
<th>Dollars per additional boarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local transit</td>
<td>$6.7 billion</td>
<td>162,000</td>
<td>$ 41,358</td>
</tr>
<tr>
<td>Heavy rail</td>
<td>$3.2 billion</td>
<td>17,000</td>
<td>$188,235</td>
</tr>
</tbody>
</table>
In short, not only can we boost transit service levels substantially, we can direct another $2.4 billion to cover shortfalls in local street and road maintenance in the process.

Second illustration: MTC’s express lane proposal is projected to generate $6 billion in unrestricted revenue over the life of the Plan, but proposes to plow all of that money back into building more express lanes. If only half of those revenues were used to boost transit service, we could dedicate $3 billion towards improving transit service levels, while also making for a more equitable project.

Third illustration: The draft Plan includes no AB 32 Cap and Trade revenue, projected to amount to a half-billion dollars in the next fiscal year alone. In its “Cap-and-Trade Auction Proceeds Investment Plan,” the Department of Finance and the Air Resources Board recommend that one of three investment categories, “sustainable communities and clean transportation,” receive the

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**Table:**

<table>
<thead>
<tr>
<th>Project/ Program</th>
<th>Draft Plan Allocation</th>
<th>Operating Eligible Funds</th>
<th>Shifted to Transit Ops</th>
<th>Cancelled Uncommitted Projects</th>
<th>Restored Cancelled Capital Projects</th>
<th>Revised Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Capital Replacement</td>
<td>$2.6 billion</td>
<td>$2.6 billion</td>
<td></td>
<td></td>
<td></td>
<td>$2.6 billion</td>
</tr>
<tr>
<td>OBAG</td>
<td>$2.0 billion</td>
<td>$2.0 billion</td>
<td>($2.0 billion)</td>
<td>$2.0 billion</td>
<td>$2.0 billion</td>
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</tr>
<tr>
<td>Regional Express Lanes Network</td>
<td>$0.3 billion</td>
<td>$0.3 billion</td>
<td>($0.3 billion)</td>
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<tr>
<td>FPI</td>
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<td>($1.0 billion)</td>
<td>$1.0 billion</td>
<td>$1.0 billion</td>
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</tr>
<tr>
<td>Uncommitted Freeway Exp. Projects</td>
<td>$5.4 billion(^{24})</td>
<td></td>
<td>($5.4 billion)</td>
<td></td>
<td></td>
<td>$0.00</td>
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<tr>
<td>Local Streets and Roads</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Transit Operations</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11.3 billion</strong></td>
<td><strong>$5.9 billion</strong></td>
<td><strong>($3.3 billion)</strong></td>
<td><strong>($5.4 billion)</strong></td>
<td><strong>$3 billion</strong></td>
<td><strong>$11.3 billion</strong></td>
</tr>
</tbody>
</table>

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\(^{24}\) Source: MTC document, Summary of EEJ Funding Shifts (draft Aug. 30, 2012) (attached to SSR Memorandum as part of appendix A).
largest allocation. The final Investment Plan, issued May 14, 25 expressly highlights “transportation infrastructure and operations” (p. 27) as funding priorities, putting to rest any doubts in the draft. In fact, the final Investment Plan includes among the “existing programs” to which funds are recommended to be allocated State Transit Assistance, the primary state funding source for transit operations (p. B-4). The Bay Area’s share of additional STA operating funds could easily exceed hundreds of millions of dollars over the life of the Plan, and those funds should be earmarked in the final Plan for local transit operations.

These are only illustrations of several feasible possibilities. Staff has the expertise to fine tune these solutions, mix and match them, and come up with others. The Commissioners and Board Members of MTC and ABAG should direct staff to suggest the best source for increasing local transit operating revenues in the final Plan by at least $3 billion.

2. The Final Plan Should Include a High-Priority “Regional Transit Operating Program,” at the Level of Resolution 3434, which Targets Another $9 Billion in Transit Operating Revenue.

