

Chair Mark Luce and Executive Board  
Association of Bay Area Governments  
101 8<sup>th</sup> Street  
Oakland, CA 94607

March 9, 2012

**Re: Proposed new Priority Development Areas**

Dear Chair Luce and ABAG Executive Board members,

The undersigned organizations wish to comment on the proposed Priority Development Area applications and on the new Rural Town Center/Rural Corridor and Employment Center PDA place types. We make the following requests of the Board:

- 1. Do not approve any of the Rural Town Center/Rural Corridor or Employment Center PDA applications.**
- 2. Remove the Rural Town Center/Rural Corridor and Employment Center place types from the PDA framework; direct staff to develop alternative approaches to addressing the needs of these areas through a robust, thoughtful policy development effort that engages all stakeholders.**
- 3. If you do choose to approve any Rural Town Center/Rural Corridor or Employment Center PDA applications, ask staff to provide detailed information verifying that the application meets all the criteria you adopted for that place type.**

Our reasons for making these requests are as follows:

**The new place types could lead to outcomes that run counter to the goals of FOCUS and the SCS**

The core PDA framework was created primarily to address three essential regional goals:

1. Minimize sprawl development by focusing growth in existing developed areas
2. Reduce vehicle miles traveled by focusing growth near transit
3. Address the region's chronic housing shortage by encouraging the production of housing

Encouraging economic development and helping rural areas become more complete communities are also important regional goals. However, these are complex policy issues that need to be thought through as carefully and comprehensively as was the original PDA framework. If they are not, we risk not only running counter to the original goals of the PDA framework but also missing the mark on maximizing progress toward the new goals. Specifically:

*The Rural Town Center/Rural Corridor place type risks promoting sprawl*

Throughout the SCS process, the Priority Development Areas have been described and used as the places that will accommodate the vast majority of the region's growth moving forward. Rural areas far from transit and job centers are simply not the right place to accommodate large amount of market-rate growth, though they may need targeted, well-planned housing growth to accommodate lower-income workers. Yet rural areas that are "being planned for more housing" are eligible for the PDA designation.

In addition, the criteria say nothing about the form or quantity of proposed development, which could easily lead to sprawl. For example, the San Mateo Midcoast PDA application proposes 1000 new homes at densities as low as 2 units/acre.

If the intent of the Rural Town Center/Rural Corridor place type is *not* to encourage more growth in outlying rural areas but is instead simply to make existing rural areas more complete communities and improve connectivity, then this should be done outside the Priority Development Area framework.

*The Rural Town Center/Rural Corridor place type risks increasing VMT*

Most Rural Town Center/Rural Corridor areas are far from job centers and are not near fixed transit or served by high-quality bus service. Increased development in these locations beyond low-income workforce housing will almost certainly increase vehicle miles traveled and undermine the goals of the SCS.

*The Employment Center framework may not be the best way to maximize economic development*

The Employment Center PDA place type focuses only on making existing job centers more mixed-use and walkable. While this is a good goal, it is likely to have relatively little impact on economic development. There may be more important ways we can use our limited regional dollars to strengthen employment. The Bay Area was recently awarded a grant from the department of Housing and Urban Development to create an economic development strategy for the region. The region should use this process to determine the most effective employment-related policy measures. For example, we may find that using regional funds to incentivize maintaining a sufficient supply of industrial land is a more impactful economic development strategy.

*The Employment Center place type risks exacerbating jobs/housing imbalances*

Making employment centers more mixed-use and pedestrian-friendly are laudable goals. However, without a strong incentive to build homes, jobs-rich areas may continue to add more jobs *without* adding sufficient housing. The current criterion that “The jurisdiction has lower existing jobs per household than the regional average of 1.25 or the jurisdiction has lower future jobs per household in its adopted General Plan than its existing ratio” is insufficient to ensure jurisdictions are continually *building* homes at a rate commensurate with employment growth.

