

San Francisco Bay Area Regional Prosperity Plan

ABSTRACT

REQUIRED INFORMATION		
1	Project Name	San Francisco Bay Area Regional Prosperity Plan
2	Lead Applicant	Metropolitan Transportation Commission (MTC)
3	Point of Contact	Doug Johnson, Senior Planner/Analyst, 510-817-5846, djohnson@mtc.ca.gov
4	Population Level	Large Metropolitan Region: Nine County San Francisco Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma).
	Total Population	7,150,739
5	Category of Application	Category 2
6	Total Budget	\$7,374,806
	HUD Share	\$4,991,366
	Applicant Match	\$2,383,440
7	Eligible Geography	Geographic area under jurisdiction of a single MPO (MTC).
	Locations Included in Consortium	Cities of San Jose, San Francisco, Oakland, Fremont, Santa Rosa, Hayward, Sunnyvale, Vallejo, Santa Clara, Fairfield, Richmond, Berkeley, Daly City, Antioch, Pittsburgh, East Palo Alto, and San Pablo. Unincorporated Contra Costa County, Sonoma County and Alameda County.
8	Congressional Districts Covered	CA-01, CA-03, CA-06, CA-07, CA-08, CA-09, CA-10, CA-11, CA-12, CA-13, CA-14, CA-15, CA-16

NARRATIVE

The Bay Area Consortium is proposing the *San Francisco Bay Area Regional Prosperity Plan*, a Detailed Execution Plan for its Regional Plan for Sustainable Development (RPSD). FOCUS, the existing RPSD, is a development and conservation strategy that promotes a more compact land use pattern for the Bay Area. It unites the efforts of four regional agencies into a single program that links land use and transportation by encouraging the development of livable communities in areas served by transit. At the same time, the Bay Area is producing its first-ever state mandated “Sustainable Communities Strategy” (SCS). FOCUS and the SCS establish a comprehensive regional growth strategy, identifying where development should be directed and how transportation investments should reinforce that growth.

The proposed *Regional Prosperity Plan* (Plan) refines and implements the elements of the growth strategy that most impact low income residents in the Bay Area who are not participating in the wealth of the region. This initiative will increase access to regional prosperity for workers who cannot make ends meet, by creating middle-income jobs and developing and preserving affordable housing in transit-served communities. Central to the Plan is the integration of decision-making, knowledge building, and public engagement across public agencies, community organizations, foundations, and regional policy agencies to build long term leadership capacity.

The overall objective of the proposed work is to ensure that FOCUS and SCS implementation are centered on addressing the needs of people with the greatest barriers to economic opportunity, who will

be the most heavily impacted by uncoordinated regional growth, and who have had the greatest difficulty participating in planning processes.

There will be two major, interconnected areas of work: (1) a community-rooted process to develop and implement a regional *Economic Opportunity Strategy* to expand economic opportunities for low and moderate income people; and (2) implementation of a strategy for *Housing the Workforce* by creating and preserving housing affordable to low income workers. Underpinning these two areas of work will be an extensive outreach and engagement process to ensure that underrepresented groups most in need of affordable housing and jobs have a real voice in the development and implementation of the Plan.

The goal of the *Economic Opportunity Strategy* is to understand, strengthen and expand economic opportunities for low and moderate income individuals by: (1) creating a regional analysis and framework for economic growth and inclusion; (2) creating new job and small business opportunities or improved job and small business access in both transit-served job centers and in communities with a strong concentration of unemployment and poverty; (3) steering investment of regional infrastructure into these communities to create jobs and enhance opportunity-structures; (4) enhancing the strengths and leadership of Bay Area firms demonstrating success at employing a diverse workforce and procuring from diverse firms; and (5) developing workforce and small business expansion pathways to channel workers and firms into this growth.

The goal of *Housing the Workforce* is to develop the resources to ensure that affordable housing planned for developments near transit systems is created, is affordable to diverse levels of income, and low income people are not displaced from their communities as new housing, transit access, and other compact development investments bring rising property values. The work will: (1) strengthen community engagement, including support for community-based organizations to enhance their capacity to actively participate in local and regional planning processes, as well as engagement processes to increase acceptance of affordable housing in communities with high housing costs and significant resistance to development; (2) create innovative planning and policy tools to encourage both housing production and preservation, and (3) create a regional plan to close the funding gap for affordable housing development and preservation with a funding toolkit of both regional and local mechanisms.

The proposed Regional Prosperity Plan will break new ground by inverting the priorities traditionally seen in the Bay Area's regional and sustainable development planning. Instead of viewing the problems confronting poor communities as part of a long list of items to address, the proposed Plan puts these disparities at the center of the work. Instead of looking from above at poor communities, this plan will be built with and by underserved communities who will sit with policy experts and government agencies to steer the implementation process to address issues of income inequality—aligning infrastructure investments, housing improvements, and access the jobs and housing improvements they need to create pathways out of poverty.

San Francisco Bay Area Regional Prosperity Plan

RATING FACTOR NARRATIVE

Introduction

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The proposed **Regional Prosperity Plan** (Plan) refines and implements the elements of the growth strategy that most impact low income residents in the Bay Area who are not participating in the wealth of the region. This initiative will increase access to regional prosperity for workers who cannot make ends meet by creating middle-income jobs and developing and preserving affordable housing in transit-served communities. Central to the Plan is the integration of decision-making, knowledge building, and public engagement across public agencies, community organizations, foundations, and regional policy agencies to build long term leadership capacity.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience

a. Organizational Capacity and Qualifications

Consortium Membership

The San Francisco Bay Area is home to over seven million people living in nine counties and 101 cities. The region has three large cities (San Jose, San Francisco and Oakland), dozens of medium-sized and smaller urban and suburban communities, and many rural and agricultural areas. The Consortium that will implement the Plan reflects the diversity of the region, includes groups with a broad array of skills and expertise, and ensures the participation of all stakeholders, particularly those least likely to have been represented in the past.

The Consortium includes cities and counties representing more than 50% of the region’s residents, plus regional agencies, community based organizations, labor unions and local labor federations, regional and local advocacy groups, community foundations, business interests, and academic institutions. Consortium members were involved in the development of FOCUS, are actively participating in the SCS, and worked collaboratively to develop this Plan. All are committed to working together to build a more sustainable, equitable and prosperous region and creating a lasting structure for collaboration across sectors. A list of initial consortium members and their roles is provided in the Factor 1 form.

Consortium Structure

The Lead Applicant is the Metropolitan Transportation Commission (MTC), the metropolitan planning organization for the Bay Area. MTC will be responsible for acting in a representative capacity with HUD on behalf of the Consortium, will assume administrative responsibility for ensuring that the Consortium’s program is carried out in compliance with all HUD requirements, and will serve as fiscal agent for the Sustainable Communities Regional Planning (SCRIP) grant. To fulfill this role, MTC will partner with the Association of Bay Area Governments (ABAG), the region’s Council of Governments (co-located with MTC).

The Consortium will establish two Work Groups (one for Economic Opportunity and one for Housing the Workforce), a Joint Projects committee, and a 16-member Steering Committee. The Steering Committee will be composed of representatives from organizations that reflect the diversity of the Consortium membership. It includes MTC, ABAG, Cities and Counties, The San Francisco Foundation and Silicon Valley Community Foundations, CBOs with expertise working in underserved communities and community engagement, NGOs with housing expertise, and workforce, labor and business representatives. The Steering Committee will be responsible for project oversight, reporting to HUD, and the Partnership for Sustainable Communities, communications, and project evaluation. The two Work Area Committees will have open membership and will each have rotating co-chairs. Four organizations have been selected to serve as the Interim Co-Chairs during the initial award period: Urban Habitat and the Bay Area Council (BAC) will co-chair the Economic Work Group. The Non-Profit Housing Association of Northern California (NPH) and the Council of Community Housing Organizations (CCHO) will co-chair the Housing Work Group.

The Steering Committee and Work Groups will deliberate on key matters and make decisions on a consensus basis. The Consortium makes an explicit commitment to equity through the engagement of community organizations in the decision-making process. Further detail on the structure and functions of the Consortium is provided in the Appendix 1: Organization Chart and in Section 3b3 of this narrative.

Capacity and Experience of Consortium Members:

The Consortium Lead Applicant and member organizations collectively have extensive experience and capacity in developing and implementing regional and multijurisdictional planning efforts and implementation programs as well as direct engagement with low income people living in the communities where this initiative will be concentrating its efforts.

Metropolitan Transportation Commission (MTC). MTC functions as both the regional transportation planning agency and as the region's metropolitan planning organization (MPO). As such, it is responsible for updating the Regional Transportation Plan (RTP), a comprehensive blueprint for the development of the region's transportation network including mass transit, highway, airport, seaport, railroad, bicycle and pedestrian facilities. The MTC is also responsible, along with the Association of Bay Area Governments, for the adoption of the Bay Area's SCS (see below).