With a downpayment of $3 billion in the final Plan for additional local transit service, we should take the further step of adopting a long-range, high-priority policy, parallel to the successful Regional Transit Expansion Program in MTC Resolution 3434. This “Regional Transit Operating Program” should include two components. First, it should set a target of increasing transit operating funding for the region by another $9 billion, to fully fund local transit service, a region-wide free youth bus pass, and BART Metro. And second, it should commit MTC to take advantage of all new operations-eligible funding that comes to the region from state and federal sources, such as Cap and Trade revenues under AB 32, federal “windfalls,” and so on, and should set expectations that future county sales tax measures include a fair share for transit operations.

3. The draft Plan Leaves Unanswered Questions about the Extent of Transit Operating and Maintenance Shortfalls.

The addition of transit operating revenue in the final Plan is particularly crucial because it appears that draft Plan may fall short for many operators even of its stated objective of maintaining existing levels of service.

By way of background, in the draft Plan, as in the past, MTC has identified both capital and operating shortfalls for transit. Funding both the capital maintenance needs and the operating needs of our transit systems is critical to preserving existing levels of service and ridership.

We commend MTC for a major policy shift in the draft Plan which, for the first time, proposes to fully fund operating shortfalls.26


26 In 2009, as in every previous RTP going back to at least 1998, MTC applied regional discretionary funds to cover transit capital shortfalls, in whole or in part, but none of the operating
This policy change is important because MTC’s past failure to cover operating shortfalls has contributed to the consistent decline of transit service levels for some operators from one RTP to the next. For instance, the draft Plan shows a drop of 12 percent in AC Transit service levels over its 2009 RTP baseline (= FY 2007); other operators have also lost significant service baselines from the 2009 RTP to the draft Plan, including SF MUNI (-7%) and SamTrans (-11%). Overall, baseline service levels are down 3 percent for the large operators, and 5 percent for small operators in the draft Plan over the last RTP.

On top of the erosion of baseline service levels from one RTP to the next, the draft Plan leaves serious questions unanswered about whether shortfalls were properly identified and covered so as to maintain even the new baseline service levels. These questions should be answered in the final Plan, and to the extent that shortfalls have been understated, additional operating funds should be allocated to cover those shortfalls in full.

One overarching question is the source of the data in the appendix on Transit Operating and Capital Needs and Revenue Assessment.27 In the past, MTC’s process was to obtain information on current service baselines and operating revenue needs from the operators in their Short Range Transportation Plans. In this planning cycle, for the first time, it appears that those ten-year plans were not the basis of the projections. MTC states that “Where there were questions on the assumptions, MTC generally worked with the transit operator to get clarification and used information deemed most accurate by the transit operator,” but evidently this process was not as careful as it should have been. The apparent failure to adequately vet the data with the operators raises additional questions, including the following:

First, the transit operating and maintenance analysis in Table 1 of the Transit Operating and Capital Needs and Revenue Assessment states that MTC used a FY 2013 baseline of existing transit service levels. In other words, MTC identified the FY 2013 service level for each operator, and then calculated how much it will cost to continue operating at that level for 28 years. But the baseline data appear to be wrong. For AC Transit, for instance, the Table states that AC Transit ran 1,624,000 Revenue Vehicle Hours of service in FY 2013. In fact, AC Transit’s approved FY 2013 budget28 is predicated on running 1,790,916 hours of service, 10% more than the draft Plan acknowledges.

Second, Table 1 shows that, even for this lower level of baseline service, AC Transit has an operating shortfall of about $1.5 billion, and that this shortfall is funded with “CMA discretionary funds.” It appears that this refers to the Alameda County Transportation Commission sales tax measure that failed at the last election. See pp. 1-2 (“Revenues from Alameda County’s proposed sales tax measure, a ½-cent augmentation to an existing measure, shortfall. In 2009, for instance, MTC applied $6.3 billion toward capital maintenance shortfalls; 42 percent of that funding benefited one operator, BART. Operating shortfalls of nearly $8 billion were left unfunded. (2009 RTP, Project Notebook, p. 4-1.)


was included in the revenue projections beginning in FY 2017-18.” The assumptions regarding the adoption of new sales tax measures, and the amount of operating funding they will provide, should be specified. In addition, the draft Plan leaves unanswered questions of how much service AC Transit will be required to cut during the fiscal years prior to 2018, when new ACTC revenue is assumed to become available. The same questions apply to several other operators, as well.

