



November 3, 2011

Metropolitan Transportation Commission
101 Eighth Street
Oakland, California 94607

Re: OneBayArea grant program

Dear Metropolitan Transportation Commissioners:

Thank you for the opportunity to comment on the proposed OneBayArea grant program. **We support the concept of the OneBayArea grant program** to provide funding to jurisdictions that are planning for more homes and jobs near transit in Priority Development Areas and to rural areas that are taking steps to preserve natural and working lands.

The Bay Area is expected to grow significantly over the next two decades. The biggest question is how that growth will impact the region's ability to create and sustain good jobs. Employers consistently report that the two biggest barriers to creating more jobs in the Bay Area are traffic and a lack of affordable housing, two problems that could become much worse if each county is not deliberate about how it grows.

Because every county will be affected, we have a responsibility to work together to ensure that the region remains a great place to live and work. While every community has a role to play in preserving and growing our region's economic advantages, in some places the stakes are much higher. The **region is depending on the Priority Development Areas to accommodate more than two-thirds of all growth in the next two decades**. If those places can grow smartly, they will **provide a bulwark against more traffic and strengthen their county's overall job market**. And **if they fail, everyone will suffer**.

The best way to grow good jobs without creating gridlock is to make smart investments in places that have the biggest role to play in managing the negative impacts of future growth. The good news is that many cities want to do the right thing—like investing in affordable housing and targeting development to places that reduce the number of cars on the road. But they can't do it alone, and because their decisions will impact entire counties, they shouldn't have to. **By directing additional resources to key places and helping them to grow responsibly, every county will benefit from easier commutes and a stronger job market**.

The OneBayArea grant program is an important step to help make good plans a reality. We are particularly glad to see that the OneBayArea grant program:

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- 1) Prioritizes efficient use of limited transportation funding by strongly linking transportation funds to high growth places in the region.
- 2) Directs 70% of the funding to the places that will receive 70% of the housing growth. It is vital that we adequately support the places that are proactively planning for growth.
- 3) Takes a performance-based approach, distributing funding partly based on actual housing production.
- 4) Includes a land conservation grant component to incentivize rural areas to protect natural areas and agricultural lands.

For the OneBayArea grant program to succeed, it is essential that it remain:

- ✓ **consistent**, treating all portions of the block grant – including the local streets and roads rehabilitation funds -- with the same strategic focus and performance-based accountability. **We strongly oppose a change** that would remove Local Streets and Roads funds from the program, as it is an important policy lever to encourage jurisdictions to put into place the land use policies necessary to achieve the SCS goals.
- ✓ **focused** to support the areas that local governments have designated for focused growth – with more funds going to those places that have a track record of producing infill housing, particularly affordable homes
- ✓ **sustainable and equitable**, rewarding cities that are planning for walkable, bikeable, economically-thriving places while protecting existing residents from displacement, and
- ✓ **transparent and public**, with projects vetted by an inclusive neighborhood planning process that analyzes critical issues including equity, health, and transit accessibility

In addition, while the OneBayArea program is an important step to more closely link transportation funding with land use, it's important to note that the grant funds are only a tiny percentage of the overall discretionary funds for this SCS/RTP. The Commission **should prioritize linking transportation spending to land-use performance throughout the RTP** to make the most effective use of our limited transportation dollars.

We also have more detailed thoughts on how the grant program can be made both more effective and easier to implement through funding distribution and eligibility requirements.

Funding distribution formula

1. The county-based approach to distributing funds is problematic for several reasons. First, there is no guarantee that funding will go to the PDAs that are growing the most. In addition, when performance (e.g. housing production) is aggregated by county, there is less of an incentive for any individual city to perform well. **Grant funds should be directed to the particular PDAs that are taking on the most growth, and should reward those jurisdictions that have the strongest record of providing housing, particularly affordable housing.** At a minimum, the eligibility criteria for cities should be amended to include metrics at the individual jurisdiction level.