Association of Bay Area Governments (ABAG). ABAG is the regional Council of Governments for the nine counties and 101 cities and towns in the region. ABAG's planning and service programs address the region's economic development, housing, and environmental challenges. ABAG has been the lead agency for FOCUS in partnership with MTC and other regional agencies.

The San Francisco Foundation (TSFF) and Silicon Valley Community Foundation (SCVF): TSFF and SCVF are two of the leading agents of Bay Area philanthropy, ranking among the largest of the nation's community foundations in grant making and assets. They have dedicated professional staff working on regional growth, transportation, environment, workforce, asset building and housing issues throughout the region. The foundations are dedicated to solving the place-based issues that affect the region's low income neighborhoods. Through grant making and convening, the two foundations act as natural connectors and neutral arbiters amongst many sectors in the region.

Cities and Counties: The three largest cities in the Bay Area: San Jose, San Francisco, and Oakland are Consortium participants. A large number of smaller cities and county unincorporated areas will also be involved in implementation. Bay Area cities and counties have land use authority over zoning and project approval, as well as decision making authority to fund capital improvements within city boundaries. Thus, local jurisdictions will be central to Plan implementation.

The Great Communities Collaborative (GCC): The GCC was formed in 2006 to work towards a future where mixed-income transit-oriented communities would become prevalent in the Bay Area. The GCC has worked with a wide variety of Bay Area community-based organizations to engage in local planning and implementation processes to increase housing near transit and address community needs.

Non-Profit and Community Based Organizations: Non-profit organizations representing local and regional planning, housing, transportation, labor, anti-displacement, environmental interests, business interests, public health, and others are members of the Consortium and worked with regional agency staff to develop this scope of work. Representatives from four of these organizations are serving as Interim Co-Chairs of the two Work Groups:

- *Bay Area Council:* The BAC is a business-sponsored, CEO-led, public-policy advocacy organization founded in 1945. The Bay Area Council is regarded as the regional voice of business. More than 275 of the largest employers in the region support the BAC as members and together focus on shaping public policy in areas such as transportation, housing, education, climate change, and business vitality.
- *Council of Community Housing Organizations:* CCHO has been in the forefront of the affordable housing movement in San Francisco since 1978. Its membership consists of 17 community-based nonprofit housing organizations and faith-based groups. CCHO's goal is to create an effective affordable housing policy framework and adequate funding for the creation of affordable housing by addressing land use, zoning, employment and economic development, social services, and environmental justice.
- *Non-Profit Housing Association of Northern California.* Since 1979, NPH has been the collective voice of those who support, build and finance affordable housing in the northern California region. NPH promotes the proven methods of the non-profit sector and focuses government policy on low-income people who suffer disproportionately from the housing crisis.
- *Urban Habitat:* UH builds power in low-income communities and communities of color by combining education, advocacy, research and coalition-building. Founded in 1989, UH builds bridges between environmentalists, social justice advocates, government leaders, and the business community. Its work has helped to broaden and frame the agenda on pollution, transportation, tax and fiscal reform, brownfields, and the nexus between inner-city disinvestments and urban sprawl.

Many other non-profit and community-based organizations are members of the Consortium (see Section 1b3, below, as well as Rating Factor Form 1). The direct engagement of these community organizations is a defining characteristic of this Plan. The Consortium benefits from their diversity, their wealth of knowledge, and their direct engagement with low-income communities.

b. Capability and Qualifications of Key Personnel

Doug Kimsey, MTC Planning Director, will be the project director. He has over 30 years of experience in the transportation and scenario planning field. The day-to-day project manager, *Ken Kirkey*, AICP, is Planning Director of ABAG. Kirkey has nearly 20 years of experience related to land use, transportation and conservation issues and has overseen the planning process for FOCUS. *Doug Johnson*, MTC Senior Planner, will support day-to-day project management. His work includes MTC's planning, research, and fund programs for disadvantaged communities. *Miriam Chion*, Principal Planner at ABAG, coordinates local government efforts on the SCS and the FOCUS program. The Interim Workgroup Co-Chairs are *Peter Cohen*, Executive Director of CCHO, *Allen Fernandez Smith*, President and CEO of Urban Habitat; *Evelyn Stivers*, Field Director of NPH; and *Jim Wunderman*, President and CEO of the Bay Area Council. Biographies of all Key Personnel are in Appendix 2.

c. Capacity to Address Economic and Social Disparities

The Consortium Membership has extensive experience addressing economic and social disparities and draws upon the Bay Area's wealth of non-profit and community-based groups working to increase economic opportunity, support existing communities, and create affordable housing for people of all income levels. To combine the collective experience and expertise that is available to the Consortium and to anchor it within the organizational structure of the Plan over the grant period, an Equity Collaborative will be formed as part of the Consortium. The Consortium's Equity Collaborative will participate in the decision making within the Housing and Economic work groups, and will be a conduit for engagement with local communities.

The Equity Collaborative will provide a connection between the Consortium's role in regional policy-making and the vulnerable "communities of concern" where the policy-making about development ultimately has its impact. It will assist in identifying community-based partners to help implement the Consortium's Plan and launch pilot projects for implementation of anti-displacement policies. It will advise the Consortium's steering committee on its sub-granting to CBOs, and on community engagement to determine specific needs in the selection of pilot projects and pre-development grants.

The Consortium's budget provides pools of funding to support the Equity Collaborative for three years to be shared by at least two nonprofit organizations selected as co-chairs. They will represent low-income communities and communities of color in FOCUS's "priority development areas" (PDAs). The Equity Collaborative as an embedded function of the Consortium will also bring an equity perspective to regional policy work on the Sustainable Communities Strategy.

MTC and ABAG have extensive experience running regional planning processes that address social and economic disparities. As part of the development of FOCUS, ABAG (through UC Berkeley's Center for Community Innovation and Policy) produced the *Development without Displacement* Report, the region's first endeavor to quantify displacement and address it as part of sustainability planning. Community engagement for the SCS is one of the largest civic efforts undertaken in the region. As part of the SCS, MTC and ABAG formed a 20-member Regional Equity Working Group (which includes three Consortium members: Urban Habitat; National Coalition for Asian and Pacific Community Development (CAPACD); and Dolores Street Community Services) to assist in identifying and providing feedback on major equity issues in the region including affordable housing, public health, employment access, environmental justice, and affordable transit.

In parallel to the regional agencies' formal processes, a partnership of non-profit organizations, "6 Wins for Equity," has formed to encourage regional agencies to continue to identify and implement best practices to engage low income and minority communities in the SCS. "6 Wins for Equity" includes the Consortium members Urban Habitat; Public Advocates; NPH; Just Cause/Causa Justa; CAPACD, CCHO, and the Asian Pacific Environmental Network.

In addition to participating in these equity partnerships, many organizations in the Consortium have extensive track records in analysis, planning, community engagement, leadership and strategy development that directly confront disparities in the region. For example, Urban Habitat has engaged low-income communities in both local and regional efforts (from general plans to transportation equity initiatives) and coordinates the Bay Area's Social Equity Caucus; Causa Justa/Just Cause has worked on housing and immigrants' rights in Latino and African American communities facing displacement pressures; Working Partnerships USA and the San Mateo County Union Community Alliance have a strong history of strategic planning and advocacy work on economic development issues and workforce development issues throughout the Bay Area; and CCHO is a national leader in work to secure policies and financing resources necessary for affordable housing development.

Rating Factor 2: Needs/Extent of the Problem

a. Rating Factor 2 Form – (Attached)

b. Narrative Statement of Need

Although the Bay Area has a reputation as a prosperous center of technological innovation and intellectual progressivism, a closer look reveals a less rosy picture. For Bay Area residents who live near or below the poverty line, many of whom are people of color, it has become much more difficult to find a home they can afford, a job that pays a living wage, and a workable commute between the two. Research tells us that equitable regions are competitive regions.¹ However, as low income people and in the Bay Area face ever more difficult challenges to secure decent jobs and housing, the role of the region as a leading global center of knowledge, innovative technology, and successful investments becomes seriously undermined, to the detriment of the region and the nation as a whole.

The Bay Area is home to over 7 million people. A full 25% of them are struggling to afford the most basic necessities.² While there are people of all races and ethnicities among the Bay Area's low income residents, poverty rates are higher among particular racial and ethnic groups, including African Americans (24.9%), Latinos (22.6%) and Native Americans (25.7%).³

The cities and suburbs that make up the region's more urbanized core surrounding the Bay tend to include the neighborhoods and communities with the largest numbers of low income people and people of color (e.g. parts of San Francisco, Richmond, Oakland, western Alameda County, San Jose, and parts of the San Mateo Peninsula), though there are also large and growing minority communities in the outer suburban areas of Contra Costa and Solano counties (e.g. Vallejo and Pittsburg). See Appendix 3, Map A (Predominant Ethnic Groups) and Map B (Median Household Income).