Third, Table 2 in the Transit Operating and Capital Needs and Revenue Assessment shows “operating revenue available for capital replacement” for AC Transit in the sum of $384 million, based on the apparent assumption that AC Transit will have more operating revenue than it needs, and that excess will spill over into buying new buses. But Table 1 depicts AC Transit’s operating needs and operating revenue as identical in amount, leaving no such excess.

One final note: The elimination of the level of detail formerly provided in the Project Notebook in this planning cycle was a change for the worse. MTC should provide detailed, operator-by-operator, year-by-year data on projected costs, revenues and shortfalls to operate existing service levels. MTC should also provide a look at the trends in service levels by operator and mode, going back several planning cycles.

D. The draft Plan’s Sustainable Communities Strategy is Irrational, Infeasible and Unfair.

The Sustainable Communities Strategy must “set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies,” will achieve the greenhouse gas emissions reductions targeted by the California Air Resources Board for 2020 and 2040.29

It must also address the Regional Housing Need Allocation, or RHNA, for the housing element planning period that begins in 2014.30 The SCS shall “identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584….”31

Despite the vagueness of the draft Plan’s development pattern, it is clear that ABAG expects locally-identified Priority Development Areas (PDAs) “to accommodate 80 percent (or over 525,570 units) of new housing” in the region by 2040,32 and is on track to assign 70 percent of the RHNA need to PDAs. It is also clear that ABAG plans to assign 95 percent of the region’s housing growth to just 15 of the region’s 109 cities and counties over the next 28 years.33 Currently, just half of the region’s population lives in these fifteen cities.

29  Gov. Code § 65080 (b) (2) (B) (vii).
30  Id.; § 65080 (b) (2) (B) (iii).
31  Id.
32  Draft Plan, p. 55.
33  Draft Plan, p. 51.
This allocation of growth to PDAs, in both the SCS and the RHNA, is irrational, infeasible and is likely to have racial-disparate impacts.

1. The PDA-Centered Housing Distribution is Irrational.

Priority Development Areas (PDAs) “are locally-identified, infill development opportunity areas within existing communities.”\(^{34}\) “To be eligible to become a PDA, an area had to be within an existing community, near existing or planned fixed transit or served by comparable bus service, and planned for more housing.”\(^ {35}\)

The transit-focused location of a site makes it particularly suitable for housing development in a plan that is charged with reducing vehicle miles of travel. There are, however, many transit-oriented neighborhoods in the Bay Area that have not been locally-identified as PDAs but that are equally in need of housing development. These “Transit Priority Projects” areas, or TPPs,\(^ {36}\) are equivalent to PDAs in all respects but one: the city within which they are located has not planned to make it available for housing development in its General Plan and zoning code. Many of them are in neighborhoods that also have many low-wage workers commuting in to jobs. Yet only a minority of TPPs have been locally-designated as PDAs. There are also some job-rich and high-opportunity jurisdictions that need more lower-income housing to accommodate their local workforces, but which may not have sufficient transit service to qualify as a TPP or PDA.

Housing growth is needed near transit hubs and job centers throughout the region, and the fact that a city has not yet designated such areas for housing growth in no way reduces either the need or the consequences to the region of inadequate housing to accommodate local workers and optimize use of the transit network. To allocate the overwhelming share of SCS and RHNA housing need to a subset of TPPs based solely on whether a local PDA designation was made in the past cannot be justified. In fact, allocating RHNA based on local zoning is illegal.\(^ {37}\)

Allocating 80 percent of the housing need to the PDAs, and 95 percent of the housing growth to just fifteen cities, means that a number of job centers in high-opportunity suburban cities will continue to contribute auto emissions by importing low-wage workers, while excluding the families of those workers from the benefits of living in communities of opportunity.

Zoning, to be sure, is a local matter. But when ABAG sets the regional housing allocation (RHNA), California’s Housing Element Law makes it mandatory that each city and county adjust its zoning to allow housing in general, and affordable housing in particular, in an amount

\(^{34}\) [http://www.bayareavision.org/initiatives/prioritydevelopmentareas.html](http://www.bayareavision.org/initiatives/prioritydevelopmentareas.html).

\(^{35}\) Id.


