



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: February 8, 2011
Staff Report #: 11-016

Agenda Item #: I-1

INFORMATION ITEM: Overview of the Sustainable Communities Strategy (SCS) Process, Managed by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) and Incorporating the Regional Housing Needs Allocation (RHNA) and Regional Transportation Plan (RTP) Processes

ANALYSIS

Overview

Senate Bill 375 (or SB 375) is landmark legislation for California on land use, transportation, and environmental planning. Passed in 2008, SB 375 requires the development of a Sustainable Communities Strategy (SCS) in every state metropolitan region. For the nine-county Bay Area, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) are responsible for managing the SCS process, with coordination from the Bay Area Air Quality Management District (Air District) and the Bay Conservation and Development Commission (BCDC). The summary below is expanded upon in a more detailed overview provided by Bay Area regional agencies (Attachment A).

SB 375 unifies several existing regional planning and projections processes and is required to accomplish the following objectives:

1. Provide a new 25-year land use strategy for the Bay Area that is realistic and identifies areas to accommodate all of the region's population, including all income groups;
2. Forecast a land use pattern, which when integrated with the transportation system, reduces greenhouse gas emissions from automobiles and light trucks and is measured against the regional target established by the California Air Resources Board (CARB).

Underlying these specific objectives is an overall goal to build a Bay Area which continues to thrive and prosper under the changing circumstances of the twenty-first century.

The SCS will be developed in partnership among regional agencies, local jurisdictions and Congestion Management Agencies (CMAs) through an iterative process (the CMA in San Mateo County is the City/County Association of Governments, or C/CAG). The regional agencies state that input from local jurisdictions with land use authority is essential to create a feasible SCS. The SCS does not alter the authority of jurisdictions over local land use and development decisions.

The current focus of the SCS development process is the release of an Initial Vision Scenario in early March 2011. The Initial Vision Scenario will encompass a first attempt at the identification of places, policies, and strategies for long-term, sustainable development in the Bay Area, and will include preliminary housing and employment growth numbers at a number of levels including jurisdictional and sub-jurisdictional. Local jurisdictions will then have the opportunity for substantive input on the feasibility of achieving the Initial Vision Scenario, with the input then used by the regional agencies to create a first Detailed Scenario in July 2011. Several Detailed Scenarios will subsequently be the subject of additional local input, which will inform a Preferred Scenario, to be released at the end of 2011. All scenarios will be analyzed against the greenhouse gas reduction target and other performance targets.

The SCS will be aligned with the existing Regional Transportation Plan (RTP) (managed by MTC) and Regional Housing Needs Allocation (RHNA) (managed by ABAG) processes, in recognition of the connections between land use decisions and transportation investments. At an upcoming meeting (tentatively scheduled for February 15), the City Council will consider renewing participation in a San Mateo County RHNA subregion, which allows for potential reallocation of housing targets within the County. The final SCS will provide an opportunity for local jurisdictions to advance local goals as part of a coordinated regional framework, and can connect local neighborhood concerns (such as new housing, jobs, and traffic) to regional objectives and resources.

As noted earlier, the SCS development is ultimately the responsibility of the regional agencies, conducted with close input from local jurisdictions. The City will have the opportunity to provide feedback throughout the process, but will not be asked to formally approve or reject the final SCS and its associated projections.

Staff Coordination

The SCS process touches on many overlapping topic areas. As a result, staff has formed an internal SCS Action Team to help manage the City's responsibilities with regard to this legislation. The SCS Action Team includes representatives of the following:

- Environmental Program
- Housing Division
- Planning Division
- Transportation Program

Additional staff members can be called upon to assist as needed. Planning will be the primary coordinator of this process, with the close assistance of the Environmental Program. Staff members will continue to participate administratively in the SCS process through a San Mateo County Working Group made of up planning directors and related staff.

Outreach

City input on the Initial Vision Scenario and subsequent scenarios will likely include policy implications and as such falls under the purview of the City Council. As the various scenarios are released publicly, staff will present the information to the Council, with the Council providing direction after receiving public input.

The SCS Action Team intends to encourage broader public input through regular informational updates to the following City Commissions, which have clear linkages to the SCS topic areas: Bicycle, Environmental Quality, Housing, Planning, and Transportation. The updates would inform these Commissioners on the status of the project and encourage individual Commissioners to conduct additional outreach, with the objective of providing the Council with broad input. These Commissions would not discuss or make recommendations on the SCS as a body.