The region's low income and minority communities also have the highest rates of unemployment. While California's 12.1% unemployment rate is well above the national average, in Richmond unemployment is 17.9% and in Oakland it is 16.2%.⁴ Unemployment is higher for people of color, youth, and those with fewer years of education. According to the Institute on Race and Poverty, income inequality worsened between 2000 and 2009 as the earning gap between rich and poor continued to widen. The region's low income population increased from 21% in 1990 and 2000 to 25% in 2010 and the region has experienced persistent racial segregation, as measured by school composition.⁵

Limited Job Opportunities for Lower Income Workers

Unless we change our current growth patterns, new development will continue to bulldoze our farmland and hillsides for luxury estates, big-box stores and strip malls. Low and middle income families will continue to be pushed out of existing communities in the Bay Area, and quality of life will plummet as congestion skyrockets and those who don't drive become increasingly isolated. (GCC)

¹ Center for American Progress [Need Citation].

² 2010 American Communities Survey (ACS)

³ 2000 Census Data for California, as analyzed by Stanford's Center for Comparative Study of Race and Ethnicity. http://www.stanford.edu/dept/csre/reports/report_12.pdf

⁴ State of California EDD, Labor Market Information, <http://www.labormarketinfo.edd.ca.gov/>

⁵ Institute on Race and Poverty, Bay Area Metro Summary Snapshot.

The growing income inequity reflects structural challenges in the Bay Area economy. Despite having a high median income and a high level of educational attainment⁶, the region has experienced flat line job growth from 1990 to 2010 and has a much less diversified economic base than in the past. The region's manufacturing sector, a key source of high paying jobs for less-educated workers, has declined over the past several decades. The region is increasingly reliant on its dynamic and fast-growing knowledge services sector (e.g. information technology, professional services, life sciences), which generate a small number of high-paying jobs, but few entry level positions with career advancement potential. The greatest increase in jobs over the last ten years has been in lower-wage sectors such as retail sales, cashiers, and office clerks. As a result, the region has a few high paying jobs at the top (\$100,000 and above), an even smaller number of middle income jobs (between \$25,000 and \$100,000) and many jobs at the bottom (paying below \$25,000). Lower income, less educated, and minority workers face a job market where there are few jobs that pay a decent wage and have opportunities for income growth.⁷

The Workforce Is Priced Out of the Region's Housing

The region's lack of jobs for low income workers is matched by the lack of affordable housing. A recent study by the Urban Land Institute analyzed the housing market in all nine Bay Area counties and found that only 15 percent of the existing for-sale housing stock in the Bay Area is affordable to workforce households (30% of the population studied) earning median income. This compares with between 50 and 60 percent in many other metropolitan regions. In fact, every county in the Bay Area ranked as being one of the least affordable in the country with only New York City being ranked less affordable.⁸ For households at 50% of AMI (in Alameda County this is \$45,000 per year for a family of four) only 7% of housing is affordable. For those at 33% (\$27,000 for a family of four), only 3% is affordable. See Appendix 3, Map C (Cost Burdened Renters) and Map D (Cost Burdened Owners).

In California, the State-mandated Regional Housing Needs Allocation (RHNA) process determines how many housing units each jurisdiction must plan for within their local Housing Element, at each income level, to accommodate their current and projected population. However, jurisdictions have not produced a sufficient supply of housing to meet the need, particularly for housing for people at the lowest income levels. In the last cycle, Bay Area jurisdictions met only 44% of the target for very low-income units.⁹

Spatial Mismatch between Housing and Jobs

The challenges with jobs and housing take on an additional dimension when viewed from the perspective of geography and the spatial mismatch between where low income people live and where they work. Much of the region's employment growth in recent decades has been in office parks with limited transit access, in communities where housing costs are very high (e.g. the Silicon Valley and outer East Bay business campuses). Communities where housing is more affordable are generally home to large numbers of low income people and people of color (Richmond, Oakland, parts of San Jose). These areas have experienced a **loss** of jobs that pay a decent wage, particularly those in the manufacturing and the public sector, and have experienced negative job growth in general. Now, fewer low income people can live in close proximity to where they work. People who depend on public transit can reach only about 11% of the region's jobs within a 45 minute

Priced Out: A worker must earn \$23 an hour to afford to rent a typical 2-bedroom apartment.

⁶2000- 2010 Bay Area Census, <http://www.bayareacensus.ca.gov/bayarea.htm>

⁷ "Life in the Valley Economy (LIVE)," Working Partnerships USA, 2010.

⁸ "Priced Out: Persistence of the Workforce Housing Gap in the San Francisco Bay Area" Urban Land Institute (ULI) Terwilliger Center for Workforce Housing, 2010

⁹ "A Place to Call Home", Appendix A, ABAG, 2007).

commute and 35% within a 90 minute commute.¹⁰ Low income people face a choice of commuting long distances to access better jobs, or taking lower paying work nearer to home. See Appendix 3, Map E (Job Centers and Low-Income Neighborhoods).

Gentrification and Displacement Pressure

While some communities face long-standing problems of low real estate values, lack of investment, foreclosures and “blight,” (Bayview in San Francisco, East Oakland, parts of Richmond), many others are dealing with the opposite problem: high housing costs are making these communities unaffordable for those who live there. The increasing popularity of walkable, livable, transit-served neighborhoods has led to production of market rate housing in many neighborhoods without a counterbalancing creation of housing affordable to lower income households or the rigorous preservation of existing affordable housing. Policies incentivizing growth in higher density, transit-served areas can exacerbate this problem by driving up land values in spite of efforts to combat displacement.

The result has been gentrification in places like San Francisco’s Mission District, South of Market, Castro, Hayes Valley; many Oakland and Berkeley neighborhoods such as Lake Merritt and West Berkeley; and in revitalizing neighborhoods in Central San Jose. This forces low income residents to choose between spending more of their income on housing or moving to places where rents are lower. Many are forced to move. San Francisco is currently the only city in the United States with a declining Latino population. Oakland’s African American population has decreased by 25%, Berkeley’s by 36%, and Daly City’s by 42% in the past decade.¹¹ This trend has led to a “suburbanization of poverty,” as many low income African American households have left the urban core and relocated to places such as suburban Antioch, Pittsburgh, and Fairfield, where there are longer commutes, fewer services, and less access to social relationships and institutions that stabilize low income communities of color.¹²

As the region’s most vulnerable residents are pressured to leave their community, neighbors and churches due to these types of development patterns, the overall effect is one of growing instability for the region as a whole. Unless plans for a sustainable Bay Area fully incorporate the principle of social and economic equity, this pattern of displacement resulting from the mismatch between the locations of jobs, housing and the workforce will continue and worsen over time.

Rating Factor 3: Soundness of Approach

Regional planning efforts in the Bay Area have long sought to address housing unaffordability, the spatial imbalances between jobs and housing, and the transportation investments needed to better link people’s homes to where they work. However, these issues take on very specific dimensions in low income and minority communities, where people are most in need of quality, entry-level jobs with a career ladder for advancement; a supply of affordable housing to moderate income households; and real land use and investment resources to contain displacement. While these issues have been addressed to a limited degree in regional planning efforts, they have not been the central focus of the implementation and economic development work to date.

Likewise, no one has ever attempted to create an economic development or workforce development strategy for the entire region. In fact, there has never been a rigorous economic and business analysis included in any regional planning efforts. This failure may help to explain why, despite successes in certain high-wage and high-skill sectors that the Bay Area is known for, social and economic inequality,

¹⁰ Institute on Race and Poverty, Bay Area Metro Summary Snapshot.

¹¹ US Census 2010

¹² Urban Strategies Council, 2010 <http://www.urbanstrategies.org/programs/infotech/bayareablacks.php>

job creation mismatch, jobs-housing location mismatch, and a lack of affordable housing have become growing problems particularly for the lesser known, underserved communities of the region.

The proposed Regional Prosperity Plan will break new ground placing the problems confronting poor communities at the center of the work. This plan will be built with and by underserved communities who will sit with policy experts and government agencies to steer the implementation process to address issues of income inequality—aligning infrastructure investments, housing improvements, and access the jobs and housing improvements they need to create pathways out of poverty.

1. General Description of Proposed Detailed Execution Plan and Program RPSD



FOCUS and the Sustainable Communities Strategy

Adopted in 2007, FOCUS builds upon 15 years of policy and funding initiatives supported by regional agencies, local communities, and non-profit organizations. FOCUS provides the Bay Area with a well-defined, comprehensive regional growth strategy. With the identification of over 200 Priority Development Areas (PDAs) in more than 60 Bay Area jurisdictions and nearly 100 Priority Conservation Areas (PCAs), the region has developed a regional development and conservation strategy based upon a link between local land-use plans and regional agency objectives relative to where new growth should be directed and where areas should be protected. The PDAs are designated and proposed by local jurisdictions, adopted by regional agencies, and supported through regional planning grants.