\(^{37}\) As the California Department of Housing and Community Development noted in a recent letter to ABAG, “Pursuant to Section 65584.04(d)(2)(B) [of the Government Code], a council of governments may not limit its consideration of suitable housing sites or land suitable for urban development based on localities’ existing zoning ordinances and land use restrictions” in allocating the RHNA. Available at [http://www.publicadvocates.org/sites/default/files/library/rev_hcd_methodology-concerns-volunteer_pda.pdf](http://www.publicadvocates.org/sites/default/files/library/rev_hcd_methodology-concerns-volunteer_pda.pdf).
sufficient to meet its allocated share of the regional need. ABAG’s important role in meeting our
regional need for housing is to assure that each jurisdiction in which housing is needed is
allocated a share proportional to that need.

In short, job centers and locations served by transit have the same need for housing whether
cities plan for it or not. One city’s failure to plan for housing has consequences for the entire
region, as the California Supreme Court has recognized.38 The final Plan and the RHNA should
allocate adequate housing to the PDAs, but should also allocate infill housing to other places in
similar need.

2. The PDA-Centered Housing Distribution is Infeasible

MTC and ABAG commissioned Economic & Planning Systems, Inc. (EPS) to conduct a study of
the feasibility of developing 80 percent of the region’s projected housing growth within the
PDAs.39 After reviewing a representative sample of 20 PDAs for “a range of constraints, which
will impede full development of the PDAs,” including constraints relating to local policy, market
forces, inadequate infrastructure, site issues, financing and financial feasibility, EPS found that

“After applying discounting factors for these types of constraints to the current planned
capacity for development in each sample PDA, EPS estimates that, in aggregate, the
sample PDAs are ‘ready’ to accommodate 62 percent of the housing growth allocated to
them through 2040 in Plan Bay Area.”40

At best, “EPS believes the ‘readiness’ of the 20 PDAs can be improved to at least 80 percent of
their Plan Bay Area allocated growth through a combination of actions at the local, regional,
state and federal level including, most significantly, the restoration of the originally intended
authority of redevelopment agencies to assist with parcel assembly and tax-increment-based
financial support for infrastructure and vertical development.”41

If 20 percent of the growth allocated to the PDAs cannot occur due to feasibility constraints
unrelated to the loss of redevelopment, and those units are not accommodated elsewhere in the
region, we will fall short of meeting our projected housing need by over 100,000 units over 28
years. This translates into about 25,000 units in the 8-year RHNA. If these units are built at all,
they are likely to take the form of greenfield sprawl due to lack of adequate zoning in infill
locations to feasibly accommodate the region’s housing needs.

38 Associated Homebuilders of the Greater East Bay, Inc., v. City of Livermore, 18 Cal.3d 582
(1976).
39 The EPS report, entitled “Priority Development Area Development Feasibility and Readiness
Assessment,” dated March 29, 2013, is available at
ness.pdf.
40 Id., pp. 4-5.
41 Id., p. 29.
Re-allocating a portion of the PDA share of the SCS and RHNA to eligible TPPs and other infill locations near job centers that lack sufficient affordable housing will not only assure that housing is built where it is needed, but will also help widen the bottleneck the region’s housing market will experience under the draft Plan’s hyper-concentration of growth in in PDAs that are not equipped for the scale and rate of housing production the draft Plan assumes.

3. The PDA-Centered Housing Distribution, and the draft RHNA, Violate Federal and State Civil Rights Laws

The U.S. Department of Housing and Urban Development (HUD) recently noted that ABAG’s draft allocation of the Bay Area’s regional housing need may violate federal civil rights laws. In its April 9, 2013, letter to ABAG,42 HUD expressed serious concerns about the fact that ABAG’s housing plan “is largely based upon its PDA program which allocates the majority of housing development in areas that local jurisdictions have voluntarily committed for future housing, transit, and job growth.” HUD noted that ABAG’s PDA-heavy allocation limits housing growth in other cities with “neighborhoods comparably suited for the same type of growth,” and expressed concern that this could "limit housing options for low-income families and negatively impact minorities," in violation of the Fair Housing Act, and other federal civil rights laws.

To ensure against civil rights violations, HUD instructed ABAG to

- “analyze the extent to which local jurisdictions with neighborhoods eligible for PDA designation were participating in or foregoing participation in the PDA program in order to determine how the PDA program would impact housing in the Bay Area. In performing such analysis, ABAG should compare the areas designated as PDAs to areas that are not PDAs, particularly considering differences in the racial and ethnic demographics.”

