

ABAG Report to MCCMC¹

September 2024

EXECUTIVE SUMMARY: This report includes a synopsis of status of Regional Bond Measure and Expenditure Plan for Housing; Proposition 5: Affordable Housing and Public Infrastructure Vote Threshold; Proposition 4: Authorizes \$10B in General Obligation Bonds for Safe Drinking Water, Wildfire Prevention and Protecting Communities and Natural Lands from Climate Risks; Plan Bay Area 2050+ Final Blueprint Progress Update; and update on the Bay Area Regional Collaborative.

REGIONAL BOND MEASURE AND EXPENDITURE PLAN FOR HOUSING (RM4): As you may know, on August 14, 2024 the BAHFA Board pulled RM 4 - the Regional Bond Measure and Expenditure Plan for Housing – off the ballot for the November ballot just prior to the deadline. This was pulled after hearing from advocates, funders and other supporters that they needed to focus their energy and resources on Proposition 5. Any future regional housing bond would benefit from the Passage of Proposition 5, as would other local bonds for transportation, climate adaptation and resilience and other local infrastructure investment priorities that align with MTC and ABAG’s work. In 2025, we plan on talking about next steps for housing.

PROPOSITION 5: AFFORDABLE HOUSING AND PUBLIC INFRASTRUCTURE VOTE THRESHOLD: The ABAG Executive Board on September 13, 2024 voted to support Proposition 5 that will be on the November 2024 ballot.

Under Article XIII A of the California Constitution, passing local bonds for any purpose except school facilities requires support from 2/3rds of voters. Local school bonds enjoy a lower voter threshold to local bonds for affordable housing and public infrastructure. MTC and ABAG supported the state’s Legislature’s efforts to place it on the November 2024 statewide ballot via AB 2813 (Aguiar-Curry, 2023/4). MTC and ABAG also supported AB 2813 (Aguiar-Curry, Statutes of 2024) which defines terms used in Proposition 5 and expands accountability requirements. AB 2813 will only take effect if voters pass Proposition 5 this November.

Proposition 5 defines “affordable housing” as:

- Development of multifamily and single-family homes affordable to households earning up to 150% of area median income;
- Permanent supportive housing;
- Associated facilities serving the residents;
- Capitalized operating reserves, i.e., an account funded at the time of the development to cover shortfalls in operating revenue for supportive services, rental assistance, and other operating expenses;
- First-time homebuyer and down payment assistance programs.

AB 2813 further defines “affordable housing” to include rental, ownership and interim housing, as well as rehabilitation of owner-occupied homes. It also prohibits use of bond funds to acquire or lease rental property containing one to four housing units, with specific exceptions.

As defined in Proposition 5, “public-infrastructure” covers a wide range of infrastructure and facilities including: 1) public transit, road and highways, railroads, airports and seaports; 2) flood and sea level rise

¹ Marin County Council of Mayors and Councilmembers (MCCMC). For questions, please contact Councilmember Pat Eklund at: 415-336-9913 (cell).

protection, parks, recreation and open space; 3) police, fire, emergency medical, public health and disaster recovery; 4) utilities, including broadband access; and, 5) educational facilities and libraries.

AB 2813 specifies that public infrastructure shall not include construction or rehabilitation of sports stadiums or arenas primarily used for private ticketed activities. Additional provisions in Proposition 5 include: 1) limits administrative expenses to 5% of bond proceeds; 2) requires annual independent performance and final audits; 3) requires appointment of a trained citizens' oversight committee; and, 4) requires designation of the specific local program or ordinance through which projects will be funded; and, 5) requires all funds from a measure passed with at least 55%, but less than 66.7% support to be committed to projects/programs before voters can pass another measure with a 55% vote. Additionally, AB 2813 details the composition of the Citizen's Oversight Committee and its scope of work; requires all funded projects except public safety to have a useful life of at least 15 years; and makes necessary technical changes to effectuate Proposition 5's purpose.

PROPOSITION 4: AUTHORIZES \$10B IN STATE GENERAL OBLIGATION BONDS FOR SAFE DRINKING WATER, WILDLIFE PREVENTION AND PROTECTING COMMUNITIES AND NATURAL LANDS FROM CLIMATE RISKS: The

ABAG Executive Board on September 13, 2024 voted to support Proposition 4 that will be on the November 2024 ballot.

In July 2024, the California Legislature placed the state's largest-ever climate bond on the November 2024 ballot via SB 867 (Allen). If passed by a simple majority vote, Proposition 4 will allocate \$10B to dozens of new and existing programs administered by the CA Natural Resources Agency and its departments and boards. The \$10B is divided into 8 categories:

- 1) \$3.8B – safe drinking water, drought, flood and water resilience;
- 2) \$1.5B – wildfire and forest resilience;
- 3) \$1.2B – protecting coastal lands and waters from sea level rise and other impacts;
- 4) \$1.2B – protecting biodiversity and implementing nature-based solution;
- 5) \$850M – clean energy;
- 6) \$700M – parks and outdoor access;
- 7) \$450M – addressing extreme heat; and,
- 8) \$300M – improving climate resilience and sustainability of agricultural lands.

Of particular interest, for which we (MTC and ABAG) advocated for are:

- 1) \$765M to the CA State Coastal Conservancy for coastal resilience and flood management. Of this amount, at least \$85M is reserved for projects consistent with the SF Bay Restoration Authority Act or San Francisco Bay Area Conservancy Program;
- 2) \$100M to extend the Department of Water Resources' Integrated Regional Water Management Program; and,
- 3) \$135M to supplement the CA Wildfire Mitigation Program, which is the only state program focused on structure-hardening projects that directly protect homes from the impacts of wildfires.