The SCS Action Team also intends to set up a project web page, as has been done for similar projects/processes. The page would include staff reports and related information, and would include an email list to inform interested parties when meetings are scheduled and when new information is available.

IMPACT ON CITY RESOURCES

The City's role in the SCS process is primarily one of review and input, and as such is not anticipated to require significant resources at the City level. Staff coordination on the SCS is expected to generally occur within existing obligations for reviewing and providing input on regional/state planning, housing, and transportation processes.

POLICY ISSUES

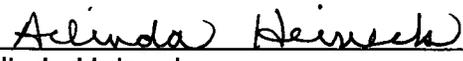
City input on the Initial Vision Scenario and subsequent scenarios will likely include policy implications, to be discussed in more detail when the scenarios are available.

ENVIRONMENTAL REVIEW

The regional agencies overseeing the SCS process will prepare one Environmental Impact Report (EIR) for both the SCS and Regional Transportation Plan (RTP). This EIR may help local jurisdictions in streamlining the environmental review process for projects that are consistent with the SCS.



Thomas Rogers
Associate Planner
Report Author



Arlinda Heineck
Community Development Director

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS

A. OneBayArea: Overview of the Sustainable Communities Strategy

EXHIBITS TO BE PROVIDED AT MEETING

None

v:\staffrpt\cc\2011\020811 - scs.doc

OneBayArea

Overview of the Sustainable Communities Strategy

This staff report describes Senate Bill 375, the Sustainable Communities Strategy (SCS) and the effect of the law on local governments as well as the Bay Area as a region.

The SCS will be developed in partnership among regional agencies, local jurisdictions and Congestion Management Agencies (CMAs) through an iterative process. The regional agencies recognize that input from local jurisdictions with land use authority is essential to create a feasible SCS. The SCS does not alter the authority of jurisdictions over local land use and development decisions.

The purpose of this report is to provide local jurisdictions with an overview of the SCS in relation to local land use policies, implementation needs, and quality of life.

PURPOSE AND APPROACH

Senate Bill 375 became law in 2008 and is considered landmark legislation for California relative to land use, transportation and environmental planning. It calls for the development of a Sustainable Communities Strategy (SCS) in all metropolitan regions in California. Within the Bay Area, the law gives joint responsibility for the SCS to the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). These agencies will coordinate with the Bay Area Air Quality Management District (Air District) and the Bay Conservation and Development Commission (BCDC).

The SCS integrates several existing planning processes and is required to accomplish the following objectives:

1. Provide a new 25-year land use strategy for the Bay Area that is realistic and identifies areas to accommodate all of the region's population, including all income groups;
2. Forecast a land use pattern, which when integrated with the transportation system, reduces greenhouse gas emissions from automobiles and light trucks and is measured against our regional target established by the California Air Resources Board (CARB).

The SCS is a land use strategy required to be included as part of the Bay Area's 25-year Regional Transportation Plan (RTP). By federal law, the RTP must be internally consistent. Therefore, the over \$200 billion dollars of transportation investment typically included in the RTP must align with and support the SCS land-use pattern. SB 375 also requires that an updated eight-year regional housing need allocation (RHNA) prepared by ABAG is consistent with the SCS. The SCS, RTP and RHNA will be adopted simultaneously in early 2013.

The SCS is not just about assigning housing need to places or achieving greenhouse gas targets. The primary goal is to build a Bay Area which continues to thrive and prosper under the

changing circumstances of the twenty-first century. By directly confronting the challenges associated with population growth, climate change, a new economic reality and an increasing public-health imperative, the SCS should help us achieve a Bay Area which is both more livable and more economically competitive on the world stage. A successful SCS will:

- Recognize and support compact walkable places where residents and workers have access to services and amenities to meet their day-to-day needs;
- Reduce long commutes and decrease reliance that increases energy independence and decreases the region's carbon consumption;
- Support complete communities which remain livable and affordable for all segments of the population, maintaining the Bay Area as an attractive place to reside, start or continue a business, and create jobs.
- Support a sustainable transportation system and reduce the need for expensive highway and transit expansions, freeing up resources for other more productive public investments;
- Provide increased accessibility and affordability to our most vulnerable populations;
- Conserve water and decrease our dependence on imported food stocks and their high transport costs.