Though the analysis HUD requested is not hard to carry out, ABAG has so far failed to conduct it in any meaningful way. To frame the analysis, it is important to note that the fifteen cities to which the draft Plan assigns 95 percent of the long-range housing growth are significantly more minority and lower-income than the rest of the region: taken together, the white (non-Hispanic) population of those fifteen cities is under 35 percent, compared to over 50 percent for the remainder of the region. And the fifteen cities have a poverty rate of 11.2 percent, compared to 8.2 percent in the rest of the region.

These disparities can be traced back to significant differences in both race and income between PDAs and non-PDA areas. In aggregate, the population in PDAs is 8.4 percent African American, while outside of PDAs, that figure is just 4.8 percent. Similarly, 28.1 percent of PDA residents are Hispanic, while 19.6 percent of non-PDA residents are Hispanic. These disparities persist even when PDAs are compared to other TOD locations, the Transit Priority Project areas that were eligible for designation as PDAs but not so designated. These TPPs are 42.4 percent

white (non-Hispanic), compared to 35.1 percent in the PDAs. Only 19 percent of their residents are in very-low income households, compared 27 percent in the PDAs.

This data demonstrates a clear disparate impact on low-income minority populations in PDAs, who are at high risk of displacement from their communities. It also demonstrates a clear impact of exacerbating patterns of segregation in high-opportunity communities in our region.

Because the extraordinary emphasis on PDAs over similarly-situated transit-oriented places is irrational, and because that intense PDA-focused development is not feasible, there is no substantial legitimate justification for this disparate impact.

Where a policy or practice has an unjustified discriminatory impact, federal and state civil rights laws require the selection of a less discriminatory alternative where one is available. One is available here: shift 100,000 SCS units and 25,000 RHNA units from the PDAs to TPPs and suburban job centers that were not volunteered as PDAs, and provide anti-displacement safeguards through the OBAG program, as described below.

4. The PDA-Centered draft RHNA Violates the Housing Element Law.

In addition to the issues raised above, the draft RHNA allocation violates the Housing Element Law.\(^{43}\) That law requires that ABAG’s methodology for distributing the regional housing need “shall include” the statutory factors in Government Code § 65584.04 (d) and must be “consistent with all of the” objectives set forth in § 65584 (d). The proposed methodology instead severely limits access to job-rich, transit-connected “high opportunity” areas by weighting the RHNA allocation to those communities that happen to volunteer for PDA status. The methodology suffers from three statutory deficiencies.

First, it fails to include several of the statutory factors in determining the allocation of the vast majority of the RHNA to the locally-nominated PDAs. Specifically, the methodology fails to address: the loss of units contained in assisted housing developments (§ 65584.04(d)(6)), high housing cost burdens (§ 65584.04(d)(7)); and the housing needs of farmworkers (§ 65584.94(d)(8)). Ignoring the loss of affordable housing, housing costs and farmworker housing needs results in an inaccurate determination of the true need. And although the statute requires the methodology to include “opportunities to maximize the use of public transportation and existing transportation infrastructure,”\(^{44}\) ABAG’s proposed methodology includes this factor only with respect to PDAs, excluding other places with TTPs that are similarly situated in all relevant respects.

Second, the methodology makes prominent use of the one factor the statute expressly prohibits. While the availability of land suitable for development within a jurisdiction is a statutory factor that ABAG must include (§ 65584.04(d)(2)(B)), it may not rely upon that jurisdiction’s willingness to rezone available land for housing as a factor.\(^{45}\) The PDA criterion,
notwithstanding this prohibition, expressly restricts the designation of PDAs to those places
where a city has “planned or is planning for more housing.”