PDAs are areas in existing communities served by transit that local governments identify as appropriate for significant future growth. Collectively, based upon existing plans, PDAs are expected to accommodate up to 79% of the region's anticipated housing need through 2040 within less than 5% of the Bay Area's land area.¹³ The successful accommodation of most of the region's future growth in the PDAs is a critical factor in building a more environmentally and economically sustainable Bay Area. While there are PDAs in all nine Bay Area Counties, most are located in the more densely populated ring of cities and suburbs in the five counties surrounding the Bay (San Francisco, Alameda, Contra Costa, San Mateo, and Santa Clara). About 40% of the PDAs are in low-income neighborhoods and/or communities of color, making them an anchor for the future success of the Plan.¹⁴ See Appendix 3, Map F (FOCUS Plan PDAs).

FOCUS will be fully integrated into the region's Sustainable Communities Strategy (SCS), a plan currently in development. The SCS is a requirement of California Senate Bill 375 (SB 375), signed into law in 2008, which specifies a process for integrating long-range land-use and transportation planning and requires the California Air Resources Board to adopt regional greenhouse gas (GHG) reduction targets for metropolitan areas to reduce emissions from automobiles and light trucks. In the Bay Area, MTC and ABAG are responsible for the implementation of SB375. The strategies identified as part of the SCS will be adopted in the next Regional Transportation Plan (RTP) in 2013. Consortium partners

¹³ Alternative Land Use Scenarios Report, ABAG, September 1, 2011

¹⁴ Bay Area agencies define communities of color as having 70% or more households that are African American, Asian American, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian or other Pacific Islander, or Multi-Racial. In low income areas, 30% or more of the households earn below 200% of the federal poverty level.

are engaged with MTC and ABAG in the development of the SCS, which will be updated every four years consistent with state and federal policy.

Gaps in Current Regional Planning Efforts

FOCUS and the ongoing work on the SCS have resulted in broadly shared agreement about where future development will be targeted. To date, these plans have focused on the “where” and “what” of sustainable development, but less on the “who.” Despite targeting low income communities for inclusion in FOCUS, the plan does not specifically address needs of low income people and communities. The proposed Regional Prosperity Plan is designed to address two critical gaps in FOCUS:

1. *A Targeted Regional Strategy to Increase Economic Opportunity in Low-Income Communities:* The FOCUS and SCS plans do not include a comprehensive economic and workforce development strategy that prioritizes creating jobs and improving job access for low-income people and communities. Currently, cities and counties plan independently for employment growth, without factoring in the negative impacts of job decentralization, particularly on those populations most in need of jobs that pay a decent wage. Specific gaps include:
 - An analysis of stable and future job sectors and the skills needed to move underutilized workers into these sectors. There has never been a region-wide plan for economic or workforce development, and in the recent sub-regional plans, none has given much consideration to the geography of jobs.
 - A small firms’ analysis to develop strategy for increasing public sector contracts to disadvantaged firms; private sector procurement from minority firms; business supports, business capacity, and strong utilization of business incentives for increasing employment of disadvantaged workers.
 - A business attraction and expansion strategy for firms in high unemployment communities.

2. *A Robust Regional Implementation Strategy to Produce Affordable Housing for the Low Income Workforce.* The Bay Area has a plan that identifies where new affordable housing is needed. However, implementation of this plan in a way that creates sufficient housing for low income people and prevents neighborhood destabilization remains a challenge. Creating affordable housing in densely developed, transit-served communities and communities where jobs are located is essential to ensuring the region’s long-term sustainability. However, this cannot be achieved without a robust housing affordability strategy designed to overcome long-standing impediments to affordable housing development in the Bay Area and prevent displacement of low income community members. The three primary gaps are:
 - Community engagement practices to support the capacity of low income communities and communities of color to engage in complex public planning processes. Community engagement is also needed in more affluent job centers where housing costs are high and there is continuing community opposition to affordable housing
 - Policy and planning barriers including under-zoning for multi-family housing, slow and inefficient permitting processes, and overestimation parking required in transit-oriented development (TOD) prevent the development of sufficient affordable housing. The region currently lacks any effective tracking systems to monitor development patterns and predict gentrification and displacement processes, and there is no regional Analysis of Impediments to Fair Housing.
 - Funding is currently lacking due to recession, financial institutions’ retraction of credit, and public budget crises—making long-standing affordable housing finance strategies ripe for reform. California state budget crises recently resulted in the rescission of redevelopment funds that were a steady source of affordable housing finance in older urban and suburban communities, and

traditional bond financing sources have dried up in this fiscal year. Resources are lacking for incentives for cities that adopt effective affordable housing and anti-displacement policies; developing local and region-wide resources for land acquisition, predevelopment, and affordable home construction; and ways to preserve and adaptively re-use existing buildings into deed-restricted affordable housing.

How Gaps Will Be Addressed

The proposed Plan will undertake additional planning and analysis to address these impediments and catalyze implementation of the RPSD. The overall objective of the proposed work is to ensure that FOCUS and SCS implementation are centered on addressing the needs of people with the greatest barriers to economic opportunity, who will be the most heavily impacted by uncoordinated regional growth, and who have had the greatest difficulty participating in planning processes.

There will be two major, interconnected areas of work: (1) a community-rooted process to develop and implement a regional *Economic Opportunity Strategy* to expand economic opportunities for low and moderate income people; and (2) implementation of a strategy for *Housing the Workforce* by creating and preserving housing affordable to low income workers. Underpinning these two areas of work will be an extensive outreach and engagement process to ensure that underrepresented groups most in need of affordable housing and jobs have a real voice in the development and implementation of the Plan.

The goal of the *Economic Opportunity Strategy* is to understand, strengthen and expand economic opportunities for low and moderate income individuals by: (1) creating a regional analysis and framework for economic growth and inclusion; (2) creating new job and small business opportunities or improved job and small business access in both transit-served job centers and in communities with a strong concentration of unemployment and poverty; (3) steering investment of regional infrastructure into these communities to create jobs and enhance opportunity-structures; (4) enhancing the strengths and leadership of Bay Area firms demonstrating success at employing a diverse workforce and procuring from diverse firms; and (5) developing workforce and small business expansion pathways to channel workers and firms into this growth.

The strategy will address this task through access to “Industries of Opportunity” and investments in “Places of Opportunity.” “Industries of Opportunity” are those that provide living wage jobs with career pathways and put low and moderate income workers on a clearly defined career pathway to economic self-sufficiency, are close to transit, and are accessible to low-income communities. “Places of Opportunity” are neighborhoods or districts well positioned to support small businesses and local jobs through guided investments that can benefit the community, expand jobs and businesses, minimize displacement, and foster the firms that are most likely to locate (or are already located) in lower-opportunity communities.

The *Economic Opportunity Strategy* will build off FOCUS, the SCS, and public and private sector analyses already conducted at sub-regional levels. It will include a new business, industry, and job analysis that will identify key strategies and catalytic projects. Where access to jobs depends on higher skill levels, the Economic Prosperity team will identify workforce development strategies and institutional players, and will set goals to serve and place the targeted workers. The goal is for the completed Economic Opportunity Strategy to create a process of equity collaboration that can be sustained to transform and strengthen the regional economy.

The goal of *Housing the Workforce* is to develop the resources to ensure that affordable housing planned for developments near transit systems is created, is affordable to diverse levels of income, and low income people are not displaced from their communities as new housing, transit access, and other

compact development investments bring rising property values. The work will address the main impediments by undertaking the tasks below:

1. Strengthen community engagement, including financial support for community-based organizations to enhance their capacity to actively participate in local and regional planning processes and promote local investments and policies that benefit rather than displace low-income communities and communities of color, as well as engagement processes to increase acceptance of affordable housing in communities with high housing costs and significant resistance to development;
2. Create innovative planning and policy tools to encourage both housing production and preservation, such as data systems for tracking “pipeline” development activity and at-risk properties, early warning systems for displacement, model streamlined permitting processes to create more certainty for affordable housing developers, and data systems to generate estimated parking demand and trip generation in TOD; and
3. Create a regional plan to close the funding gap for affordable housing development and preservation with a funding toolkit of both regional and local mechanisms.

