



# AGENDA REPORT

2012 MAR -9 AM 10:30

**TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR**

**FROM: Fred Blackwell**

**SUBJECT: Action on Sustainable Communities Strategy**

**DATE: 3/6/12**

City Administrator

Date

Approval

3/9/12

**COUNCIL DISTRICT: City-Wide**

## **RECOMMENDATION**

Staff recommends that the City Council take Action on a Report and Recommendations Regarding The Development Of The Regional Sustainable Communities Strategy (SCS) Pursuant To California Senate Bill 375, Including Alternative Land Use And Transportation Scenarios, The OneBayArea Grant Program, Results Of The Performance Targets and Equity Analyses, And Key Considerations For The City Of Oakland

## **REASON FOR SUPPLEMENTAL OR REPLACEMENT**

Staff have prepared this report to supplement the information provided at the Community and Economic Development Committee meeting of February 28, 2012, and to notice the item for possible Council action.

## **OUTCOME**

Upon receiving the direction of the City Council, staff and/or Councilmember Brunner, as the City's representative to the Association of Bay Area Governments (ABAG), will be able to clearly convey to ABAG and to the Metropolitan Transportation Commission (MTC) the concerns and perspectives of the City of Oakland regarding the development of the regional Sustainable Communities Strategy pursuant to California Senate Bill 375.

## **BACKGROUND/LEGISLATIVE HISTORY**

SB 375 was enacted in 2008, and the Bay Area's Sustainable Communities Strategy process was initiated in the spring of 2010. Since the law requires that each Regional Transportation Plan and Sustainable Communities Strategy be consistent with the Regional Housing Needs

Allocation (RHNA), which forms the basis for each jurisdiction's Housing Element, ABAG and MTC are coordinating the development of the SCS with the state-mandated RHNA update.

Staff from the City's Department of Planning, Building, and Neighborhood Preservation, the Department of Housing and Community Development, and the Public Works Agency (Infrastructure Plans and Programming Division) have been participating in the development of the SCS, Regional Transportation Plan, and the RHNA process over the past 18 months, including attendance at monthly meetings convened by ABAG's the Regional Advisory Working Group and the Housing Methodology Committee.

In order to meet ABAG's previous deadline, staff sent a comment letter to ABAG and MTC on behalf of the City of Oakland (*Attachment A*) in advance of official comments from Council. These comments may be augmented per further Council direction as described above.

## ANALYSIS

Staff has prepared a list of potential actions which the City of Oakland might request of ABAG and MTC, to address areas of concern related to the SCS.

1. The City of Oakland requests that the regional agencies work with the State to ensure that the adoption of the SCS is accompanied by appropriate CEQA relief measures.

In order to rectify the problem of unintended consequences of high growth projections on CEQA review of proposed development projects, which effectively preclude infill growth in centrally located urban areas, it is critical that changes be made to the state CEQA guidelines that will allow for simplified and expedited environmental review for infill development. The most important measures to pursue are: (1) a new statutory exemption or categorical exemption for infill projects that are consistent with the land use pattern adopted through the SCS; and (2) changes to how transportation impacts are evaluated so that the methodology is less automobile-centric and less focused on traffic congestion at intersections.

2. The City of Oakland strongly urges the regional agencies to treat all areas equally that meet the criteria for being appropriate locations for future growth, including Planned PDAs, Growth Opportunity Areas, and "PDA-Like Areas," in terms of growth allocations in the Preferred Land Use Scenario.

In order to ensure an equitable distribution of new households and jobs throughout the region, growth should not be allocated only to those areas that have been voluntarily designated as PDAs by local jurisdictions, as this allows some jurisdictions to "opt out" of taking on their fair share of the region's future housing need. However, funding for transportation improvements must be linked to designated (Planned) PDAs.

3. The City of Oakland requests that the regional agencies establish a direct and binding relationship between growth allocations and funding.

In order for the SCS to be successful, there must be a guarantee that those jurisdictions that agree to take on higher levels of growth will receive a larger share of funding for transportation and infrastructure improvements, affordable housing, and other public expenditures that are necessary to support growth. The current OneBayArea Grant proposal and the formula for distributing funding to counties is a step in the right direction, but the City of Oakland requests that a stronger and more direct link be established between the growth allocations and disbursement of funding. Also, the OneBayArea grant program represents only about 3% of the regional discretionary funds. The City of Oakland requests that a greater proportion of these funds be linked to local control.

4. The City of Oakland encourages the regional agencies to develop tools and strategies for guiding job growth to central, transit-accessible locations.