Finally, the methodology arbitrarily applies some factors to some cities while failing to apply
them in a similar manner to similarly-situated cities. This violates the requirement that the
methodology “shall be consistent with all of the . . . objectives” set forth in § 65584 (d). The
methodology is inconsistent with each of the four statutory objectives. The first objective is
“[i]ncreasing the supply and mix of housing types, tenure and affordability in all cities and
counties within the region in an equitable manner….” The PDA-weighted allocation is clearly
inconsistent with this objective. It likewise is inconsistent with the objective to promote
socioeconomic equity as required by § 65584(d)(2) and runs afoul of fair housing and civil right
obligations as discussed above. It is also inconsistent with the objective of “[p]romoting an
improved intraregional relationship between jobs and housing” because it exempts from any
share of the 70 percent portion of the RHNA, or allocates a very small share of it to, many mid-
size cities that are rich in jobs. And it is inconsistent with the fourth objective to alleviate
overconcentration of lower income housing by exempting many cities from any share in the 70
percent portion of the RHNA thereby ensuring that the total RHNA that it distributes to these
cities is so small that the lower-income portion of their RHNA is also extremely small.

E. The Plan must Reduce and Mitigate Displacement and Disruption of Lower-Income
Communities.

In the Bay Area and nationally, low-income communities and communities of color are models
of environmental sustainability. Living in core urban areas that have suffered from decades of
disinvestment, residents in these neighborhoods use public transit frequently, own fewer cars,
live in dense neighborhoods with compact homes, and travel shorter distances to work, shop,
learn, worship, and socialize. In order to achieve both our environmental goals and our equity
targets, regional and local plans must build on this strong foundation, rather than undermining it.
As ABAG concluded in a 2009 report:

“There are regional benefits to creating socially and economically diverse neighborhoods
– for the economy and environment as well as for social equity. The lack of affordable
housing near transit leads families to look for housing they can afford that is further
away, or to trade their housing and transportation costs, contributing to sprawl and
congestion.”

Recognizing the importance of preventing displacement to advancing a host of regional goals,
ABAG and MTC adopted zero displacement as one of the performance targets for the SCS.
Target 2 reads:

46 Application Guidelines for Priority Development Area Designation, available at:
47 § 65584(d)(1) (emphasis added).
48 § 65584(d)(3).
49 ABAG “Development without Displacement, Development with Diversity” 2009 p. 7 available
“House 100% of the region’s projected 25-year growth by income level (very-low, low, moderate, above-moderate) without displacing current low-income residents.”

The draft Plan wholly fails to achieve this goal. Instead, it places 36% of struggling renters at high risk of displacement from their neighborhoods. The predictable result of implementing draft Plan in its current form will be to force tens of thousands of struggling renters out of their homes and communities, and into long commutes from the distant fringes of the region.

The methodology used to determine displacement risk is simple and meaningful, though it likely under-represents the actual displacement that would result from implementation of the draft Plan. It is based on the overlap of neighborhoods with high concentrations of renters paying more than 50% of their incomes in rent and neighborhoods with substantially above-average housing growth. Rent-burdened households are unlikely to be able to afford further rent increases, and intensive new development is likely to cause just such rent increases. As a 2009 study of gentrification in the Bay Area observed: “It is easy to envision what occurs in this case: as an influx of newcomers increases area rents, these overburdened renters find themselves unable to pay an even higher share of their income for rent, so they depart, leaving more vacancies for new gentrifiers.”

The conclusion that the draft Plan’s hyper-concentration of development near transit in existing lower-income neighborhoods will lead to high rates of displacement is squarely in line with past local and national studies. Past gentrification in the Bay Area has been highly correlated to transit proximity. A national study of TOD areas spelled out the danger of displacement when there is investment in transit infrastructure:

“a new transit station can set in motion a cycle of unintended consequences in which core transit users—such as renters and low income households—are priced out in favor of higher-income, car owning residents who are less likely to use public transit for commuting.”

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51  A more refined and less static measure of displacement risk could have been generated by the UrbanSim econometric land use model, which has the capacity to relate propensity to move to localized changes in housing cost. See SSR Memorandum, pp. 7-8.
52  Choosing 50% of income spent on rent as the threshold likely leads to an under-estimation of the actual displacement risk, as many renters will be unable to afford rent increases even if they pay well under that share of their income. A 2009 report on gentrification in the Bay Area found that “if there is a high share of renters who pay over 35% of their income for rent, then the neighborhood is more susceptible” to gentrification. Chapple, Karen, “Mapping Susceptibility to Gentrification” 2009 (emphasis added) available at http://communityinnovation.berkeley.edu/reports/Gentrification-Report.pdf.
53  Id. at 7.
54  Id. at 5.
ABAG has observed just this pattern: “In some parts of the Bay Area, increased migration into existing transit-oriented neighborhoods (such as San Francisco’s Mission District and West Oakland) is associated with rent increases, evictions, loss of affordable housing units, and disrupted social networks.”