CEOs of Bay Area companies identified “High housing costs for employees” as the number one business challenge every year for the past seven years.<sup>1</sup> Increasing the supply of homes at a rate that keeps pace with employment growth will help the Bay Area retain its regional competitive edge for attracting and retaining job-producing businesses.

*The Employment Center place type risks increasing VMT*

The question of whether employment growth in outlying areas of the region that are currently housing-rich will help or hinder our regional goals is a controversial one. But initial evidence from analysis of the five SCS alternative scenarios shows that the “Outward Growth” scenario does end up with higher VMT than the other scenarios. The current criterion that “The jurisdiction has lower existing jobs per household than the regional average of 1.25 or the jurisdiction has lower future jobs per household in its adopted General Plan than its existing ratio” may actually encourage job growth in outlying, housing-rich locations and thereby increase VMT.

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<sup>1</sup> CEO Business Climate Surveys 2005-2011, Silicon Valley Leadership Group - <http://svlg.org/press/library>

### **Thoughtful dialogue and sufficient discussion are needed for effective policy development**

As the staff memo notes, the first PDAs were adopted in 2007 following the launch of the FOCUS program. For five years, PDAs were required to meet three criteria:

1. The area is within an existing community.
2. The area is near existing or planned fixed transit (or served by comparable bus service).
3. The area is planned or is planning for more housing.

These criteria were developed through many years of extensive discussion with stakeholders, including local government staff and elected officials as well as members of the public and the nonprofit community. There were many iterations of policy development carefully vetted through ABAG and MTC's own advisory bodies as well as the Executive Board and Commission and their sub-committees.

Since then, similarly detailed and thoughtful work has gone into tailoring funding programs to support the PDAs. These discussions have been based on an understanding of the PDA criteria and framework as it had existed for five years.

The new Rural Town Center/Rural Corridor and Employment Center place types deviate substantially from the core PDA framework. These new place types were adopted by the ABAG Executive Board in September without having been brought to any of the agencies' own advisory boards (e.g. ABAG Regional Policy Committee, MTC Policy Advisory Council, Regional Advisory Working Group or FOCUS Working Group) for discussion before adoption. Nor were the new place types brought to any MTC or ABAG committees or boards for discussion; the proposal was brought exactly once to the ABAG Executive Board for adoption that very night.

A hasty process can result in poor outcomes and ineffective policies, as outlined above. The Executive Board should insist on a more comprehensive process to develop policies in this arena before taking actions.

### **At a minimum, ensure that the nominated PDAs actually meet the adopted criteria**

The criteria for an Employment Center PDA include the requirement that "The jurisdiction has lower existing jobs per household than the regional average of 1.25 or the jurisdiction has lower future jobs per household in its adopted General Plan than its existing ratio."

Staff is recommending adoption of several Employment Center PDAs in jobs-rich Silicon Valley cities such as Mountain View and Sunnyvale. The staff report does not provide information about the current or future jobs per household ratio in these cities, but it seems unlikely that these cities meet this criterion. In fact, the EIR for the Mountain View General Plan 2035 states that under the preferred scenario, the ratio would be "1.9 jobs for every residential unit."

Similarly, we question whether all of the Rural Town Center/Rural Corridor PDA applications meet the criteria that "The areas are existing town centers (not co-terminus with other urban communities) and/or are along a corridor through a rural area" and "Areas have an urban growth boundary or other zoning policy in place, such as an urban service area, to limit sprawling development." From a cursory glance at the San Mateo Midcoast PDA application, it is far from clear that the 5357 acres that are included in that application fit those criteria.

Again, we urge the Board to remove the Rural Town Center/Rural Corridor and Employment Center place types from the PDA framework entirely, and not to approve any PDAs of these types. However, at a minimum, the Board should require a full report - verified by regional agency staff - on whether each proposed PDA meets the criteria, and should not adopt PDAs that do not meet the established criteria.

Thank you for your consideration of our comments.

Sincerely,

Stephanie Reyes  
Policy Director  
Greenbelt Alliance

Allison Brooks  
Chief of Staff  
Reconnecting America

Ed Thompson  
Executive Director  
American Farmland Trust

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