At present there are relatively few tools available to redirect job growth within the region. Staff believe that a regional dialogue is needed on how to incentivize job growth in locations with good access to the regional transit network, as opposed to the past trend of large employers choosing to locate in suburban areas around the region's periphery. Accordingly, the City of Oakland should urge the regional agencies to work in collaboration with cities to identify policy changes that will help achieve the distribution of job growth that is set forth in the SCS Preferred Scenario.

For questions regarding this report, please contact Eric Angstadt, Director, at (510) 238-6190

Respectfully submitted,



Fred Blackwell, Assistant City Administrator

Reviewed by:

✓ Eric Angstadt, Director  
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February 28, 2012

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RE: City of Oakland Comments on SCS Alternative Scenarios

Dear Mr. Kimsey and Mr. Kirkey:

Thank you for the opportunity to comment on the Alternative Scenarios and other elements of the Sustainable Communities Strategy. We are pleased to submit the following comments from management staff in the City of Oakland's Planning and Housing Departments.

#### High Growth Allocations and CEQA Implications

The City of Oakland continues to be concerned about the very high growth allocations that have been assigned to Oakland in the Alternative Scenarios, and specifically the CEQA implications of these growth projections. Our existing land use policy and regulations are generally consistent with the vision for growth and land use that is promoted by the Alternative Scenarios – the City's General Plan and zoning allow for medium to high density development in the city center, along major corridors, and around transit stations. However, the high growth projections assigned to our city will have unintended consequences for CEQA review of proposed development projects, which effectively preclude infill growth in centrally located urban areas such as Oakland.

Analysis of traffic impacts as required by CEQA, which is based on future land use projections, will predict very high levels of vehicle traffic for every proposed development project. As a result, every project will require an EIR and every project will have significant and unavoidable impacts related to traffic. This means that, even for small projects, developers will be required to pay for transportation improvements that may not be needed for the next 30-40 years, if at all (given that unrealistically high traffic predictions form the basis on which transportation mitigations are assigned to development projects).

In order to rectify this situation, the City requests that the regional agencies either revise the growth allocations to Oakland to reflect a more realistic level of household growth, or ensure that the adoption of the SCS is accompanied by CEQA relief measures for good infill development projects that are in line with State goals for greenhouse gas emissions reduction, air quality, etc.

## Non-Designated "PDA-Like Areas" and Fairness of Growth Allocations Throughout Region

There has been discussion throughout the SCS process of "PDA-Like Areas" - places along the regional transit network that have potential for additional growth, but have no official status in the SCS. Typically these are instances in which local jurisdictions have not voluntarily stepped up to take on their fair share of regional growth allocations. In particular, many jurisdictions have identified one small PDA, but may have additional areas appropriate for growth beyond the site identified. We want to ensure that individual jurisdictions are prevented from "opting out" of meeting a fair share of the region's growth needs. The City of Oakland strongly urges the regional agencies to treat all areas that meet the criteria for being appropriate locations for future growth, including Planned PDAs, Growth Opportunity Areas, and "PDA-Like Areas," equally in the development of the regional Preferred Land Use Scenario.

## Connection Between Growth Allocations and Funding

In order for the SCS to be successful, there must be a *direct and binding* relationship between the growth allocations and funding for things like transportation and infrastructure improvements, affordable housing, and other public expenditures that are necessary to support growth. The City of Oakland is pleased that the proposed OneBayArea Grant Program's formula for allocation of funding to counties takes into account both the RHNA affordable housing allocations and actual affordable housing production, which benefits the counties with large urban jurisdictions. However, funding will be distributed throughout each county as determined by the Congestion Management Agencies (CMAs), with no guarantee that the funding will go to projects in cities with the highest growth allocations where improvements are most needed.

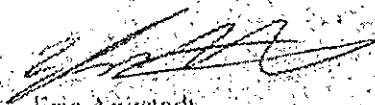
In addition, since the OneBayArea Grant program represents only a small fraction of the total regional discretionary funds for transportation, we encourage the regional agencies to formulate ways to ensure that all transportation funds are allocated in ways that directly support Priority Development Areas and the SCS land use pattern.

## Tools and Incentives to Guide Location of Job Growth

The job growth allocations in the Alternative Scenarios, particularly the Core Concentration Constrained and Focused Growth Scenarios, are counter to past trends in terms of the location of employment centers in the region. In order to reverse the trend of job growth around the periphery of the region in areas that are not well served by transit, we encourage the regional agencies to develop tools and endeavor to reach a regional consensus on how to incentivize job growth in central transit-accessible locations.

Thank you again for the opportunity to comment and for your diligent work on the development of the SCS. We look forward to continued dialogue on these issues.

Sincerely,



Eric Angstadt

Director of Planning, Building and Neighborhood Preservation