Past patterns suggest that low income families driven from their neighborhoods as rents increase are likely to move to areas that are less well served by transit or to move out of the region entirely. For example, a 2012 study of the Bay Area by the Federal Reserve Bank of San Francisco found that between 2000 and 2009, “the percentage of the poor population living within half a mile of a rail station decreased by 1.5 percentage points, while the percentage of the total population with the same proximity to rail did not change.” Similarly, San Francisco’s black population declined from a high of 88,000 in the 1970s to an estimated 46,779 by 2005, and Oakland lost 33,000 black residents, 25 percent of its black population, from 2000 to 2010. Over this same time period transit-, employment-, and service-poor areas of eastern Contra Costa and southern Solano Counties saw their black populations increase dramatically.

Despite the high risk of displacement the draft Plan creates, and a host of academic and government research documenting the dangers of gentrification and displacement in TOD areas, the draft Plan includes no policies to minimize or mitigate displacement. Again, EEJ points the way toward reducing displacement. By embracing a more equitable growth pattern, EEJ would cut the draft Plan’s displacement risk by 42 percent. This reduction would be even greater if the DEIR properly modeled displacement and a more full slate of anti-displacement protections and neighborhood stabilization activities had been incorporated into the study of EEJ.

A few targeted responses to this significant local and regional impact would help the Plan begin to address this shortcoming. There are three key actions that should be incorporated into the Plan to minimize and mitigate displacement:

1. **Strengthen the OneBayArea Grant Program to Incentivize Appropriate Local Policies to Protect Tenants, Stabilize Communities, and Preserve and Create Affordable Homes.**

MTC’s new OneBayArea Grant (OBAG) program gives the region a powerful tool to realize SB 375’s vision by coordinating transportation expenditures and local land use policies. This tool is cited repeatedly in the DEIR as a mitigation, but to serve that purpose it must be targeted to address the substantial regional problem presented by localized community disruption and displacement predicted to result from implementation of the draft Plan.

We commend MTC and ABAG for designing the OBAG grant program in a manner that begins to incentivize local planning for affordable housing by requiring HCD-certified Housing Elements. This requirement has driven at least a dozen jurisdictions that were more than three years late in adopting their Housing Elements to come into compliance with state law.

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56 “Development without Displacement” p. 6.
However, the current OBAG program fails to do anything to incentivize local jurisdictions to enact protections against displacement or producing and preserving affordable housing. While there have been requests from MTC Commissioners and ABAG Executive Board Members to strengthen subsequent rounds of the OBAG program, there is nothing in the draft Plan that would accomplish this goal.

The draft Plan should be modified to require adoption of appropriate local anti-displacement and affordable housing policies as a condition of future rounds of OBAG funding. Incorporating these changes into the final Plan is vital and timely, as the Federal Cycle 3 funding criteria and allocations, the core of the OBAG program, must be made well before the next RTP/SCS is adopted in 2017.

Making anti-displacement and/or affordable housing policies a requirement of the OBAG program has been recommended consistently for more than two years by dozens of community organizations from throughout the region. It has also been endorsed by the region’s three largest cities, San Jose, San Francisco and Oakland, and three largest transit operators, BART, Muni, and AC Transit. These eligibility requirements could be implemented in a way that recognizes the full diversity of Bay Area neighborhoods while ensuring that appropriate policies are adopted in all jurisdictions. This approach would build on the PDA Investment and Growth strategies being developed by the CMAs, which will analyze and identify local needs and responsive policies.

2. Dedicate Regional Funding to Neighborhood Stabilization Activities in Communities at High-Risk of Displacement and Disruption.