How Plan Address the Livability Principles

The proposed implementation Plan incorporates all six livability principles:

1. *Provide more transportation choices.* FOCUS was coordinated with *Transportation 2035*, MTC’s most recent Regional Transportation Plan (RTP) and the SCS is the land use pattern for the next RTP. The Regional Prosperity Plan will help provide more transportation choices for low income people in particular by adopting strategies that will allow low income workers to live closer to where they work in transit-served communities. Increasing and preserving affordable housing in transit rich areas will enhance transportation choices.
2. *Promote equitable, affordable housing.* RHNA goals are already incorporated into FOCUS through the designation of PDAs and under the SCS, RHNA and RTP investments are required to be fully integrated with each other and folded into the SCS. The Regional Prosperity Plan will promote the creation of affordable housing near jobs and transit-rich hubs.
3. *Enhance economic competitiveness.* The PDAs identified in FOCUS/SCS are designed to enhance economic competitiveness by bringing jobs to areas well served by transit, services and amenities. The proposed Economic Opportunity Plan will create jobs and expand economic opportunities for low and moderate income people.
4. *Support existing communities.* The first goal of the FOCUS program is to “Strengthen and Support unique existing communities.” FOCUS and SCS recognize the ability of community organizations and local governments to enhance the place qualities, social networks, and cultural identity of existing neighborhoods. The proposed Plan brings a sharp focus to the needs of low income communities for jobs and affordable housing, combined with strategies to prevent gentrification and displacement.
5. *Coordinate policies and leverage investment.* FOCUS and the SCS are moving to integrate and leverage a number of regional and local plans, redefining regional land use strategies based on coordination with local jurisdictions, and identifying opportunities for TOD as an investment strategy for transportation, MTC TOD Policy (2005), BAAQMD CARE program (2010), BCDC Bay Plan.
6. *Value communities and neighborhoods.* FOCUS and the SCS are regional strategies based on neighborhood qualities and visions as well as the development of complete communities. The Plan draws from “Place Types” designations by neighborhoods to have a regional dialogue on development.

The proposed Plan addresses the social and cultural values of low income communities and communities of color, with the active participation of those groups.

How Plan Leverages Economic Assets

The Economic Strategy will build upon the Bay Area's diverse economic assets, including the increasing diversity of production, distribution and repair industries, the strong clusters of small businesses of production, services, and high technology, and the wide range of economic development groups. The Economic Strategy will leverage current work being led by the Bay Area Council Economic Institute, a public-private partnership of business with labor, government and higher education. That project will include a regional analysis of job clusters and key industries to identify strategies for supporting and growing the Bay Area economy and removing barriers to economic prosperity. Drawing from this effort, the Economic Opportunity Strategy will create a unique synergy between business and community organizations in addressing job creation and business development for Industries of Opportunity and Places of Opportunity.

How Plan Will Build Inclusive Communities Free from Discrimination and Advance Opportunity

The Regional Prosperity Plan takes on the job of advancing opportunities for disadvantaged communities by integrating community engagement and investment decisions into the development process. In addition, one of the first steps for Housing the Workforce will be the development of a Bay Area Regional Analysis of Impediments to Fair Housing. This analysis will be prepared using the most recent available county-level Analyses of Impediments as a base and will assess how our proposed Plan will affirmatively further fair housing and help build inclusive communities free of discrimination that advance access to transportation options and economic opportunity for all segments of the population.

2. Process to Improve/Further Develop the RPSD

Gaps in the Existing RPSD, Past Challenges and How They Will Be Addressed

The proposed Implementation Plan will improve and further develop FOCUS and the SCS by creating: (1) a targeted regional strategy to increase economic opportunity for low-income and under-served people and communities; and (2) a robust regional strategy to develop and preserve the affordable housing needed by the region's low income workforce. While the region has struggled to meet these challenges in the past, there are new factors at play that make this an opportune time to tackle these issues. The collaborative efforts brought together by FOCUS and the SCS are brought to the next level by opening the dialogue and planning process to community-based organizations committed to affordable housing development and protect against displacement. The Plan also integrates equitable development, reduction of greenhouse gas emissions and economic growth multi-sector stakeholders around spatial distribution of development, opportunity and income mobility.

Steps to Move from Plan to Action

The major elements of the proposed Regional Prosperity Plan are designed to move the FOCUS and SCS Plans into action, with a priority given to steps that will address the jobs and housing needs of low income people and communities. These steps fall into three major areas of work:

1. Develop the Economic Opportunity Strategy

- Mobilize and engage key stakeholders, including representatives from underserved communities that have been impacted by displacement and gentrification, the micro and small business community; industry sectors that have been negatively affected in the past decade (such as Production, Distribution and Repair); workers' wage-groups and sectors; business leaders in strong economy sectors; economic and workforce development officials; local communities; regional organizations;

and the various parts of the economic infrastructure that support economic competitiveness and social equity.

- Conduct targeted analysis to better understand the region's employment and workforce potential at the regional, sub-regional and local levels. This will build off of work already conducted by MTC, ABAG, local economic organizations, and the Bay Area Council Economic Institute. It will include assessing the region's economic trends to identify Industries of Opportunity and Places of Opportunity. It will also evaluate existing clusters and industry-training programs through interviews with key stakeholders for input on how to support businesses that provide opportunities to underserved communities.
- Host convenings of all stakeholders to review and respond to data, gather qualitative information, and collaborate on opportunities, strategies and barriers.
- Write the Strategy, which will target the key economic and social barriers to good quality job growth in key sectors encountered by disadvantaged populations and communities.

The Economic Opportunity Strategy will define the methods that can best support Industries of Opportunities and Places of Opportunity. It will:

- Support sectors encouraging workforce development in underserved communities
- Enable opportunities for regional coordination (policy, incentives, financial, etc.);
- Engage the businesses, organizations, and agencies necessary for maximum success;
- Develop strategies to retain existing business and support new regionally-generated business;
- Make policy recommendations that address regulation, public-private collaboration, and regional governance issues related to economic development;
- Propose changes in employee hiring procedures to enable job access for disadvantaged individuals;
- Propose changes in zoning, fees, taxes, and regulatory measures to grow industries of opportunity;
- Look to coordinate workforce investment board funds across counties to strategically target industries of opportunity;
- Propose changes in the delivery of job and skill training by Workforce Investment Boards and other funders of workforce programs.
- Align short and long-term transportation planning to maximize access to current and future employment centers that serve industries of opportunity

2. *Develop Tools and Strategies to Create and Preserve Affordable Housing and Prevent Displacement*

Housing the Workforce will develop the tools and strategies needed to move from plan to action:

- Funding Gap and Strategies Analysis: This analysis will explore potential funding sources to be leveraged at the State, Regional, and Local level for both production and preservation of affordable housing. It will identify new incentives for affordable housing construction and acquisition/rehabilitation programs.
- Zoning Tools to Remove Barriers for Affordable Housing in TOD, including *GreenTRIPS*, an up-to-date, credible, single source database for estimating parking demand and trip generation in TOD. This database would have a simple GIS-based web interface eliminating the information gap between community members, city staff, and developers and would save money for cash-starved planning departments.
- Regional Early Warning System for Gentrification: The Consortium will develop and maintain a system to identify and track communities experiencing or likely to experience displacement. The warning system will build on successful models that have been used to predict gentrification

patterns based on trends in housing costs, neighborhood income levels, and conditions that correlate with these trends.¹⁵ The consortium's Equity Collaborative and a research institution will develop the tracking system, implement it, and maintain it.

- **Real-time Development Tracking Dashboard**: This tracking tool, which can be replicated at the local level, will allow the Consortium to monitor the pipeline and approvals of housing projects by affordability level and by neighborhood to monitor shifts in development patterns.

3. *Engagement, Capacity Building and Knowledge Sharing*

Underpinning the work to develop the Regional Prosperity Plan and the tools and strategies for Housing the Workforce will be a series of activities designed to build capacity of jurisdictions and community-based organizations and share knowledge among Consortium partners. These will include:

- **Community Workshop Grants to CBO's** developing the Economic Opportunity Plan, to facilitate participation of local groups and people of target groups through the process of plan development. This will provide appropriate resources for organizations that do not have existing funding for planning and policy engagement.
- **Education and Training** for employers, unions, CBO staff and people living in underserved communities on economic development, data analysis and interpretation.
- **Peer-to-Peer Exchange** for cities on pilot projects and other key actions identified in the Plan.
- **Leadership Development** for grassroots organizations to participate in economic prosperity planning, building into a train-the-trainer program for workforce development and job access.
- **Community Engagement and Response Grants** to provide support to jurisdictions and CBOs in communities at-risk of gentrification, identified by the early warning system. These grants will be used to engage impacted residents and small businesses and to adapt or adopt local neighborhood and housing stabilization policies. Funds would be allocated through a competitive process. Engagement efforts will also be conducted in communities that have job and transit opportunities to build support for affordable housing.
- **Intra-Consortium Capacity Building and Knowledge Sharing**, including documentation of best practices, regular meeting sessions for partner dialogue, internal information sharing, and organizing and sharing data and analysis to make it accessible to all stakeholders.

