



September 4, 2015

Mr. Steve Heminger, Executive Director
Metropolitan Transportation Commission

Mr. Ezra Rapport, Executive Director
Association of Bay Area Governments

101 Eighth Street
Oakland, CA 94607

Via email to all recipients

RE: Integration of “Displacement” into Plan Bay Area 2040 Performance Targets and OBAG Funding

Dear Mr. Heminger & Mr. Rapport,

We the undersigned members of the Bay Area’s business community are writing to you to object in the strongest terms to the ongoing efforts to add a new Performance Target to Plan Bay Area 2040 to address “displacement”. In November 2014 ABAG staff circulated a survey asking for input on selected “anti-displacement tools”. At that time several members of the business community contributed comments that increasing housing production to meet demand was perhaps the only proven anti-displacement tool, yet it was not on the final list circulated by staff. Let us be clear that we share the concerns of many people in the Bay Area that housing costs are rising at an alarming rate and that this is causing upheaval in many communities. Solutions must be found, however, this attempt to remedy the situation is problematic on too many levels.

First, there is a clearly defined and well-trodden path to have a target added to this process and that has always begun, or passed through the Performance Target Working Group. We are concerned that this particular proposal did not follow that path and instead came out of the Regional Advisory Working Group and then straight to the ABAG/MTC Boards for final consideration. In a complicated Plan Bay Area update process it is important that adopted procedures are followed so that all voices can be heard.

Second, by staff’s own admission, it is impossible to define what displacement actually is, quantify it, or point to its causes with any degree of certainty. Yet with unwavering certainty, they are able to identify a whole raft of adopted “Local and Regional Tools to Address Displacement”; including rent control, development impact fees, commercial linkage fees, and inclusionary housing ordinances. They do however add the qualifier that “research is inconclusive on which local policies are most effective in reducing displacement risk, or to what extent.” We would argue that many of these so called “tools” are part of the problem not the solution. They do not reduce displacement risk at all, rather they contribute to it, and we would ask that staff analyze which cities have adopted these tools and compare that list to a list of cities with the highest housing costs. We strongly suspect there will be a significant correlation and furthermore, significant causation.

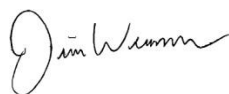
What is even more troubling is that senior ABAG/MTC planning staff are recommending that future OBAG grant funding be contingent upon a communities' adoption of this suite of "tools" right after openly stating that they have no idea if they work or not and that even if they did there was no way of quantifying how much!

Third, and finally, Plan Bay Area is a requirement of SB 375 which calls on our region to develop a "Sustainable Communities Strategy to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks." Two plus years into this plan it is clear we are not succeeding at either objective. Not a single Bay Area County came close to meeting its RHNA obligation in the 2007/14 cycle and our efforts to focus the large majority of new housing within Priority Development Areas is also failing, with just 57% of new starts meeting this goal. We are also over 20,000 permitted units behind schedule to meet the very conservative 2040 housing target set in Plan Bay Area despite a robust economy and housing market.

In recent months ABAG Planning Staff have been investing a great deal of time and energy looking for new targets and objectives to insert into Plan Bay Area instead of focusing their work on the core goals where we are so clearly failing. Proposals to include Priority Industrial Areas to the planning process, add dozens of new Priority Conservation Areas, and now to add "Displacement Risk" to Plan Bay Area 2040 might be worthy endeavors if we were meeting our core objectives but we are not. Instead they serve as distractions from, and impediments to, the most important work at hand.

The affordability crisis our region is experiencing is a direct result of the failure of governments across this region to permit sufficient housing units to meet population growth. It is that simple. Our regional bodies must bear some of the responsibility for this failure. Every day we hear from employers who no longer consider the Bay Area a viable place to grow or hire new people because of ever rising housing costs, traffic congestion, and longer commutes for workers. We urge you to focus your respective organizations on addressing this critical housing shortage and on finding ways to remove impediments to new housing starts instead of adding them.

Sincerely,



Jim Wunderman
Bay Area Council



John Coleman
Bay Planning Coalition



Paul Campos
BIA Bay Area



Kristin Connelly
East Bay Leadership Council



Gregory McConnell
Jobs & Housing Coalition



Cynthia Murray
North Bay Leadership Council



Rosanne Foust
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Cc: Ken Kirkey, Planning Director, Metropolitan Transportation Commission
Miriam Chion, Planning and Research Director, Association of Bay Area Governments