Measures to address local community disruption and displacement are urgently needed to meet regional environmental, economic, and equity goals. As discussed above, national studies and MTC and ABAG’s own analysis conclude that without strong policy interventions, new TOD investments are likely to cause substantial displacement of lower-income renters from around transit. This means that low income families will be forced to move to locations with more affordable housing that likely have less transit. These families will then be forced to drive

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58 Such policies include: just cause eviction protections, rent stabilization, condominium conversion restrictions, contemporaneous replacement housing requirements for existing units that are redeveloped or lost, priority right of return for displaced residents, prohibition of discrimination against Section 8 voucher holders, land banking, affordable housing or community stabilization impact fees, jobs-housing linkage fees, strong inclusionary zoning policies that target production of lower-income rental housing, programs for acquisition and rehabilitation of dilapidated housing to create permanently affordable units.

59 Such a program would also be in line with a recommendation from ABAG’s 2009 report, which suggested linking capital infrastructure funds to local progress toward meeting established equity goals to achieve income-diverse neighborhoods. “Development without Displacement” at p. 60.

60 Available at http://www.publicadvocates.org/sites/default/files/library/obag_6_wins_comment_letter_2-24-12_with_attachments.pdf.

long distances to access jobs, services, and community centers – undermining GHG reduction goals. It also means that core transit riders will be displaced, likely replaced by higher income residents who are much less likely to use transit, thereby undermining the ability of transit operators to run and maintain successful service. As ABAG concluded in 2009, “It is essential that Sustainable Communities Strategies explicitly promote community diversity and minimize the potential for residential displacement.”

Because displacement pressures will be increased by the regional plan and displacement will have negative regional consequences, regional funds should be invested in activities to minimize and mitigate displacement pressures. Such investments would yield substantial regional environmental and transportation benefits, while providing vital protections to lower-income families.

Specifically, substantial funding should be devoted to community stabilization activities in at-risk neighborhoods, such as land banking, acquisition and rehabilitation, and affordable housing construction of units targeted toward existing or displaced low-income households.

3. Ensure that Private Developers Do Their Part to Address Gentrification and Displacement.

The private real estate development market must also do its part to minimize and mitigate the risks of community disruption and displacement. While the final Plan may not delve into project-specific mitigation measures, it must establish the proper framework for future analysis and development of such mitigations. It can do this in a number of ways: providing a more transparent and localized analysis of displacement risk so that projects in high-risk neighborhoods receive proper study; making explicit that local general plans and area plans must address the risks of displacement and establish appropriate project-level mitigations; and including a menu of potential displacement mitigation actions that could be incorporated into projects. This makes it all the more important that the draft EIR’s failure to identify and mitigate economic displacement impacts be corrected.

F. Conclusion.

To improve the performance of the final Plan on a range of individually and cumulatively significant measures, staff should bring forward for consideration and adoption by the policy boards of MTC and ABAG three proposed amendments, as follows:

1. Transit operations: a proposal to provide $3 billion in additional operating revenue for local transit service, and a long-range policy to boost transit operating subsidies by another $9 billion over the coming years, as new operating-eligible sources of funds become available.


“Development without Displacement” p. 63.
2. **SCS and RHNA housing distribution:** Shift 100,000 SCS units from PDAs to “PDA-like places” – Transit Priority Project areas (TPPs) and job-centers in the 63 cities in the attached list; and shift 25,000 RHNA units from the “PDA share” to these locations.

3. **Displacement protections:** Modify the conditions of OBAG grants to ensure that recipients adopt and implement strong anti-displacement protections, provide substantial regional funding for community stabilization measures, such as land banking and preservation of affordable housing in at-risk neighborhoods, and perform the appropriate analysis to ensure that private developers do their part to address gentrification and displacement.

Sincerely,

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Ilene Jacobs, Director of Litigation, Advocacy & Training
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**Attachments:**

A. Comments on draft Environmental Impact Report for Plan Bay Area.
B. Proposal to Modify the Focused Growth Scenario, as adopted by ABAG Executive Board on 07/21/11
D. Excerpt from Staff Memo of June 1, 2012 (available at [http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1888/Item_4_EIR.pdf](http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1888/Item_4_EIR.pdf), p. 21)
E. MTC staff chart, “Environment, Equity, and Jobs Alternative – Policy Levers” (April 16, 2013)
G. Letter to Ezra Rapport regarding RHNA allocation issues from PILP et al., dated July 16, 2012
H. HUD letters to ABAG, dated Sept. 2012 and April 2013
I. HCD letter to ABAG, dated Feb. 6, 2013
J. OBAG comment letter of Feb. 24, 2012, with attachments

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