Proposition 4 also contains overarching policies that are applicable to all programs funded by the bond. For example, at least 40% of Proposition 4 bond funds must be allocated for projects that provide meaningful and direct benefits to vulnerable populations or disadvantages communities. The Proposition includes a 'disadvantages community' definition that takes into account the Bay Area's high cost of living,

ensuring Bay Area communities can fairly compete for this funding. Additional provisions include: a) allows for full recovery of the agency’s cost to administer the funds awarded to the agency; and, b) reduces the administrative burden of applying for grants by allowing the state to award funding from multiple programs across departments through a single application.

PLAN BAY AREA 2050+ FINAL BLUEPRINT PROGRESS UPDATE: In July 2024, the ABAG Executive Board received a ‘first draft’ of the Plan Bay Area 2050+ Draft Blueprint. When the report was released, it was noted that several key policy areas were identified as requiring additional focus during the plan’s Final Blueprint phase over the remainder of 2024 and early 2025. These areas included:

- 1) Identifying cost-effective transportation investments that align with the plan update’s more limited transportation expansion revenues, while further optimizing pricing strategies;
- 2) Refining housing strategies to integrate development cost reduction approaches to make the most of public investment in affordable housing and refining economy strategies to better align future jobs with the region’s transit network;
- 3) Integrating updated cost assumptions related to sea level rise projects and accessibility upgrades into the plan’s environment strategies;
- 4) Increasing access to urban parks be increased in areas slated for high growth; and,
- 5) Meeting the plan’s statutorily-required GHG emissions reduction goal through targeted investments and equitable strategies.

The same month ABAG released the Plan Bay Area 2050+ Draft Blueprint, MTC released the ‘Draft Network’ Transit 2050+ which has been advancing in close coordination with transit operators, undertaking a comprehensive update to the long-range plan’s transit strategies to support network connectivity, ridership recovery and system reliability, and more.

Staff will return to the ABAG Executive Board in November 2024 to provide a more detailed update on the outreach efforts, as well as proposed refinements to the Final Blueprint strategies and assumptions. It is anticipated that the ABAG Executive Board may be considering approval of the Final Blueprint strategies in December 2024.

UPDATE ON THE BAY AREA REGIONAL COLLABORATIVE (BARC):

The Bay Area Regional Collaborative, or BARC, works to collaborate and problem-solve for 21st century challenges that impact the Bay Area, including climate change and social and economic injustice. This collaborative was established by the California state legislature ([SB 849, Torlakson, 2004](#)) to coordinate the policy and planning work of the Metropolitan Transportation Commission (MTC), Association of Bay Area Governments (ABAG), Bay Area Air Quality Management District (BAAQMD) and the Bay Conservation and Development Commission (BCDC). BARC is also known as the Joint Policy Committee (JPC).

As a forum for addressing cross-cutting challenges facing the nine-county San Francisco Bay Area, BARC’s ultimate goal is to improve the quality of life for all Bay Area residents. To achieve this, we bring together member agencies and other key stakeholders to advance collaborative, interdisciplinary work on a range of regional issues that cannot be fully addressed by any one agency. To see our current projects, please click here: [Our Work | Bay Area Regional Collaborative \(ca.gov\)](#).

BARC is comprised of a Governing Board made up of board members and commissioners from member agencies including the following:

ABAG - Association of Bay Area Governments

Jesse Arreguin, Chair
Pat Eklund
Belia Ramos
David Rabbitt

BAAQMD - Bay Area Air Quality Management District

Davina Hurt
Sergio Lopez
David Haubert
Mark Ross

BCDC – Bay Conservation & Development Commission

John Gioia
Dave Pine
Rebecca Eisen
Zack Wasserman, Vice Chair

MTC - Metropolitan Transportation Commission

Sue Noack
Eddie Ahn
Alfredo Pedroza
James P. Spering

Non-Voting Members:

Caltrans District 4 -- Dina El-Tawansy, Director

San Francisco Bay Regional Water Quality Control Board -- Eileen White, Executive Officer

State Coastal Conservancy -- Amy Hutzler, Executive Officer

BARC also actively engages the executive leadership of the member agencies in collaborative problem solving, including the leadership of BARC’s three non-voting partner agencies. BARC staff carries out work at the direction of the Governing Board, working collaboratively with agency staff and regional stakeholders to implement cross-cutting initiatives.

Over the last 10 years, BARC has made significant inroads in helping the region advance a climate resilience agenda. Recently, BARC developed and approved an Interagency Flooding and Sea Level Rise MOU. The link to the MOU is: [BARC Interagency Flooding and Sea Level Rise MOU Executed.pdf \(ca.gov\)](#).

BARC is at an important pivot point. What was launched in 2003 via state statute (SB 849) in response to the need for the regional agencies to get better coordinated and aligned to meet critical land use, transportation, air quality and climate goals has evolved into a need for deeper coordination to address climate change in the SF Bay Area. The BARC Organizational Plan update underway is necessary to bring clarity to BARC’s mission, purpose and value-added efforts in the spirit of SB 849.

BARC is embarking on the goal of bringing clarity on BARC’s role and purpose to determine the best way forward for BARC to be organized, funded and empowered to serve the Bay Area; and, fulfill its legislatively mandated role. BARC intends to develop a strategic organizational framework along with an implementation plan that will be brought back to the BARC Board for discussion and direction in late 2024 or early 2025.