Implementation Projects

Activities undertaken to develop the Economic Opportunity Strategy, to create tools and strategies for Housing the Workforce, and to engage and build the capacity of community-based organizations and other partners will result in targeted implementation projects throughout the region. These will address core issues, from the development of new affordable housing projects to the implementation of local workforce development programs.

The Economic Opportunity Strategy will identify 4-6 pilot projects to be implemented during the course of the grant. These will provide precedents for the establishment of collaborative engagement across community organizations, public agencies, the private sector, and policy organizations. The potential to

¹⁵ Pollack, S., Bluestone, B., Billingham, C. (2010). Maintaining Diversity in America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change. Dukakis Center for Urban and Regional Policy (available at <http://www.dukakiscenter.org/TRNEquity>).

establish this collaboration as well as its sustainability will be a prerequisite to the selection of projects. Examples of anticipated projects include:

- A local business attraction strategy that targets attracting Industries of Opportunity to Places of Opportunity on a central, transit served job center or corridor. (i.e. Oakland, San Jose, San Pablo)
- A local economic development strategy that targets attracting Industries of Opportunity to an underserved community (i.e. Richmond, East Palo Alto)
- A workforce training or job placement program for low- and moderate-income workers in a particular Industry of Opportunity (i.e. health care or education)
- A regional industrial land revitalization campaign for small businesses
- Small business clusters in new industries (i.e. ‘new food production industries’)

The Consortium has also identified specific Housing the Workforce pilot projects that will serve as models:

- Implementation of affordable housing funding strategies in 2-4 pilot communities or areas where there is concern about displacement.
- Acquisition/rehabilitation demonstration projects designed to stabilize housing units in 2-4 pilot cities, fine tuning local policies and incentives to develop these projects.
- Work with 2-4 cities to implement policies in communities with deed restricted housing that is at risk of converting to market rate housing, refining local policies and incentives to maintain affordability in a significant number of at-risk units.
- Implement the trip generation database for 2-4 pilot cities and/or areas of concern.
- Implement Housing Elements in 2-4 cities by rezoning sites, implementing jurisdictional policies to make local plans consistent with the regional FOCUS/SCS.
- Provide pre-development funding to support promising projects that stabilize neighborhoods and advance community-based plans.

Community Engagement

Economic prosperity can only be realized for people of all incomes and in all communities when the region’s stakeholders work together to address the economic and social disparities that exist in the Bay Area. The Consortium will conduct a targeted and meaningful public engagement process that will be strengthened by organizations with experience working with underrepresented groups. Race, class and geographic representation will be an important part of this integrated effort to create new economic prosperity and affordable housing for low- and moderate-income residents of the Bay Area.

While regional planning is not new in the Bay Area, and there are some very sophisticated regionally focused non-profit organizations, relatively few community based organizations have received resources to support their participation in the regional planning discussions. Nonetheless, the commitment of a growing number of these groups to engage in the regional framework despite their geographic distances and lack of resources has informed the authenticity of this Plan.

The Development of the Economic Opportunity Strategy and the Housing the Workforce Component will be done in partnership with underrepresented communities, not just for them. Underrepresented communities, including but not limited to low- and moderate-income households, people of color, people living in underserved communities, people living in public housing, people with disabilities, and limited English speakers will be incorporated in the following ways:

- At least 12% of the overall grant budget will be committed to funding capacity building for nonprofit and community-based organizations dedicated to promoting equitable planning and policy outcomes.

- At least 15% of the overall grant budget will be dedicated to efforts to engage the public on these issues.
- Pilot programs, described earlier in this application, will be complemented with a community engagement process to determine community needs in cooperation with city representatives whenever possible.
- The Regional Prosperity Plan will incorporate the Regional Fair Housing and Equity Assessment (FHEA), including an identification and assessment of segregated areas and areas of increasing diversity and/or racial/ethnic integration; racially/ethnically concentrated areas of poverty; access to existing areas of high opportunity; major public investments; and fair housing issues, services, and activities.
- All public engagement efforts will target the involvement low-income communities in local planning and investment decisions, particularly in areas vulnerable to displacement, and all planning processes will be linguistically accessible, transparent, and understandable to local residents. Resident priorities and recommendations will be incorporated into planning outcomes in low-income neighborhoods, and the Consortium, with its Equity Collaborative, will share decision-making power about core development issues with community stakeholders – particularly residents who are low-income, immigrants, and people of color – in a way that directly influences outcomes.

Private Sector Engagement

Meaningful private sector engagement in the context of the Bay Area’s Regional Prosperity Plan must (1) utilize private sector input to identify the challenges it faces, (2) provide opportunities for its representatives to contribute to the planning process, and (3) support the private sector’s ability to implement the Plan, now and beyond the life of the SCRIP grant, through policy and systems development.

Comprehensive engagement will demonstrate sensitivity towards the diversity of the region’s private sector. Industry-based outreach will be tailored according to, among other things, business-size, regional prominence, and cultural characteristics such as minority ownership. Place-based outreach will include the engagement of key cities and metropolitan areas, business owners in underserved communities, developers with a focus on equity and inclusion, TODs, chambers of commerce, and business clusters.

The Economic Opportunity Strategy proposes to engage the private sector in at least four ways:

- Development of a baseline analysis of the regions’ economic vitality and labor force engagement and underutilization (including demographic and geographic challenges of unemployed communities).
- Highlighting best practices of economic inclusion such as existing workforce development efforts, social enterprises, and private sector champions of inclusion.
- Identification of key challenges and barriers to full inclusion. Representatives of labor, workforce development, and business will be encouraged to participate as members of the Economic Opportunity Work Group.
- Development of a set of recommendations for greater inclusion. The data analysis component of the Strategy will give the private sector the chance to describe the opportunities and challenges associated with providing economic opportunities to underserved communities.

Use of Existing Assessments and Information

The FOCUS plan, SCS and the proposed Regional Prosperity Plan have all been informed by regional and local housing, demographic, economic, and land use analysis. Some of the major efforts regional agencies have conducted include analysis of housing conditions and needs, recent economic trends and projections, changing demographics in the region, assessment of PDAs potential and constraints, transit oriented development policies, changing land use patterns, integration of cities and schools, equity analysis, and development without displacement assessment and policies.

The Consortium will draw upon data on demographic trends (including patterns of income and racial segregation), patterns of affordable housing (including subsidized units and Section 8 tenants), and Housing Element compliance, among other sources, to inform the selection of pilot areas and policy approaches to promote a more equitable distribution of affordable housing. Data on patterns of gentrification and displacement, including displacement pressures resulting from transit investments, will be used to help select pilot areas and policy approaches to address the need for strong preservation and tenant protection policies.

Involvement of Public Agencies

The Regional Prosperity Plan will be completed through a partnership with public agencies, such as city economic development and housing departments. Local public agencies, the regional HUD office, and State agency representatives will be included in planning efforts to ensure that this work is linked with funding and programs initiated at the federal or state level. Public agencies will also be invited to participate in the Economic and Housing work groups. Each pilot project will have a tailored set of stakeholders, but pilots that seek to create new job opportunities or economic development in places of opportunity will engage major landowners and current and future employers in these places. The pilot projects proposed will directly involve public agencies in a number of ways. For example:

- The development dashboard tool will provide resources to local and regional agencies to improve their development tracking capacity.
- Caltrans (State of California) and the Bay Area Air Quality Management District (BAAQMD) are currently gathering data for a Smart Growth Trip Generation study. Caltrans' work could help provide a base for rolling the database and web interface out to a state level once proven.
- Projects to stabilize underserved communities will be implemented in conjunction with local public health and human services departments and agencies, housing authorities, workforce investment boards, business improvement districts, and others.

3. Governance and Management

Rationale for Selecting Partners

As noted in Section 1, The Consortium membership includes cities and counties representing more than 50% of the region's residents, plus regional agencies, community based organizations, labor unions and local labor federations, advocacy groups, community foundations, business interests, and academic institutions. Consortium members were involved in the development of FOCUS, are actively participating in the SCS, and worked collaboratively to develop this proposed work plan. All are committed to working together to build a more sustainable, equitable and robust San Francisco Bay region.