In recognition of the importance of these other goals, ABAG and MTC will adopt performance targets and indicators that will help inform decisions about land use patterns and transportation investments. These targets and indicators will apply to the SCS and the RTP. The targets and indicators are being developed by the Performance Targets and Indicators Ad Hoc Committee of the Regional Advisory Working Group (RAWG), which includes local planning and transportation staff, non-profit organizations, and business and developers' organizations. The targets are scheduled for adoption early 2011 and the indicators will be adopted in spring 2011.

BUILDING ON EXISTING EFFORTS

In many respects the SCS builds upon existing efforts in many Bay Area communities to encourage more focused and compact growth while recognizing the unique characteristics and differences of the region's many varied communities. FOCUS Priority Development Areas (PDAs) are locally-identified and regionally adopted infill development opportunity areas near transit. The PDAs provide a strong foundation upon which to structure the region's first Sustainable Communities Strategy. PDAs are only three percent of the region's land area. However, local governments have indicated that based upon existing plans, resources, and incentives the PDAs can collectively accommodate over fifty percent of the Bay Area's housing need through 2035.

PDAs have been supported by planning grants, capital funding and technical assistance grants from MTC. The current RTP allocates an average of \$60 million a year to PDA incentive-related funding. Future RTPs, consistent with the SCS, will be structured to provide policies and

funding that is supportive of PDAs and potentially other opportunity areas for sustainable development in the region.

PARTNERSHIP

To be successful, the SCS will require a partnership among regional agencies, local jurisdictions, Congestion Management Agencies (CMAs), transit agencies, and other regional stakeholders. MTC and ABAG are engaged in an intense information exchange with County-Corridors Working Groups throughout the Bay Area. These Groups are organized by county, by sub-regions within counties, and by corridors that span counties. They typically include city and county planning directors, CMA staff, and representatives of other key agencies such as transit agencies and public health departments. Working Group members are responsible for providing updates and information to their locally elected policymakers through regular reports like this one and eventually through recommended council or board resolutions which acknowledge the implications of the SCS for each jurisdiction.

Each county has established an SCS engagement strategy and the composition of a County/Corridor Working Group according to their needs and ongoing planning efforts. The County/Corridor Working Groups provide an opportunity for all of the region's jurisdictions to be represented in the SCS process and to provide ongoing information to, and input from, local officials through staff reports by working group members (local planning staff) to their city councils and/or boards of supervisors as the SCS process evolves through 2011. In addition to the County-Corridor Working Groups, a Regional Advisory Working Group (RAWG), composed of local government representatives and key stakeholders provides technical oversight at the regional level.

PROCESS – SCS SCENARIOS

The final SCS will be the product of an iterative process that includes a sequence of growth and supportive transportation scenarios. Starting with an Initial Vision Scenario (March 2011), followed by more detailed SCS scenarios that refine the initial vision scenario (Spring and Fall 2011), and final draft (early 2012).

Initial Vision Scenario

ABAG and MTC will release an Initial Vision Scenario in March 2011 based in large part on input from local jurisdictions through the county/corridor engagement process and information collected by December 2010. The Vision Scenario will encompass an initial identification of places, policies and strategies for long-term, sustainable development in the Bay Area. Local governments will identify places of great potential for sustainable development, including PDAs, transit corridors, employment areas, as well as infill opportunities areas that lack transit services but offer opportunities for increased walkability and reduced driving.

The Initial Vision Scenario will:

- Incorporate the 25-year regional housing need encompassed in the SCS;
- Provide a preliminary set of housing and employment growth numbers at regional, county, jurisdictional, and sub-jurisdictional levels;
- Be evaluated against the greenhouse gas reduction target as well as the additional performance targets adopted for the SCS.

Detailed Scenarios

By the early spring of 2011 the conversation between local governments and regional agencies will turn to the feasibility of achieving the Initial Vision Scenario by working on the Detailed Scenarios. The Detailed Scenarios will be different than the initial Vision Scenario in that they will take into account constraints that might limit development potential, and will identify the infrastructure and resources that can be identified and/or secured to support the scenario. MTC and ABAG expect to release a first round of Detailed Scenarios by July 2011. Local jurisdictions will provide input, which will then be analyzed for the release of the Preferred Scenario by the end of 2011. The County/Corridor Working Groups as well as the RAWG will facilitate local input into the scenarios through 2011. The analysis of the Detailed Scenarios and Preferred Scenario takes into account the Performance Targets and Indicators.