2. The distribution formula should **include a component for production of affordable (Low Income and Very Low Income) housing.**
3. **Performance – jurisdictions' actual track records of building homes - should be a much more significant factor.** At a minimum, the Commission should establish policy now stating that performance will be weighted at 50% and population at 25% for future iterations of the OneBayArea grant.

PDA requirement

1. Helping the PDAs become a reality is an important goal. Region-wide, the places that are getting the lion's share of the growth should get the lion's share of the funding. In some counties, PDAs will take on more than 70% of the growth; in other counties, it's less. The best solution is a city-by-city approach, as described above.

However, should the county-based approach remain and the percentage PDA requirement change to vary for different counties, it should be done using a policy-based approach – e.g. based on the relative availability of existing and planned transit – rather than using size or geographic location as a proxy.

Finally, should the percentage PDA requirement be changed, the program should maintain a share of funds as an incentive pot for those places that are able to meet the 70% PDA requirement.

2. Part of making the PDAs work is providing effective transportation *to and between* PDAs. Greenbelt Alliance would support expanding the 70% to include “PDA-supportive” projects – such as building bike lanes between two or more PDAs - if such projects are narrowly defined to meet the spirit and intent of the grant program.

Supportive local land-use policies requirements

1. We strongly support using the grant program as an opportunity to incentivize sustainable and equitable local land-use policies. The requirement for a certified Housing Element is particularly important, and will simply emphasize existing state policy which is used for many other funding programs. We support clarifying the details of precisely what is meant by the other policy requirements. This should be relatively simple to do in the coming months.

For example, MTC Parking Toolbox/Handbook can be used to clarify what is meant by parking/pricing policies, using the chart on page 8 to show what is appropriate for different types of places. For the affordable housing policies requirement, a simple checklist could be used (e.g. Inclusionary Housing policy OR nexus-based affordable housing fee OR commercial linkage fee OR document recording fee).

While Bay Area cities differ in size, location, and character, every city has a role to play in providing affordable homes, preventing unwanted displacement, providing safe streets for all users, creating bicycle facilities, and implementing sensible parking policies.



2. Add a measurement of the individual jurisdiction's performance in building housing at all income levels to the jurisdictional eligibility section.
3. Some requirements are easier for jurisdictions to implement in a timely fashion than others. Many cities also do not have significant staff resources to update their policies at this time. Therefore it may make sense to require a smaller number of policies in this first round of grants, while also establishing *now* clear expectations for additional policies that will be required for future rounds of grants. CMAs should be encouraged to provide jurisdictions with grants from this round to update their policies for the next round.

In addition, to reward those jurisdictions that have been pro-active at establishing key policies that support the SCS vision, the Commission should consider including an 'incentive pot' for those places that can already achieve the full list of policies.

Land Conservation Grants

We strongly support the inclusion of a \$5 million land conservation grant pilot program. Using transportation funding to support land conservation makes sense. Far-flung development -- usually on open space and farmland -- means more spending on transportation infrastructure and more greenhouse gas emissions from driving. Development will continue to occur in these areas unless effective land conservation measures are in place. Therefore it's essential that the region invest in land conservation programs in order to meet our transportation cost and GHG goals.

To maximize effectiveness, the land conservation grant program should:

1. Establish a clear goal for the program. For example, "To preserve and restore a network of lands and waters for people and nature; to sustain the natural diversity, increase healthy recreational opportunities and enhance the agricultural productivity and economic vitality of the Bay Area" or "To preserve resource areas and farmland, ameliorate outward development expansion, and maintain rural character."
2. Provide a regional competitive grant application and review process for projects. Applicants should show how their project supports the goal of the grant program.
3. Clearly establish types of eligible projects, such as conservation planning, land acquisition, policy implementation, and improving agricultural vitality.
4. Encourage collaboration across counties and across sectors.

There may be opportunities for MTC to work with other conservation-oriented organizations to leverage additional funding for key projects using the OneBayArea land conservation grant program. In this era of scarce resources, the Commission should ensure that the OneBayArea land conservation grants are well-designed to attract additional funding.

Sincerely,

Stephanie Reyes, Policy Director