Structure of Consortium and Responsibilities of Members :

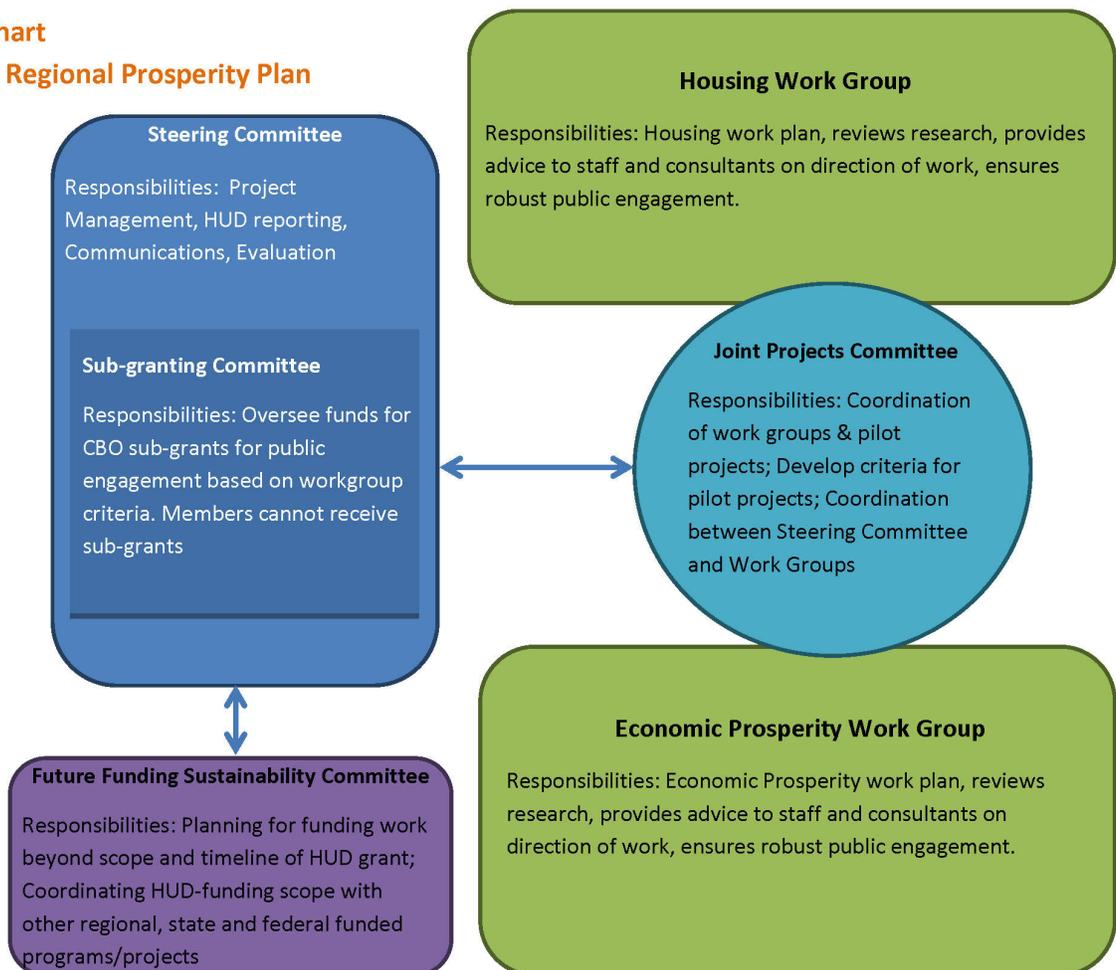
Steering Committee. As detailed in Section 1, the Steering Committee will be responsible for overall project management, reporting to HUD, communications, evaluation and accountability.

Sub-granting Committee: A subcommittee is recommended to determine funding amounts for pilot projects and overseeing and monitoring of funds. Members of the subcommittee cannot receive grants for the duration of the three year funding cycle.

A Housing Work Group and an Economic Opportunity Workgroup will be established to oversee the two major areas of work. Each will be responsible for oversight of their respective work plans, including reviewing findings of research, providing strategic advice to staff, community organizations, and consultants on direction of work, ensuring robust public engagement, developing criteria for and identifying pilot projects to be undertaken. Each workgroup will form sub-committees, including those for housing production, anti-displacement, workforce development, economic development and others. Membership in each group will be open to any interested organization and will include a broad range of CBOs, public health agencies, Housing Authority staff, Tenant groups, Economic Development Agency Staff, Business Associations, Workforce, Labor and Economic Development reps regional nonprofit staff and others. Each workgroup will have three co-chairs. *The Joint Projects Committee* will be responsible for coordination of work groups and pilot projects, and coordination between the Steering Committee and Work Groups.

Future Funding Committee. This committee will be responsible for funding continued work beyond scope and timeline of the SCRCP Grant and coordinating the grant-funding scope with other regional, state and federal funded programs and projects. Invited members will include local, regional and national philanthropic partners; MTC; ABAG; the Regional HUD, EPA, and FHWA/FTA offices; California Housing and Community Development office, and others.

Summary Chart
SF Bay Area Regional Prosperity Plan



A detailed Consortium Organization Chart (Appendix 1) provides additional details on each committee and sub-committee, including membership and co-chairs.

Consortium Decision-Making Processes and Strategies to Ensure Participation of Under-Represented Populations

The Consortium will develop its Memorandum of Understanding and its operating protocols to include the following principles:

- The Consortium is structured to ensure that under-represented populations have a seat at the table at all levels of decision-making.
 - Each workgroup has a reserved co-chair seat for a CBO representing underserved communities, a demonstrated capacity around community engagement, and subject matter expertise related to committee goals.
 - Each workgroup incorporates the Equity Collaborative.
 - These workgroup co-chairs will also have seats on the Steering Committee.
- The Workgroups, Joint Projects Committee and Steering Committee will make decisions using a consensus model, a system in which traditionally under-represented stakeholders are more likely to have their input affect decision-making and governance. The model will work with “levels of agreement” to allow the group to come to agreement, rather than forcing members to block decisions.
- The Committee meetings will allow for structured participation by non-members at appropriate junctures.
- The Consortium will endeavor to regrant in underserved communities and to CBOs with sufficient capacity to support the activities proposed. Contracting with consulting firms will only occur when specialized expertise is not available in the public or non-profit sector.
- All Committees will meet at least monthly in the first year.
- The development of guidelines for the Pilot Projects and other granting processes will be informed by the committees and finalized by the sub-granting committee, whose members will not participate in grant applications.

During the initial 120 day period following the grant award, Consortium members will work to further develop and refine the Consortium structure and functions, as well as drawing in additional members.

Budget for Outreach and Engagement

The project includes a total budget of \$800,000 for public engagement grants to CBOs, including \$760,000 from the requested HUD funds (15% of grant budget) and \$40,000 in applicant match.

4. Project Completion Schedule

Implementation Schedule

See Timeline Chart at end of this section (Page 22).

Mechanisms to Advance Economic Opportunity

The entire initiative is designed to advance economic opportunity for low income households, through: (1) development of an Economic Opportunity Strategy that will understand, strengthen and expand economic opportunities for low- and moderate-income individuals by creating new job opportunities or improved job access in both transit-served job centers and in communities with a strong concentration of

unemployment and poverty; (2) implementation of strategies to produce housing affordable to low income households and prevent displacement from transit rich neighborhoods. Priority for the work outlined in this proposal will be offered to Bay Area cities, counties and non-profit agencies in order to bolster the strength of the region relative to the technical and planning needs outlined in this grant. Specific measures to build inclusive communities free from discrimination and advance access to economic opportunity are also addressed in Section 3b1.

c. Budget Proposal – (Attachment)

d. HUD’s Departmental Policy Priorities

1) Capacity Building and Knowledge Sharing

The proposed initiative will adopt four methods to advance capacity building and knowledge sharing. First, the Consortium will work with participating jurisdictions and regional and local NGOs to help local partners assess their community economic and housing needs. Consortium meetings, cross-cutting work groups, and leadership trainings will build the skills, technical expertise, and regional perspective of all participants, and provide multiple forums for sharing information. These activities will be for parties participating in the Consortium and other affiliated groups. The tools, models, and best practices developed in the process will guide the communities in the region, and serve as a model to state and federal policymakers.

Second, Consortium members will meet regularly with equity and economic advocacy groups to help them formulate platforms for engaging at the regional level and with their own constituencies around sustainability. Consortium partners reflect a broad range of housing advocacy NGOs and community-based organizations. Grant partners will co-host events, develop on-line tools, and organize participation in local decision-making. Specific funding will be made available for building the capacity of community-based organizations to participate in decision-making and planning processes, and coordinate on cross-programmatic, place-based approaches through grant making and technical assistance.

Third, through a partnership with the Ford Foundation, our region is gaining perspective on demographic shifts for our regional planning efforts through the University of Minnesota’s Institute on Race and Poverty (IRP). The Consortium will work with IRP over the next 5 years through the Great Communities Collaborative and will share this information and the related learning sessions broadly with all partners.

Finally, the Consortium looks forward to working with HUD’s technical assistance grantees on data generation, data analysis, learning about others’ work, identifying ideas that could be imported to the Bay Area, as well as dissemination of our innovations. In particular, the Consortium has established partnerships with PolicyLink, Center for Neighborhood Technology, and Reconnecting America.