REGIONAL HOUSING NEEDS ALLOCATION

As described above, the eight-year RHNA must be consistent with the SCS. Planning for affordable housing in the Bay Area is one of the essential tasks of sustainable development. In the SCS, this task becomes integrated with the regional land use strategy, the development of complete communities and a sustainable transportation system. The process to update RHNA will begin in early 2011. The county/corridor engagement process will include discussions of RHNA, since both the SCS and RHNA require consideration of housing needs by income group. Cities will discuss their strategies for the distribution of housing needs at the county level and decide if they want to form a sub-regional RHNA group by March 2011. The distribution of housing needs will inform the Detailed SCS Scenarios. Regional agencies will take input from local jurisdictions for the adoption of the RHNA methodology by September 2011. The final housing numbers for the region will be issued by the State Department of Housing and Community Development (HCD) by September 2011. The Draft RHNA will be released by spring 2012. ABAG will adopt the Final RHNA by the end of summer 2012. Local governments will address the next round of RHNA in their next Housing Element update.

This is a condensed description of the RHNA process. Additional details about procedural requirements (e.g. appeals, revisions and transfers) and substantive issues (e.g. housing by income category and formation of subregions) will be described in a separate document.

REGIONAL TRANSPORTATION PLAN

The SCS brings an explicit link between the land use choices and the transportation investments. MTC and ABAG's commitment to the reduction of greenhouse gas emissions and provision of housing for all income levels translates into an alignment of the development of places committed to these goals and transportation, infrastructure and housing funding. The regional agencies will work closely with the CMAs, transportation agencies and local jurisdictions to define financially constrained transportation priorities in their response to a call for transportation projects in early 2011 and a detailed project assessment that will be completed by July/August 2011; the project assessment will be an essential part of the development of Detailed SCS Scenarios. The RTP will be analyzed through 2012 and released for review by the end of 2012. ABAG will approve the SCS by March 2013. MTC will adopt the final RTP and SCS by April 2013.

Regional agencies will prepare one Environmental Impact Report (EIR) for both the SCS and the RTP. This EIR might assist local jurisdictions in streamlining the environmental review process for some of the projects that are consistent with the SCS. Local jurisdictions are currently providing input for the potential scope of the EIR. Regional agencies are investigating the scope and strategies for an EIR that could provide the most effective support for local governments.

ADDITIONAL REGIONAL TASKS

MTC, ABAG and the Bay Area Air Quality Management District are coordinating the impacts of CEQA thresholds and guidelines recently approved by the Air District. The Air District is currently developing tools and mitigation measures related to the CEQA thresholds and guidelines to assist with development projects in PDAs. The four regional agencies will be coordinating other key regional planning issues including any adopted climate adaptation-related policy recommendations or best practices encompassed in the Bay Plan update recently released by BCDC.

BENEFITS FOR ALL

The SCS provides an opportunity for local jurisdictions to advance local goals as part of a coordinated regional framework. By coordinating programs across multiple layers of government, the SCS should improve public sector efficiency and create more rational and coordinated regulation and public funding. The SCS connects local neighborhood concerns—such as new housing, jobs, and traffic—to regional objectives and resources. As such, it is a platform for cities and counties to discuss and address a wide spectrum of challenges, including high housing costs, poverty, job access, and public health, and identify local, regional, and state policies to address them. It gives local governments a stronger voice in identifying desired infrastructure improvements and provides a framework for evaluating those investments regionally. In this way, the SCS rewards those cities whose decisions advance local goals and benefit quality of life beyond their borders—whether to create more affordable housing, new jobs, or reduce driving.

Regional agencies are exploring the following support for the SCS:

- Grants for affordable housing close to transit
- Infrastructure bank to support investments that can accommodate housing and jobs close to transit
- Transportation investment in areas that can significantly contribute to the reduction of greenhouse gas emissions through compact development
- Infrastructure investments in small towns that can improve access to services through walking and transit.

NEXT STEPS

- Regional agencies expect to release an initial Vision Scenario in early March 2011.
- Local jurisdictional staff will subsequently provide a report to Councils and Boards describing the overall approach, regional context, and local implications.
- Local jurisdictional staff will seek Council/Board feedback and response to the initial Vision Scenario to be share with regional agencies. This feedback will serve as a basis for the development of Detailed SCS Scenarios through July 2011.