(2) Expand Cross-Cutting Policy Knowledge

The viability of the Consortium’s current and future work relies on accurate, managed data to convey the state of the region. Integrating multi-agency policies and leveraging resources requires definitive evidence of which policies work and how, and a plan for public dissemination. In addition to metrics showing the benefits of compact development in complete communities, the proposed initiative intends to develop systems to measure land preservation, levels of public and community participation, changes in concentration of poverty, job access, housing and transportation costs, VMT, infill construction and proportion of low and very-low households within a 30-minute transit commute to major employment areas. Additional performance measurement ideas will come out of work being developed by our SCS Regional Advisory Working Group (RAWG) performance measures working group.

Sample indicators include current and future housing and jobs, densities, population, age, household data, income, race/ethnicity, housing affordability, displacement, access to services, parks and open space, schools, crime and public safety, entitlement processes, community concerns, stakeholder support, redevelopment potential, market attractiveness, challenges to growth, funding need, Return-on-investment, and funding sources. To inform the Economic Opportunity Plan, data will be used to identify Industries of Opportunity, Places of Opportunity, and Underserved Communities to better understand how a consortium of regional stakeholders can enhance the economic prosperity of the region by addressing the economic and social barriers that hold back our underserved populations.

Regional agencies currently use a variety of planning targets for short and long range planning that should inform this process including 1) reduced VMT and 2) greenhouse gases, 3) decreased concentration of poverty, 4) decreased trip lengths, 5) reduced transportation and housing costs, 6) increased jobs access via transit and 7) reduced health risk exposures for at-risk communities.

Assessment findings and planning work will be reviewed with local governments (including policymakers and staff), MTC and ABAG committees, and the RAWG. Findings will be incorporated into informational pieces for public meetings, websites, and to support community engagement activities.

Rating Factor 4: Match, Leveraging Resources and Program Integration

Match Commitments: See Rating Factor 4 Form. Total applicant match is \$2,383,440 (48% of grant fund requested).

Integration with State Planning Activities

The proposed project is closely aligned with the State of California's objectives in the area of sustainable development. To meet the SB 375 requirement by the California Air Resources Board to adopt regional greenhouse gas (GHG) reduction targets for reducing greenhouse gas (GHG) emissions from cars and light trucks for each of the 18 major regions targets, the Bay Area has set a target of 7% by 2020 and 15% by 2035. SB 375 then requires regional agencies – MTC and ABAG – to develop a regional Sustainable Communities Strategy (SCS) to meet the targets. The FOCUS Plan is foundational to and strongly aligned with this effort, since it establishes the PDAs where approximately two-thirds of the development will be directed to meet these targets. FOCUS ensures local land use plans create a more sustainable and equitable pattern with local community support in order to meaningfully address the goals and requirements of SB 375.

Further, FOCUS and the SCS will assist the region to implement California's updated Regional Housing Need Allocation process and subsequent rezoning of properties for affordable housing. Long a barrier to the construction of affordable housing, the work outlined to advance affordable housing construction and preservation, along with the education of key community constituents, will be powerful tools to support this state process. A letter from the State of California Department of Housing and Community Development is attached, attesting to the alignment of this proposal with the state's sustainable development initiatives.

Integration with Federal Planning Activities

The proposed Implementation Plan is integrated with numerous federal planning activities, including:

- The Bay Area Federal Partnership (ReConnecting America, FTA, Caltrans, HUD, EPA, MTC & ABAG) which is working to link jurisdictions in the FOCUS plan with federal resources
- Planning for the use of federal transportation funds is integrated into FOCUS, particularly through \$200 million in Transportation for Livable Communities and Station Area Planning grants administered by MTC and ABAG.
- The Economic Opportunity Strategy will integrate federal Workforce Investment funds to align with places and industries of opportunity.
- The Housing the Workforce component will undertake a regional Analysis of Impediments to Fair Housing, in accordance with federal requirements. The Affordable Housing pilot projects will be consistent with the Consolidated Plans of the jurisdictions in which they are located.

MTC and ABAG are also participating in a key effort to better align regional, state and federal resources. The Region 9 HUD, EPA, and DOT offices (including NHTSA and FTA) and MTC/ABAG have created an ad hoc working group to discuss how to achieve the Sustainable Communities Partnership principles in the region. Representatives of the California Department of Transportation and Housing and Community Development along with ReConnecting America staff are also regular participants. The Group has been meeting regularly for 16 months to get a better understanding of each other's programs, seek opportunities to align those programs, and share information with local communities in order to bring value to existing State and local sustainability initiatives. The group has identified a Bay Area Rapid Transit (BART) extension from Fremont to San Jose as a pilot project to explore opportunities to provide mutual support to the project and neighborhoods along the corridor. The group will continue to identify barriers that prevent integrated planning, to identify ways to

coordinate better, and to identify how and potentially where to focus regional, state, and federal programs to leverage limited resources for maximum affect.

Rating Factor 5: Achieving Results and Program Evaluation

Rating Factor Form 5 is attached.

The proposed project will address all the mandatory outcomes, as demonstrated below.

(1) Creation of regional transportation, housing, water, and air quality plans that are deeply aligned and tied to local comprehensive land use and capital investment plans.

The existing FOCUS Plan already establishes a comprehensive regional land-use and growth strategy that identifies priority development areas and priority conservation areas and provides a roadmap for directing capital investment to the PDAs. The FOCUS plan is aligned with and incorporates the objectives of existing transportation plans (the RTP), housing goals (RHNA), conservation plans (San Francisco Bay Plan) and air quality plans (2010 Clean Air Plan).

(2) Aligned federal planning and investment resources that mirror the local and regional strategies for achieving sustainable communities.

The existing FOCUS plan is a regional development and conservation strategy based upon the a link between local land-use plans and regional agency objectives relative to where new growth should be directed and where areas should be protected. The plan provides the roadmap for aligning federal, state and local investments in housing, transportation, and resource conservation. The proposed Economic Opportunity Strategy will develop strategies to align these investments with a regional economic development and workforce development strategy.

(3) Increased participation and decision-making in developing and implementing a long range vision for the region by populations traditionally marginalized in public planning processes.

The Regional Prosperity Plan will create process and structures to engage underrepresented communities at all stages of the process. The Consortium is structured to involve all interested stakeholders, including low-income, minority communities and other disadvantaged groups in the Bay Area in overall planning and decision-making. Community engagement is also at the core of both of the two major work areas: the Economic Opportunity Strategy and Housing the Workforce. This will allow communities with the most to gain from the work proposed to be actively involved with the development of all work products from beginning to end.

(4) Reduced social and economic disparities for the low-income, minority communities, and other disadvantaged populations within the target region.

The overall goal of the Regional Prosperity Plan is to develop additional planning processes and implementation steps to reduce social and economic disparities for low income communities throughout the region. This proposal will invest in catalytic implementation projects that will help the Bay Area regain employment in middle-income jobs with career ladder opportunities while encouraging continued growth in existing business areas. The proposal will result in the most comprehensive plan yet to address economic disparities among Bay Area households and workers, while increasing the supply of stable, affordable housing in transit served communities near these places of employment.

(5) Decrease in per capita VMT and transportation-related emissions for the region.

By focusing on strategies to create affordable housing and jobs in transit-rich PDAs while simultaneously preventing displacement of existing residents, the Regional Prosperity Plan will result in a decrease in per capita VMT and transportation-related emissions by shortening distances to work and increasing the viability of transit options.

(6) Decrease in overall combined housing and transportation costs per household.

Over the past 15 years the Bay Area has seen a historically large *increase* in combined housing and transportation costs. The Regional Prosperity Plan intensively focused on reversing that by dramatically increasing number and affordability of homes built near transit where residents can own fewer vehicles, maintain the existing supply of low cost structures and preventing replacement with higher driving, higher costs apartments.

The proposed plan also aims to strengthen Places of Opportunity – job centers that are accessible to people of all incomes because they are located near high quality regional transit and provide a range of housing choices. By identifying these places, the plan enables both the provision of resources to such places to ensure their continued viability, as well as helps other communities to replicate conditions that make a Place of Opportunity.

(7) Increase in the share of residential and commercial construction on underutilized infill development sites that encourage revitalization, while minimizing displacement in neighborhoods with significant disadvantaged populations.

The Housing the Workforce component of the Regional Prosperity Plan is devoted to ensuring that affordable housing is created on underutilized infill development sites and simultaneously minimizing displacement.

(8) Increased proportion of low and very low-income households within a 30-minute transit commute of major employment centers.

This project provides a comprehensive approach to this solution by focusing on both on creating jobs and housing in established, transit-served communities.

Bonus Points for RC/EZ/EC Activities

The Consortium is requesting this application be awarded two bonus points for proposed activities furthering the strategic plan for a designated Renewal Community (RC). A HUD Form 2990 from the City of San Francisco is attached in the supplemental materials (Exhibit 3).